TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com ID 9105079408

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. 40 of 2024 March 12, 2024

Currency Watch			
USD	EUR	GBP	JPY
82.75	90.50	106.05	0.56

INTERNATIONAL NEWS

11	Bangladesh: Make most of LDC-linked duty benefits during extended period
12	Bangladesh: CCPIT, BGMEA mull collaboration to elevate Bangladesh RMG sector

NATIONAL NEWS	
No	**Topics**
1	16 years, 21 rounds of talks: India-EFTA free trade agreement a reality
2	Bangladesh, Sri Lanka, among countries looking to start rupee trade: Goyal
3	India embraces trade deals as cos look beyond China for alternatives
4	Aiming to boost local manufacturing, Rajasthan govt set to announce ODOP policy
5	New payments rule causes 40% drop in orders for Indore garment units

INTERNATIONAL NEWS

What U.S. Trade Data Says About Sourcing From China

Almost two years after the Uyghur Forced Labor Prevention Act, or UFLPA, took effect in the United States, its impact on trade patterns is palpable, new research has found.

It's not just China that cotton-sourcing companies are swerving, either, said Sheng Lu, associate professor of fashion and apparel studies at the University of Delaware, but Asia in its entirety.

Only 71.6 percent of U.S. apparel imports hailed from Asia in 2023, the lowest in five years, according to data from the International Trade Administration's Office of Textiles and Apparel, better known as OTEXA.

The number dovetails with the results of a U.S. Fashion Industry Association benchmarking survey, which revealed in July brands and retailers' overwhelming desire to diversify their sourcing away from the continent amid increasing geopolitical strain, particularly the increasing economic and national security rivalry between the United States and China.

The same trade data shows a progressive decline in the share of cotton-containing apparel landing on American shores from China, from 26.5 percent in 2018 to 11.8 percent in 2023. Between 2018 and 2022, cotton imports from other Asian countries rose from 47.6 percent to 59.3 percent as companies scrambled for alternatives to China in response to increasing scrutiny over the Xinjiang Uyghur Autonomous Region, which the UFLPA targets with a rebuttable presumption. In 2023, they fell to 58.8 percent—an early sign, Lu said, that enforcement on shipments from neighboring nations such as Vietnam, which has superseded China in rejected shipment value, is having an effect.

He said that China also "deliberately" decreased the percentage of cotton products in its apparel exports to the U.S. market, dropping from nearly 40 percent in 2017 to only 25 percent in 2023. In comparison, cotton apparel consistently represented roughly 45 percent of total apparel imports to the United States during the same period.

There are two trends worth watching in 2024, Lu said. First, with growing calls for bolstering the UFLPA's enforcement, could U.S. fashion firms "substantially reduce" man-made fiber or other non-cotton apparel imports from China? "Notably, China is also ambitiously expanding the Xinjiang region's capacity to make polyester and viscose fibers, which are widely used in clothing products," he said.

Second, other Asian countries may begin or accelerate efforts to shore up local textile industries that are less dependent on China's raw material supply. These new investments "could also strengthen these countries' competitiveness in offering sustainable apparel products, including those made from recycled textile materials," Lu added.

So far, Asia's contracted market share has not benefited nearshoring in the Western hemisphere "much," he said. In 2023, some 14.6 percent of U.S. apparel imports originated from United States-Mexico-Canada Agreement and Dominican Republic-Central America Free Trade Agreement members, nearly the same as the 14.3 percent logged in 2022.

Instead, U.S. apparel imports from countries outside Asia and the Western hemisphere, including some emerging European and African suppliers such as Turkey, Romania, Morocco and Tunisia, perked up from 9.8 percent in 2022 to 11.4 percent in 2023.

"We could highly expect the sourcing diversification strategy to continue in 2024 as many companies regard the strategy as the most effective to mitigate various market uncertainties and sourcing risks," Lu said.

But will American companies end up blanking China? No, Lu said. Though shipments from China may no longer make up the bulk of apparel imports for many U.S. fashion companies—trade data shows that they hit a "new low" of 20 percent in value and 25.9 percent in quantity in 2023—the Asian superpower remains highly competitive with its sheer breadth of offerings.

"The export product diversification index…shows that few other countries can match China's product variety," Lu said. "Likewise, product-level data collected from industry sources indicates that China offered far more clothing styles, measured in SKUs, than its competitors in 2023."

Rather than trying to identify one or two "next Chinas," American brands and retailers appear to be tapping "category killers," say Vietnam for outerwear and swimwear, India for dresses and Bangladesh for high-volume basic knits.

What else?

Zooming out, U.S. apparel imports suffered the most significant decline since the pandemic in 2023, plunging by 22 percent in quantity and value versus 2022, with none of the top 10 suppliers experiencing positive growth. There was a slight bounceback in December, however, due to the holiday season and some measure of improvement in the U.S. economy. Seasonally adjusted U.S. apparel imports in December 2023 were 4.5 percent or so higher in quantity and 4.2 percent higher in value than the previous month. The Consumer Confidence Index, which saw an uptick from 67.2 in November to 76.4 in December, also suggests that American households were more willing to shell out during this time.

Even so, an International Monetary Fund forecast in January still predicts a throttling of U.S. Gross Domestic Product growth from 2.5 percent in 2023 to 2.1 percent in 2024, meaning that whether American apparel import volumes can continue to maintain growth after the holiday season "remains a big question mark," Lu said.

2024 could pose another year of financial challenges for many U.S. fashion companies, he said, adding that while the "pace of sourcing cost increases has slowed, the costs and financial pressure facing U.S. fashion companies are far from over." At 106, the price index of U.S. apparel imports showed no change between January and December 2023.

Coupled with mounting costs due to the Red Sea shipping crisis, which was not reflected in the December price data, and an apparel retail price index that has declined since August, U.S. fashion companies may have to "sacrifice their profits to attract consumers to the stores," Lu said. Per J.P. Morgan, during the week of Jan. 25, container shipping rates from China to East and West Coasts saw a "significant spike" of 120 percent and 140 percent from November 2023, respectively. "Even worse, there is no sign that the Red Sea crisis will soon be solved," Lu added.

Source: sourcingjournal.com– Mar 11, 2024

HOME

****

Achieving China's 5% real GDP growth target 'quite challenging': Fitch

Achieving the Chinese government's target of real gross domestic product (GDP) growth of 'around 5 per cent'—unveiled at the National People's Congress (NPC) annual legislative session recently—will be 'quite challenging' in the current environment, according to Hong Kong-based Fitch Ratings.

The higher spending announced, while contingent liability risks for the government remain elevated, adds to medium-term pressure on China's fiscal finances, Fitch said in a research note.

In its December 2023 Global Economic Outlook, the rating agency projected China's economy would expand by 4.6 per cent this year.

Though the headline fiscal deficit and special bond issuance figures announced at the NPC were in line with expectations, the Fitch-adjusted fiscal deficit pointed to a loosening of fiscal policy relative to the rating agency's previous assumptions.

Overall demand remains subdued, despite some consumer sector bright spots.

Fitch has long viewed fiscal risks in China as higher than the official government debt metrics suggest, given perceptions that these entities carry implicit state support.

It expects the authorities to maintain accommodative monetary policy settings. The economy is still struggling with broad-based deflationary pressures, keeping inflation far below the 3-per cent target announced during the NPC session. Fitch expects some further modest monetary easing, but the risk of more persistent deflation remains significant.

The relatively modest size of China's advanced sectors means that it may be difficult for rapid growth in these areas alone to offset weakness in other parts of the economy.

Source: fibre2fashion.com– Mar 11, 2024

HOME

****

China domestic yarn price unfavorable to Indian and Pakistani suppliers

From March 6th to 8th, Shanghai Yarn Expo was held as scheduled at the Shanghai National Exhibition and Convention Center. Although the yarn exhibition was slightly earlier than in previous years, the popularity surpassed the autumn/winter exhibition in 2023. The venue was crowded with people, and many companies from the entire industry chain gathered to discuss and consult. Companies such as Shanghai DiW, Wuxi Yimian Textile, and Sateri, once again occupied the spotlight, attracting numerous potential customers for discussions. The size of the overseas exhibition area was reduced compared to the previous autumn/winter exhibition, mainly featuring the Indian and Pakistani exhibition teams. Old faces like India's Excel, Amar, Glossy, and Pakistan's Fazal, Global Tex were prominent, while few local Vietnamese yarn mills participated, with Phu Group being the main representative. Indonesian companies Indorama and Duniatex also garnered some attention.

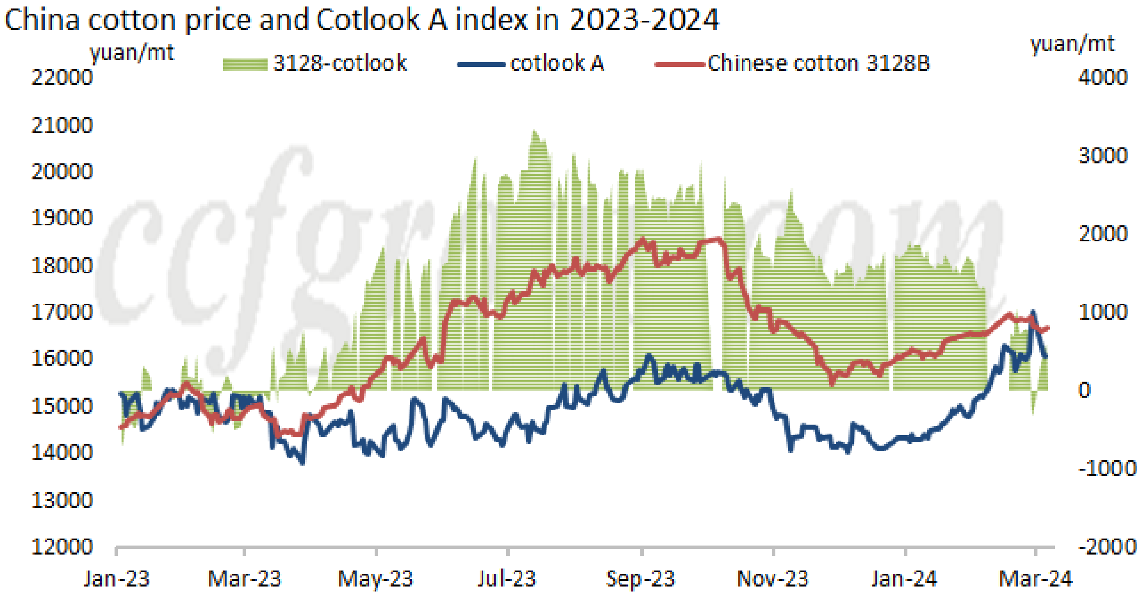
Imported yarn prices and domestic prices are showing divergent trends

Description	USD price (Unit: $/kg)	Ordering cost (Unit: yuan/mt)	Spot price (Unit: yuan/ mt)	Futures-spot basis (Unit: yuan/mt)
Vietnamese OEC21S for weaving contamination free	2.35	19500	19200	-300
Vietnamese C32S for weaving contamination free	3.08-3.1	25500	24300	-1200
Pakistani SiroC10S contamination free	2.65	22000	22000	0
Indian C16S	2.65-2.68	22800	21700	-1100
Indian C21S	2.75-2.77	23600	22600	-1000
Indian C32S	2.95	25300	23600	-1700
Indian compact-spun 32S	3.25-3.3	27900	25800	-2100
Indonesian compact-spun 32S for knitting contamination free	3.5	28900	27500	-1400
Indonesian C32S for knitting contamination free	2.98	24700	24000	-700

After the Chinese New Year holiday, prices of US cotton, Indian cotton, and Pakistani cotton all rose simultaneously, resulting in a staggered increase in foreign yarn offers. During the exhibition, most overseas yarn prices remained strong. Although there was room for negotiation in actual transactions, with discounts of 5-10 cents/lb, it is still far from the intended range in the Chinese market. As shown in the figure below, based on preliminary feedback from on-site exhibitors, the ordering costs of most specifications of imported cotton yarn are significantly lower than the spot selling prices, with some specifications showing a difference of over 2,000yuan/mt.

In early March, the Cotlook A cotton price briefly surpassed the domestic 3128B cotton price, and the price difference between the two fluctuated around 500yuan/mt of raw cotton. The divergence in domestic and foreign cotton prices intensified the contradiction in the yarn stage, making it a current challenge for the cotton yarn trade to reconcile the split between imported yarn international and domestic prices. After the Lantern Festival, the overall cotton yarn market in China has seen transactions below expectations, with domestic yarn prices showing signs of returning to pre-holiday levels. Imported cotton yarn has also shown a trend of rising and then falling back. As a result, the current round of cost-driven price increases in imported yarn has not been gradually absorbed. Instead, it adds a sense of peril to the market.

Challenges for profitability of overseas yarn mills



A sales manager from an Indian yarn mill admitted on-site, "We came to the exhibition prepared for the possibility of not making any deals. The current cotton yarn prices are too high, and even if we quote, it doesn't make much sense."

Indeed, the high cotton prices have hurt overseas yarn mills. According to feedback from Vietnam's Phu Group, conventional cotton yarn 32s is not only unprofitable but also likely to cause significant losses to the enterprise.

Currently, the group continues to produce fully cotton ring-spun yarn 30s for the European market and mainly supplies CVC and TC yarn to the Chinese market. Prolonged losses since 2023 have prompted more Vietnamese yarn mills to accelerate the transition to blended yarn and differentiation, attracting domestic trading companies to expand exports of chemical fiber raw materials to overseas textile enterprises.

After the sharp rise in Pakistani cotton prices, Pakistani spinners also faced the dilemma of rising costs. Fortunately, in the second to third quarters, most spinners have accumulated substantial profits due to the arrival of Pakistani cotton. Exhibitors reported that top customers in the Chinese market had placed orders for thousands of tons before the price hike. These orders are expected to support the production of spinners in the short term.

However, they feel helpless in facilitating recent deals. The cotton yarn export offers from Indian mills are mostly around the break-even line for the enterprise's production cost, with some profit opportunities with tax refunds.

However, the reduction in orders from the Chinese market is forcing some mills to reduce operating rates and alleviate the accumulation of finished products. Many exhibitors said, "We are still waiting for transaction opportunities, hoping that cotton prices in the Chinese market will rise again so that our cotton yarn prices may be accepted."

Advantages of China domestic cotton yarn apparent

However, the industry's feedback seems to go against expectations. The start of work and order acceptance after the Chinese New Year for downstream weaving mills in locations like Foshan, Lanxi, and Changzhou is not ideal.

Pushing high-priced imported cotton yarn into the market will undoubtedly encounter resistance, and the game between "quantity" and "price" will likely continue throughout the peak demand season in Mar and Apr 2024.

From the perspective of cotton yarn traders, most low-cost materials have been pre-sold before the Chinese New Year, and maximizing the benefits of materials on hand under the relatively low pressure of repayment has become the primary task. Senior traders on-site also revealed, "If foreign cotton prices do not come down in the short term, we cannot sit idly by. In terms of quality, Xinjiang cotton yarn is unbeatable, and the future cotton yarn trade needs both domestic and imported products to coexist." Many industry insiders share the same mentality, collecting business information, searching for cooperation opportunities with domestic yarn mills in the later period, and if domestic and foreign cotton prices continue to reverse, there is also a chance for the window of opportunity for domestic cotton yarn exports to reopen.

For imported yarn, perhaps the biggest threat has already emerged. On the other side of the exhibition, Shanghai DiW announced a high-profile signing of a 6-billion equipment procurement contract with Swiss RIETER, preparing to further leverage its cost advantages, accelerate capacity expansion, and directly reduce the price of compact-spun yarn 32s to around 23,000yuan/mt.

A price difference of over a thousand yuan in cotton yarn will undoubtedly impact the choices and preferences of downstream customers. If the short-term demand for imported yarn is limited to export orders with traceability requirement, its import demand will also be greatly affected. The boundaries between overseas and domestic yarn in the race are gradually becoming clear, and a certain degree of differentiated operation may be inevitable.

Source: ccfgroup.com– Mar 11, 2024

HOME

****

RCEP: Countries see mixed fortunes in textile and apparel trade, Cambodia remains top gainer

The Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement, has shown promising results for Cambodia in its first year. Its total trade with RCEP members reached nearly $30 billion, with exports growing by 28 per cent and imports falling by 13 per cent. However, the story is not without its nuances, and challenges remain for the future.

Cambodia emerges biggest gainer

RCEP has facilitated increased regional trade. Overall trade between Cambodia and other RCEP members reached nearly $30 billion in 2023, a positive sign for regional integration.

Tariff reductions have benefited specific countries. Cambodia's exports to several RCEP members, like Indonesia, grew due to lowered tariffs. Indonesia emerged as the biggest gainer, becoming Cambodia's 6th largest trading partner with a 15 per cent trade volume increase. While imports also grew initially, they stabilized in 2023, potentially suggesting a shift towards higher value-added exports.

Concerns about gains

Even though RCEP promises tariff free trade among members, there are several concerns about its outcome. Viz.

Unequal benefits: Concerns exist regarding potential uneven distribution of benefits among member countries, with larger economies potentially dominating trade.

Competition: Increased regional competition within the textile and apparel sector could pressure smaller players like Cambodia to further enhance competitiveness.

Non-Tariff barriers: Simplifying non-tariff barriers remains crucial to fully unlock RCEP's potential. Concerns remain regarding non-tariff barriers.

Complex customs procedures and regulations continue to hinder smooth trade flow in some regions. Some RCEP members saw declining exports from Cambodia, highlighting the need for diversification and value chain integration.

Road ahead

The RCEP is expected to further boost Cambodia's trade and economic growth. Diversifying exports beyond textiles and apparel remains crucial for long-term sustainability.

Cambodia must address infrastructure gaps, improve logistics, and enhance competitiveness to fully capitalize on RCEP benefits. To move ahead, it's important to eliminate trade barriers and foster regional cooperation to create a robust, integrated market.

Streamline regulations, invest in infrastructure, and promote innovation for success. Moreover, countries need to look beyond traditional garment production and explore opportunities in higher-value segments like technical textiles and eco-friendly apparel.

Source: fashionatingworld.com– Mar 11, 2024

HOME

****

NRF Raises First-Half US Import Forecasts Despite Red Sea Disruptions

Imports entering U.S. ports came in significantly above expectations to start 2024.

In January, major U.S. ports handled 1.96 million 20-foot equivalent units (TEUs), up 8.6 percent from 1.81 TEUs of inbound cargo taken in the year prior, and up 4.7 percent from 1.87 TEUs in December.

The January numbers outpaced the prior inbound cargo volume outlook posted last month, which called for flat year-over-year volume growth, according to the Global Port Tracker report released Friday by the National Retail Federation (NRF) and Hackett Associates.

“This just proves that the supply chain continues to be resilient,” said Jonathan Gold, vice president for supply chain and customs policy at NRF.

“Retailers and the partners continue to adjust and adapt to whatever situation is before them. The new normal for the supply chain now is being ready for whatever comes next, and being in a constant state of disruption.

We’ve got the ongoing issues with the Red Sea and Suez Canal, and the challenges of the Panama Canal. And we’ve got folks now that are planning for potential disruptions in the labor negotiations on East Coast and Gulf Coast. Retailers have to be prepared now for that.”

With the opening month’s figures in tow, NRF and Hackett upgraded the forecasts for the remaining first half of 2024. The first six months of the year are now expected to total 11.5 million TEU, up 7.8 percent from the same period last year.

That’s roughly 400,000 TEUs above the 11.1 million TEUs the Global Port Tracker report predicted in February, which be a 5.3 percent increase from a year ago.

“It’s a continued expectation from consumers,” Gold told Sourcing Journal. “Consumers continue to buy. Obviously, their shopping patterns have changed to more necessity-type issues. But we’re expecting consumers to continue to buy throughout the year.”

The first-half improvement would be a stark difference from 2023, in which the first six months generated 10.5 million TEUs of inbound cargo, down 22 percent from the first half of 2022. Across all of 2023, imports totaled 22.3 million TEUs, down 12.8 percent from 2022 in what was a year marked by depressed freight demand amid lower consumer spending.

January's data also runs in contrast to figures from the Office of Textiles and Apparel (OTEXA), which indicated that apparel and textile imports to the U.S. decreased by 1.4 percent to 6.7 billion square meters equivalent (SME) during the month.

But the increase in total inbound cargo to kick off the year represents a return to normalcy of sorts even as container shipping slowdowns persist due to ongoing Houthi attacks on commercial vessels in the Red Sea, forcing ships initially headed through the Suez Canal to divert course around Africa's Cape of Good Hope.

"Despite the shipping disruptions caused by Houthi rebels in the Red Sea, the global trade of consumer goods, industrial materials and bulk commodities continues to flow relatively smoothly," Hackett Associates founder Ben Hackett said in a statement.

While carriers are avoiding the Red Sea, the initial surge in shipping prices and delays is subsiding, Hackett pointed out.

According to the report, there has been an uptick in cargo shipped across the Pacific Ocean to the U.S. West Coast, while some ships are traveling across the Pacific and through the Panama Canal to reach the East Coast.

"Fear of an inflationary impact due to the raised cost of transportation should be alleviated by now. Retailers and their carrier partners are adjusting to the re-routings and new schedules, which add new costs but those can be partially offset by not having to sail up the Red Sea and not having to pay Suez Canal transit costs," Hackett said. "This will continue until there is a resolution and freedom of navigation through the Red Sea and Suez Canal."

Ports have not yet reported February's numbers, but the Global Port Tracker projected the month at 1.9 million TEU, up 22.7 percent year over year.

February is traditionally the slowest month because of Lunar New Year factory shutdowns in China, but the timing of the holiday and its impact on cargo and year-over-year comparisons varies. While the Lunar New Year started Jan. 22 in 2023, the two-week celebration started Feb. 10, putting more uncertainty into the current projections.

The Global Port Tracker laid out the estimates of the next five months of imports. March is forecast at 1.77 million TEUs, up 8.8 percent from last year. April is expecting to bring in 1.84 million TEUs, a 3.1 percent annual increase.

May is expected to have the smallest year-over-year jump from 2023 totals at 0.5 percent to 1.94 million TEUs, while June's increase bounces back up 5.7 percent to 1.94 million TEUs. And in July, ports are expected to process their most inbound cargo year-to-date, at 1.99 million TEU, up 3.8 percent from the year prior.

Source: sourcingjournal.com– Mar 11, 2024

HOME

****

Türkiye shares ambition to become world's 'biggest' textile producer

Türkiye has faced challenges such as the February 2023 earthquake hitting some of its key manufacturing regions, however Turkish textile exports continued to grow despite this and reached $28.5bn last year, according to the Istanbul Textile and raw Materials Exporters' Association (ITHIB).

Amidst global economic uncertainties and adversities, the Turkish textile industry stands as a beacon of resilience and ambition, as highlighted at the 5th edition of Texhibition Istanbul Fabric, Yarn, and Textile Accessories Fair held in the residential and industrial district of Bakırköy in Istanbul, Turkey.

Organised by Turkish industry bodies, including the Ministry of Trade, TIM (Türkiye Exporters Assembly), ITHIB, Istanbul Chamber of Commerce, KOSGEB (Small and Medium Enterprises Development Organisation), and IFM (Istanbul Fuar Merkezi), the event brought together key stakeholders from not just the Turkish textile industry but also countries like Japan and Spain.

The Texhibition Istanbul Fair served as a platform for showcasing Türkiye's textile industry's capabilities and fostering collaborations.

ITHIB shared that with annual export of over $12bn, Türkiye ranks fifth in global textile exports and is the second largest supplier to the EU. It believes that Turkish fabrics and textile accessories are in demand worldwide thanks to their "high quality, innovation, and commitment to sustainability in production."

"This reputation is further bolstered by Türkiye's long-standing history and expertise in textile manufacturing, which allows for a diverse range of products, from traditional designs to cutting-edge fashion materials. Additionally, the sector's focus on eco-friendly practices and responsible sourcing aligns with global environmental standards, further enhancing its appeal to international markets," added ITHIB.

Source: just-style.com– Mar 11, 2024

HOME

****

Retailers Discover Responsible Suppliers from Global Destinations at Source Fashion

Trade show Source Fashion wants to create "positive change" in the apparel industry by connecting conscientious brands with suppliers who share their values.

Source Fashion was founded roughly a year ago by Hyve Group as a responsible sourcing platform. All exhibitors are vetted and must show up-to-date certification from a firm such as Sedex. The third edition—held from Feb. 18-20, 2024 at Olympia London—featured exhibitors from more than 20 countries, including emerging destinations like Ethiopia and Tanzania.

"Our mission is to help retailers and wholesalers spend their budgets with companies that do good," said Suzanne Ellingham, sourcing director at Source Fashion. "Their response has been so positive, and we've seen so many successes from across the world, not just enabling U.K. retailers to source responsibly, but providing a platform for so many artisans and producers around the world to reach the U.K. market. Source Fashion is growing organically at a fantastic rate with the support of our buying and sourcing community."

Throughout the three-day event, brand-side buyers, product developers and designers from retailers like Asos, Belstaff, Boden, Canada Goose, French Connection, John Lewis, Marks & Spencer, Next, Walt Disney and Urban Outfitters, among others were in attendance. "We've built a platform that the largest retailers want to source from," said Ellingham. "At every show, we've improved the quality of products and the breadth of countries and regions."

To expand its geographic representation, Source Fashion has worked with the International Trade Centre, an agency that falls under the World Trade Organization and the United Nations. This edition of Source Fashion saw a greater portion of exhibitors join the show through this partnership, including vendors from Madagascar.

"I've come to Source Fashion specifically to meet manufacturers around Africa and Madagascar," said Tutu Ejoh, owner of childrenswear brand Tutu Pikin, which uses fabrics made by African artisans. "Being able to come here and feel and touch the fabrics and meet the people behind the companies is priceless. I've never been to any other trade show or fair where I've been able to meet these manufacturers from all over the globe." Among the attendees was "Dragon's Den" television personality and fashion investor Touker Suleyman of Low Profile Holdings, which includes the brands Hawes & Curtis and Ghost. "Here at Source Fashion, you have the world under one roof, with suppliers for all brands big or small," he said. "There is something for everyone, from suppliers that can do small SKUs to the very large."

Catering to premium buyers, the show launched a new Source Luxury section, which featured high-end suppliers of materials like cashmere and high-quality garment manufacturers from the United Kingdom, European countries like Portugal, Italy, France and Spain, and beyond. Among these exhibitors was U.K.-based leather wholesaler Walter Reginald. "It is hugely important to have a show like Source Fashion, and we look forward to seeing more U.K. suppliers and manufactures joining us," said Bianca and Natalie Farbey from Walter Reginald.

Source Fashion's seminar agenda also covered sourcing locations near and far. One session gave attendees a crash course on the U.K. Developing Countries Trading Scheme that eliminates or lowers duties for imports from 65 nations. Another panel took a deep-dive into developing country Nepal. Looking closer to home, Simon Platts, CEO of Recomme, joined Rosemary Moore, founder of Maxxam Textiles, for a panel on the pluses and challenges of U.K.-based manufacturing. Among the benefits are reduced overproduction and overconsumption, improved agility and less discounting.

Waste reduction was a common session theme. Ian Bell, EMEA manager at Kornit, detailed how low minimum order quantities (MOQs) and responsive production can improve margins and shrink inventory risk. Another panel with the Salvation Army Trading Company (SATCoL) and Pretty Lavish talked about solving fashion's landfill crisis through recycling. Swoperz co-founder Charlene Hurlock and Thrift+ founder Joe Metcalfe also covered circularity through the lens of secondhand marketplaces and their hopes that pre loved fashion could provide competition to fast fashion in consumers eyes.

Circularity and sustainability were brought to life in a recurring catwalk show headlined by designer Patrick McDowell's "Marie Antoinette Goes to Liverpool" collection in partnership with fiber producer Tencel. Filling out the runway presentation, exhibitors created custom looks including chunky knits, sustainable swimwear, plaids and checks, graffiti and pattern mixing. In a conversation with stylist Rebekah Roy, McDowell noted, “The current model is to perpetually grow, which doesn’t fit into a sustainable model. We need to get to a place where, for all brands circularity and offering repairs and recycling are a given.”

At Source Fashion’s next edition in July, Ellingham expects the recycling trend to accelerate. “We will see even more great ways to reuse waste and efforts to build circularity into business models,” she said. “We’re also championing the movement towards slower, seasonless fashion with a greater focus and increase in well-made, high-quality products.”

According to Jack Stratten from Insider Trends, low-price retailers like Temu and Shein don’t have the winning model for the future. In a presentation, he said companies should lean into the “selling power of transparency” with strong sustainable stories. “Transparency is the new normal,” he said. “There is a link between how transparent a brand is and how much consumers trust [and value] them.”

Responsibility and all that comes with it are an investment, but companies taking steps in the right direction are seeing the results. “We have created a show full of businesses that are doing the hard work in responsible business practices, building in new sustainable practices, doing real good in their communities when it would be often easier to take a less responsible path,” said Ellingham. “You can’t underestimate the positive reinforcement that better business is worth doing.”

Source: sourcingjournal.com– Mar 11, 2024

HOME

****

Italy sees sharp decline in industrial producer prices in Jan 2024

Italy experienced a notable decrease in industrial producer prices in January 2024, dipping by 1.7 per cent compared to December 2023, according to the latest data from the Italian National Institute of Statistics (Istat). The decline was more pronounced in the domestic market, where producer prices fell by 2.5 per cent, while the decrease was modest on the non-domestic market at 0.2 per cent.

Analysing the performance over the last quarter, industrial producer prices showed a cumulative decrease of 1.1 per cent, reflecting a 1.4 per cent drop in the domestic market and a 0.6 per cent decline in the non-domestic market.

Year-on-year comparison further accentuates the downturn, with industrial producer prices in January 2024 plummeting by 10.7 per cent from January 2023. The domestic market faced a steep 14 per cent reduction, while the foreign market saw a more contained decrease of 1.5 per cent.

Source: fibre2fashion.com– Mar 12, 2024

HOME

****

Mango to open 500 new stores by 2026

Founded four decades ago in Barcelona, Spanish fashion retailer Mango plans to open over 500 new stores by 2026, mainly in the United States, the UK, and France — its second-largest market after Spain.

Following a slowdown prompted by the COVID-19 pandemic, the family-owned company unveiled several large-scale stores worldwide including a 400-sq-m (1,300-sq-ft) store in Los Angeles, a similar-sized establishment in Manchester, England, and a flagship store in Bengaluru, India.

In the past year alone, Mango launched 115 stores, primarily in the United States, where its sales outlets have tripled, according to Cesar de Vincente, Global Director-Retail.

With stores spanning across 115 countries, Mango significantly expanded its presence, although it falls short of the nearly 6,000 stores worldwide owned by Inditex, the parent company of Zara, another Spanish clothing retail company.

This expansion drive propelled Mango's turnover, with expectations of it exceeding €3 billion ($3.3 billion) in 2023.

With roots tracing back to 1984, Mango opened its first shop on Barcelona's famed shopping street, Paseo de Gracia. Currently employing around 14,000 individuals, Mango aims to distinguish itself by elevating its position in the market. To enhance sales, Mango has enlisted high-profile ambassadors such as British model Kate Moss, Spanish actress Penelope Cruz, and French footballer Antoine Griezmann for its marketing campaigns.

Source: fashionatingworld.com– Mar 11, 2024

HOME

****

Cambodia attracts $1.3 bn in FDI inflows in Jan-Feb 2024

Cambodia garnered foreign direct investment worth $1.3 billion in the first two months this year—an increase of over 500 per cent year on year (YoY), according to the Council for the Development of Cambodia (CDC).

China led, accounting for about 39 per cent of total such investment capital. It focused on industry, infrastructure and agriculture, said Chea Vuhty, secretary general of CDC's Cambodia Investment Board.

Vice president of the Cambodia Chamber of Commerce Lim Heng attributed higher FDI inflows to strong investor confidence due to the country's stability and free trade agreements, and the perceived potential for growth in made-in-Cambodia products.

The government has also been proactive in addressing the difficulties and challenges of the private sector for both domestic and foreign investors, Heng was quoted as saying by a domestic media outlet.

Cambodia attracted fixed-asset investment worth $4.92 billion last year—up by 22 per cent from $4.03 billion a year earlier.

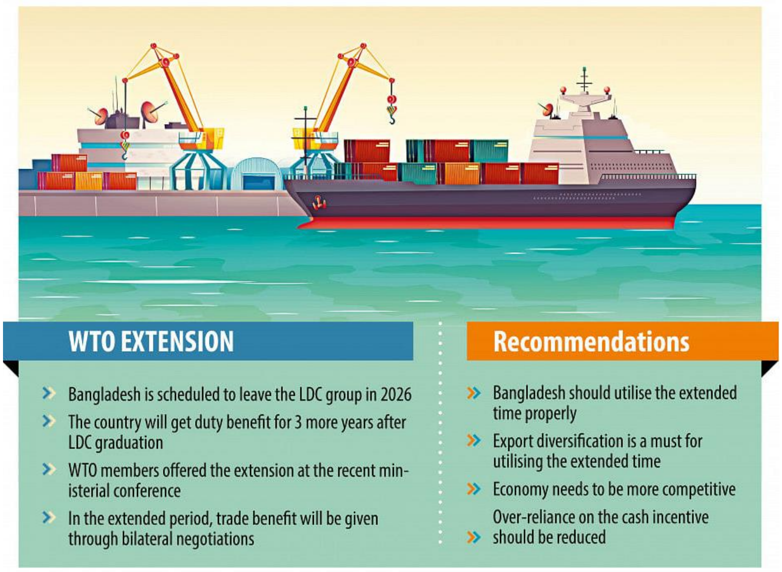
Source: fibre2fashion.com– Mar 12, 2024

HOME

****

Bangladesh: Make most of LDC-linked duty benefits during extended period

Bangladesh should make the most of the LDC-linked trade benefits during the extended three-year period agreed by the member countries of the World Trade Organisation (WTO), said experts yesterday.



"The country will have to take full advantage of the extension," said Debapriya Bhattacharya, a distinguished fellow of the Centre for Policy Dialogue (CPD).

But it will not happen if Bangladesh sticks to the old ways of doing things, he said.

Bhattacharya was speaking at a dialogue on "What did WTO-MC13 Deliver for the Graduating LDCs? Perspectives from Bangladesh" at the Cirdap in Dhaka.

The think-tank organised the discussion in partnership with Friedrich-Ebert-Stiftung (FES) Bangladesh where the state minister for commerce, economists, trade analysts, diplomats, government high-ups and researchers spoke.

Last month, the members of the intergovernmental body agreed, at the 13th Ministerial Conference in Abu Dhabi, to continue the trade benefits for graduating least-developed countries (LDCs) for three years following their graduation.

As a result, Bangladesh will continue to enjoy the duty-free market access after becoming a developing nation in 2026.

Various assessments showed that all 45 LDCs will incur a trade loss of $2.5 billion due to the erosion of preference. Of the sum, 80 percent will be lost by Bangladesh, said Bhattacharya.

This is because Bangladesh is a top user of duty benefits among the LDCs, accounting for up to 67 percent of the trade privileges. And more than 73 percent of the country's exports enjoy the facility.

"Bangladesh will have to think about how this loss can be offset by achieving structural transformation and holding on to the preference. The real magic is a much more diversified, productive and competitive economy," Bhattacharya said.

The issue is how to make a transformed, diversified and competitive economy, he said.

"If those are not done, it will become an incentive-addicted economy."

Bhattacharya questioned whether the export sector will get more protection than the domestic economy.

"The three years should be used to move from the defensive approach to a much more proactive approach in order to create a diversified and competitive economy."

He thinks Bangladesh should reduce its over-dependence on garment items since there is a risk if exports are not diversified.

Angola was recommended for LDC graduation 10 years ago, but it is yet to make the transition because of the fall of the oil price.

"This happened because Angola was over-reliant on a single export item and that is fuel. When the fuel price crashed, Angola's economy also crashed," Bhattacharya said.

Garments account for 85 percent of Bangladesh's national exports.

Senior Commerce Secretary Tapan Kanti Ghosh described the MC13 as successful for the graduating LDCs, including Bangladesh, as the ministers approved the three-year extension.

"Bangladesh needs to utilise the extended period fruitfully and a national committee is working on sustainable LDC graduation."

While presenting the keynote paper, Mustafizur Rahman, another distinguished fellow of the CPD, also termed the three-year extension as a positive news for Bangladesh.

"This is because for relatively weaker economies, a rules-based, multilateral trading system, sensitive to developmental dimensions of trade, serves their interests and addresses their concerns best."

Although the MC13 did not meet the expectations of the graduating LDCs fully, the decisions contain several paragraphs that mention, and to some extent address, the special needs of the graduating LDCs, Rahman said.

The decision with regard to market access preferences for graduating LDCs opens the door to the preferential benefit beyond graduation, he added.

"Continuation of preferential access will need to be negotiated bilaterally with preference-offering countries."

State Minister for Commerce Ahsanul Islam Titu said the government is working to diversify exports by raising shipments of jute and jute goods, pharmaceuticals, leather goods and handicraft items.

Source: thedailystar.net – Mar 12, 2024

HOME

****

Bangladesh: CCPIT, BGMEA mull collaboration to elevate Bangladesh RMG sector

A delegation from the sub-council of textile industry, China Council for the Promotion of International Trade (CCPIT), headed by vice president and secretary general Zhang Tao, recently met with Faruque Hassan, the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at the BGMEA complex in Bangladesh's capital Dhaka.

The CCPIT delegation comprised Wu Zhizhen, deputy director, and Jiao Jiao, assistant director from the sub-council of textile industry. Additionally, Leo Zhuang, managing director of Liz Fashion, was also present at the meeting.

Discussions primarily centred on potential collaborations to elevate Bangladesh apparel industry on the global platform, particularly through organising international exhibitions. Focus was also on showcasing Bangladesh apparel industry's strengths, especially in manufacturing intricate and high-end fashion products.

Further deliberations included the role of the sub-council of textile industry, CCPIT, in facilitating investments in Bangladesh's non-cotton textile sector. This is crucial as Bangladesh's apparel sector diversifies towards high-value garments, particularly those made from manmade fibres.

Faruque Hassan shed light on the remarkable transformation of Bangladesh garment factories, emphasising advancements in safety standards, modernisation, energy efficiency, and environmental sustainability. It may be mentioned here, Bangladesh today boasts world's highest number of green garment factories, a testament to its commitment to sustainable practices.

Expressing optimism, Faruque Hassan highlighted the potential collaboration between BGMEA and the sub-council of textile industry, CCPIT, in showcasing Bangladesh apparel sector' evolving capabilities to a global audience.

Source: fibre2fashion.com– Mar 11, 2024

HOME

****

NATIONAL NEWS

16 years, 21 rounds of talks: India-EFTA free trade agreement a reality

After 16 years of negotiations, involving 21 formal rounds, India and the four European Free Trade Association (EFTA) countries on Sunday signed a free-trade agreement (FTA), which may be instrumental in India receiving $100 billion as foreign direct investment (FDI) in 15 years with 1 million jobs.

The EFTA countries will get duty-free market access to India for products like Swiss watches and chocolate.

Though investment will flow from private players and the governments of EFTA countries will only nudge them to invest, India can partially withdraw tariff concessions if the investment commitments are not met.

The EFTA bloc, which includes Switzerland, Iceland, Norway, and Liech-tenstein, "shall aim to increase" FDI from investors of the EFTA states in India by $50 billion within 10 years of this agreement taking effect and an additional $50 billion in the next five years.

Terming the FTA a watershed moment for both sides, Prime Minister Narendra Modi said it symbolised a shared commitment to open, fair, and equitable trade, as well as generating growth and employment for the youth. "The global leadership of EFTA countries in innovation and R&D (research and development) across diverse spheres will open up new doors for collaboration," he said.

Commerce Minister Piyush Goyal said it was a unique and innovative FTA. "For the first time in the history of FTAs, investment commitment is brought into an FTA to balance the asymmetries between the economies of the EFTA region and Indian economy," he added.

Goyal said sectors like pharmaceuticals, engineering, machine building, and chemicals, imported in large measure, would benefit from the investment commitment.

"It will reduce the import dependency of India significantly while attracting investment and jobs," he added.

For this FDI to materialise, India's nominal gross domestic product needs to grow at around 9.5 per cent in dollar terms over the next 15 years.

Swiss State Secretary for Economic Affairs Helene Budliger Artieda, who led the negotiations on the EFTA side, told Business Standard in an interview the commitment was not legally binding on EFTA countries. It is more than a memorandum of understanding.

"The great difficulty is that when you do a free-trade agreement with a giant of 1.4 billion people and us, the EFTA, with 15 million, how do you make it a balanced deal? That's why we have linked this pledge for investment and jobs to market access on goods," she added.

India has promised to reduce tariffs to zero on 80-85 per cent of goods from EFTA countries while receiving duty-free market access for almost 99 per cent goods, including rice. Both sides have excluded most of the agri and dairy products from duty concession to protect their farmers.

India has refused to reduce effective tariffs on gold, jewellery, dairy, cheese and automobiles. About 82 per cent of India's import from EFTA countries, especially from Switzerland, is gold. India has only agreed to reduce the bound rate for gold to 39 per cent from 40 per cent while the applied rate is already at 15 per cent at present.

Within the $100 billion investment commitment, investment from outside the EFTA will be taken into account if it is shown that it is by investors of an EFTA state. However, investment by sovereign wealth funds is excluded from the investment obligation. Investment routed through EFTA countries by those of other countries either not established in an EFTA country, or established in an EFTA country but without substantial business there, will not be considered, according to the agreement.

Chandrajit Banerjee, director general, Confederation of Indian Industry, said by opening up opportunities for collaboration, this agreement ushered in multidimensional gains for industry here.

Source: business-standard.com– Mar 12, 2024

HOME

****

Bangladesh, Sri Lanka, among countries looking to start rupee trade: Goyal

Many developed and developing countries including Bangladesh, Sri Lanka, and nations of the Gulf region are keen to start trade in rupee with India as it would help cut transaction costs for businesses, Commerce and Industry Minister Piyush Goyal has said. He expressed confidence that the development is going to be a "very game-changing" dimension to India's international trade.

"Bangladesh, Sri Lanka are already talking to us and they want us to start this immediately. Other countries in the Gulf region are looking at that. I think it'll take some time for people to see the benefits. And then we'll have more and more developed countries and countries in the Far East also joining the bandwagon. Singapore is already on board to some extent," he said.

The minister added that gradually countries are realising that undertaking trade in domestic currencies has several advantages. The minister said that it is now picking up traction and a lot of countries have come forward for this arrangement and are talking to India for that as they would also like to initiate direct transactions between their local currency and the rupee.

"Gradually the conscience is setting in that rather than converting all the transactions into a third currency, both ways, adds significantly to transaction costs," Goyal told PTI in an interview. Undertaking trade in other currencies leads to foreign exchange and transaction losses as there is a cost for conversion. The delays in the movement of money also pushed transactors' costs.

"We started with the UAE. The UAE was one of the first countries to accept this. It's now picking up traction. We get a lot of countries who come and talk to us that they would like to also initiate direct transactions between the local currency and the rupee.

"It's a process which takes time. It involves the central bankers of both nations to create the framework and then it evolves acceptance by importers and exporters," Goyal said, adding "when it will take off, it'll just fly".

The engagement is also beneficial as the Indian Rupee is mostly stable against most of the international currencies and according to experts, this is one of the reasons that different nations today want to have trade relations built on rupee trade.

The rupee trade is also helping many of the countries, which have dollar shortages. India has started trade in the rupee with neighbouring countries, including Nepal and Bhutan. The rupee trade mechanism has been initiated to facilitate trade in national currency with Russia, while Sri Lanka has included the rupee in its list of designated foreign currencies.

India's first-ever payment in rupees for crude oil purchased was from the UAE and that is helping the world's third largest energy consumer to push for taking the local currency global, as it looks for similar deals with other suppliers. Changes have been made in the FTP (Foreign Trade Policy) to allow international trade settlement in Indian Rupee with a view to making INR a global currency.

In July 2022, the Reserve Bank of India (RBI) decided to allow the settlement of India's international trade in rupee. Accordingly, authorised Indian banks are permitted to open and maintain special rupee Vostro accounts of the partner trading country's banks.

These accounts keep the foreign bank's holdings in the Indian counterpart in rupees. When an Indian trader wants to make a payment to a foreign trader in rupees, the amount will be credited to this Vostro account.

Similarly, in the reverse scenario, the amount to be paid to an Indian trader is deducted from the Vostro account, and credited to the person's regular account.

Several banks, including HDFC Bank and UCO Bank, have opened special Vostro accounts to facilitate overseas trade in the rupee and many countries have expressed interest to have this arrangement for the local currency trade.

Source: business-standard.com– Mar 12, 2024

HOME

****

India embraces trade deals as cos look beyond China for alternatives

Gautam Nair is preparing to ramp up production at his clothing factory in Gurugram, betting on a surge of orders from brands like Marks & Spencer and Next as India pursues more free trade pacts with the rest of the world.

Within three years, he expects Matrix Clothing Pvt Ltd.'s exports to the European Union and the UK to more than double from current levels. "The industry is very excited," Nair, who co-founded the company, said by phone.

India Makes Progress on Trade Deals

Nation/Region	Date of initiation	Status
Oman	2023	Ongoing
UK	2022	Ongoing
Peru	2017	Ongoing, resumed in 2024
Australia	2011	Interim deal signed in 2022, talks on for a comprehensive deal
Canada	2010	Paused in 2023, had resumed in 2022
Israel	2010	Ongoing, resumed 2022
European Free Trade Association	**2008**	**Signed on March 10**
EU	2007	Ongoing, resumed in 2022
Gulf Cooperation Countries	2006	Yet to restart despite talks for resumption

Source: Indian government — Bloomberg

Prime Minister Narendra Modi's government is taking advantage of India's growing appeal as the world's fastest-growing major economy and an alternative to China for global supply chains to clinch a number of free trade pacts. India expects its deals with countries from the UK to Australia will help boost its manufacturing and soak up the tens of millions of young people entering the workforce in the years ahead.

The latest, and among the most ambitious, was a trade and investment pact signed with four European countries, including Switzerland and Norway, on March 10. It signaled India's readiness to take on commitments in areas such as labour, environment and sustainability and gender — topics it had shied away from in the past. It was also the first time India secured an investment commitment — of $100 billion over 15 years — in such a deal.

India has now signed four FTAs in quick succession since 2021 after a gap of about nine years where no agreements were inked. The latest pact with the European bloc of countries, known as the European Free Trade Association, or EFTA, was hailed by Modi and comes just weeks before elections in which he's seeking to extend his decade in power.

Negotiations with the UK and Australia are likely to culminate after the Indian elections in April-May, while talks with Oman have already concluded and an agreement may be signed as soon as this month, people familiar with the matter said, asking not to be identified because the negotiations are private.

The hope is that such deals will give a level playing field to India's textiles sector, which comprise more than 14 per cent of the nation's annual exports, employs over 45 million people directly, and contributes over 4 per cent to gross domestic product. Marine goods, auto and machine parts, chemicals, leather and footwear and gems and jewelery products are also poised to benefit.

In a departure from its protectionist past, India is embracing trade deals in a bid to cash in on shifting global trade alliances. Companies from Apple Inc. to Samsung Electronics Co. have boosted manufacturing in India, taking advantage of production incentives offered by Modi's government.

"This is India's big historic moment, probably its biggest opportunity on the world stage since India gained its statehood in 1947," said Alex Capri, a lecturer at the Lee Kuan Yew School of Public Policy in Singapore.

To seize that opportunity, the South Asian nation must plug infrastructure gaps and improve the ease of doing business by cutting down on over regulation, taxation and red tape. "Delhi is pulling out all the stops. They know they must fix this," Capri said.

By integrating into global value chains, India can create 80 million jobs by 2030, according to a government report.

Geopolitically, New Delhi has been forging deeper ties with Group of Seven nations. Now, it's aiming to align economically as well in order to compete with countries such as Vietnam and Bangladesh that are also positioning themselves as alternative manufacturing destinations to China.

The services sector, which makes up more than half of the nation's GDP, is also expected to get a fillip. The trade deals will help India secure easier access for professionals in sectors including IT, health and accounting.

For counterparts, India and its market of 1.4 billion people holds massive appeal. On the sidelines of the 13th World Trade Organization ministerial conference last month, EU Trade Commissioner Valdis Dombrovskis noted the “willingness to move forward when we know that traditionally India has been a relatively closed market.”

Tim Ayres, Australia’s assistant trade minister, said early results from the interim trade deal showed strong outcomes for businesses and noted the two nations are working toward phase two.

Yet for all that enthusiasm, roadblocks remain. India and the UK still haven’t resolved differences on issues including investment protection, social security agreements and market access for British apples and cheese.

Non-tariff barriers

At home, there’s pockets of resistance too. For instance, the confederation of Indian alcoholic beverage companies has expressed concern over opening up the market without getting reciprocal treatment.

Vinod Giri, director general of the association, said while most of the focus of trade talks has been duty concessions, non-tariff barriers such as maturity requirements for whiskey in the UK and Europe have made Indian beverages uncompetitive.

Giri said the UK law requires whiskey be matured for a minimum of three years, whereas in warm climates like India’s, whiskey matures 3-5 times faster than in the colder climates of the UK and EU.

“Most of our whiskey is unable to hit those markets due to these barriers and we want them removed,” Giri said, adding that the longer maturation condition pushes up production costs by as much as 35 per cent. “As long as FTAs are fair and equitable, we have no problem.”

And many are still finding it difficult to do business in India. While there’s a rise in the number of corporates mentioning India or Indian investment on earnings calls, that doesn’t always translate into commitments, said Deborah Elms, head of trade policy at the Singapore-based Hinrich Foundation.

“In many cases, the obstacles to investment or development on the ground in India remain significant,” she said. “These gaps are creating problems for businesses, which means that the positive story around Indian prospects might not be delivered.”

India’s government is aware of the challenge. It’s helping states simplify rules, decriminalising minor offences and repealing redundant laws. The government has also come out with a single window system to speed up the process of getting approvals and clearances needed by investors while cutting compliance burdens.

For Matrix’s Nair, he’s also tempering his optimism. Companies are wary, “because we have been waiting for a long time for the deals to happen,” he said.

Source: business-standard.com– Mar 12, 2024

HOME

****

Aiming to boost local manufacturing, Rajasthan govt set to announce ODOP policy

The Rajasthan government will soon announce the One District One Product (ODOP) policy, according to sources. A draft has been prepared and views and suggestions are being sought from stakeholders to make the policy more investor-friendly, a state industries department official said. "Every district offers something new — Jaipur has blue pottery, gems & jewellery, lac bangles, carpets, textiles among others; Jodhpur is rich in handicrafts and woodwork and some areas are rich in agricultural products. The ODOP endeavours to protect and promote this heritage by fostering traditional crafts and practices," the official said.

The ODOP aims to accelerate economic development within each district by harnessing the potential of local specialities. The policy looks to streamline investments, enhance production capabilities, and increase competitiveness. According to the draft policy, the primary beneficiaries of the ODOP will be local artisans, farmers, manufacturers, and entrepreneurs engaged in producing and selling district products. Additionally, the policy will extend to associated stakeholders, including workers, traders, and exporters.

Product selection will be data-driven and criteria-based, focusing on uniqueness, scalability, historical significance, and current market presence. Factors such as the geographical indication (GI) status, export potential, and employment generation will also play an important role.

According to the official, incentives and exemptions given under the Rajasthan Investment Promotion Scheme (RIPS 2022) will also be applicable under the ODOP. Further, to boost investment in ODOP MSMEs, the state also plans to provide a 15 per cent additional investment subsidy to such enterprises.

According to the draft policy, "marketing help would be provided at achieving fair pricing for the artisans, weavers, entrepreneurs and exporters of the ODOP products. Under the marketing scheme, financial assistance would be provided to participants of national and international fairs, and exhibitions for display and sale of their products. Financial assistance for the same could vary from Rs 50,000 to Rs 2,00,000 for attending national and international fairs and exhibitions.

Source: business-standard.com – Mar 11, 2024

HOME

****

New payments rule causes 40% drop in orders for Indore garment units

Garment manufacturers in Indore are seeing a 40 per cent drop in orders due to a new rule requiring payments to suppliers within 45 days.

The garment industry typically operates on a much longer payment cycle. However, as a result of the new rule, manufacturers are being forced to cut back on production just ahead of the peak demand season, which starts around Eid.

Ashish Nigam, President, Readymade Textile Dealers Association says, the new rule makes clearing dues within 3 months a difficult task. The payment terms are forcing retailers to cut down on orders.

Readymade garments manufactured in Indore are supplied across the country with Tamil Nadu, Kerala and Andhra Pradesh as major markets sharing over 60 per cent of market share.

Due to the new rule, orders from Madhya Pradesh, Gujarat, Maharashtra and Southern India have declined. This is forcing most garment units to reduce manufacturing during the peak demand season amid confusion and doubts over the 45 day payment limit.

A hub for ready-made garment manufacturers, Indore has over 1,500 small and medium sized garment producers and festivals are the peak business season for the sector.

Source: fashionatingworld.com – Mar 11, 2024

HOME

****