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Currency Watch			
USD	EUR	GBP	JPY
83.34	90.31	105.31	0.55

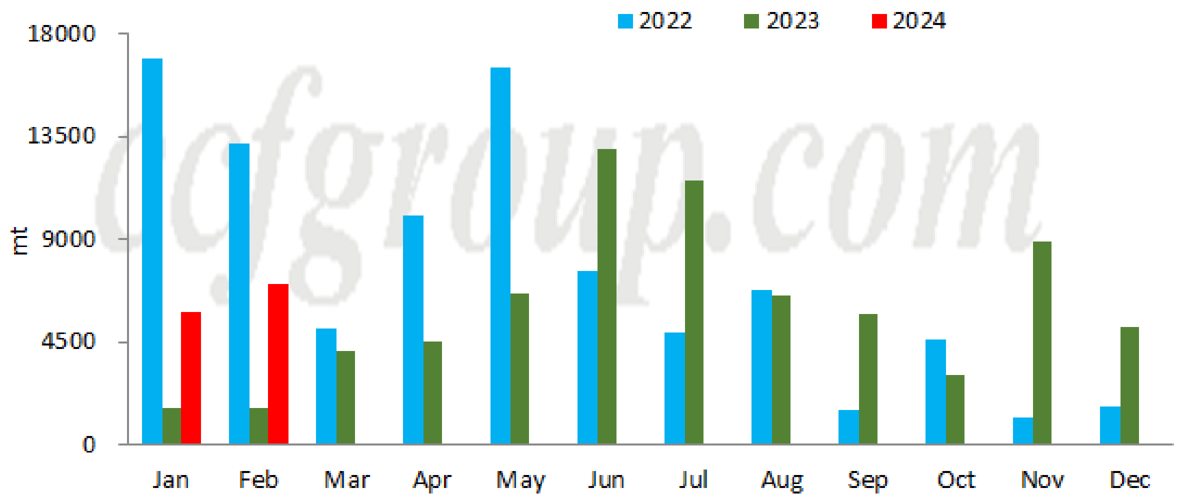
NATIONAL NEWS	
No	**Topics**
1	India's economic growth to propel a global expansion, says Amitabh Kant; spells out roadmap for growth potential
2	Capping of interest subsidy for exporters to continue in Q1 of new fiscal
3	India, UK aim to sign free-trade agreement by July; legal vetting on
4	Indian retail sector witnesses 5% growth in February 2024: RAI
5	Summer fashion style goes comfortable, environmentally sustainable

INTERNATIONAL NEWS

Eye-catching performance of China's cotton linter import market in Jan-Feb

China's cotton linter import market got off to a good start in 2024, with import volume in the first two months increasing more than threefold year-on-year. The import from India is far ahead, and that from the United States has shown a significant rebound.

Monthly cotton linter import of China in 2022-2024

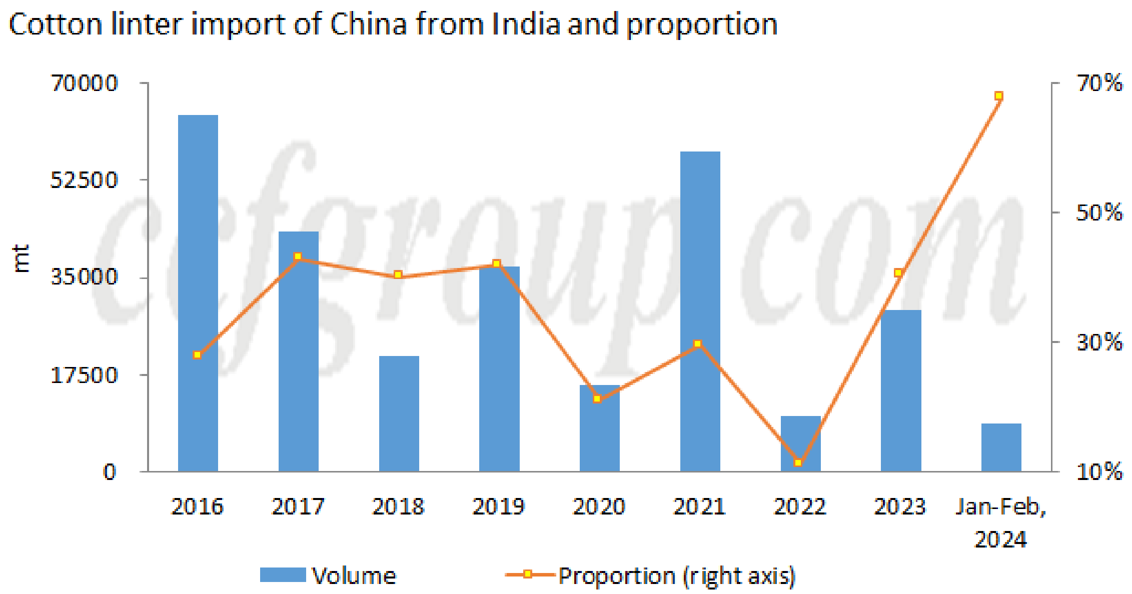


According to customs data, cotton linter import of China in Feb 2024 was about 7,042.49 tons, up 22% month-on-month and a substantial 344.7% year-on-year increase. The total import volume of Jan-Feb was 12,814.1 tons, marking a 305.1% year-on-year growth.

The import volume in the first two months of 2024 increased more than threefold, partly due to the smaller import base in the same period last year. The main reason is that since the fourth quarter of 2023, Chinese cottonseed oil mills and delinting plants have been operating at limited capacity, leading to insufficient supply and high price of cotton linter in China and an increase in demand for imported cotton linter.

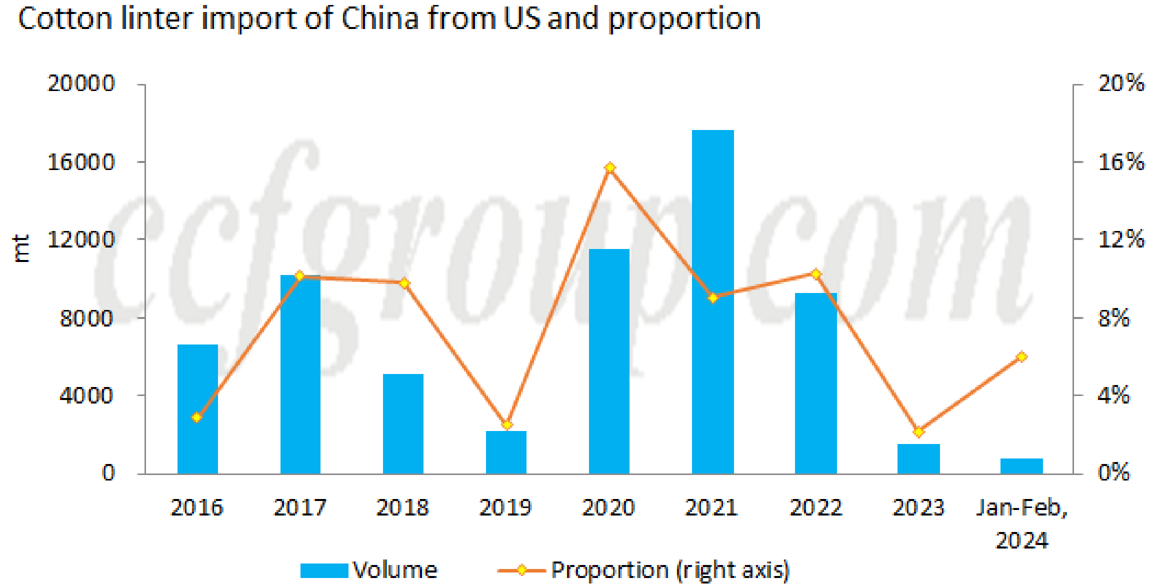
The average import price of cotton linter in Feb 2024 was $374.55/mt, up 4.05% month-on-month and 23.27% year-on-year, equivalent to 3,100yuan/mt in RMB terms, while the average price of cotton linter for industry-grade refined cotton in China during the same period was 4,940yuan/mt.

The average import price in Jan-Feb was $367.99/mt, marking an 8.82% year-on-year decrease, which was about 3,050/mt in RMB terms, while the average price of cotton lintner for industry-grade refined cotton during the same period was 4,865yuan/mt.



In terms of import origins, India takes the leading position again, with India, Brazil, Tanzania, and the United States ranking in the top four, accounting for nearly 96% of the total.

Due to price advantages and the demand driven by refined cotton, especially cotton linter pulp, imports from India increased significantly in 2023, reaching approximately 29,111.2 tons, a 188.4% year-on-year increase, accounting for 40.3%. This trend continued in 2024, with import from India reaching 4,760.4 tons in Feb, a 216.3% year-on-year increase, and a total of 8,671.5 tons from Jan to Feb, marking a 476.1% year-on-year growth and accounting for 67.7% of total.



In contrast, due to factors such as the Sino-US relationship and demand, imports of cotton linter from the United States experienced a dramatic decline in 2023, totaling about 1,557.4 tons, an 83.1% year-on-year decrease and representing 2.2% of the total. However, there has been a significant resurgence this year, with 732.8 tons imported in Feb, an 8,051.4% year-on-year increase, and a total of 771.1 tons from Jan to Feb, marking an 8,476.8% year-on-year growth and accounting for 6% of total.

In conclusion, imports from India surged in 2023 and continued to grow rapidly this year, with a total of 8,671.5 tons imported from January to February, marking a 476.1% year-on-year increase and accounting for 67.7%. On the other hand, imports from the United States saw a sharp decline last year due to Sino-US relationship and changing demand, but have significantly rebounded this year, with a total of 771.1 tons in Jan-Feb, marking an 8,476.8% year-on-year growth and accounting for 6%. Over the years, Shandong has been leading in the import of cotton linter, while Jiangsu imported 4,942.3 tons in Jan-Feb this year, accounting for 38.6% and taking the lead.

Source: ccfgroup.com– Mar 22, 2024

HOME

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US' online shopping returns significantly higher than in-store: Survey

Online transactions in the US have an average return rate of 15.2 per cent. This rate is notably three times higher than the 5 per cent return rate observed for in-store purchases, according to the Consumer Returns Survey conducted by the International Council of Shopping Centers (ICSC). This means that for every $100 spent online, approximately $15 is returned, compared to just $5 for every $100 spent in store.

Notably, apparel retailers face a higher rate of returns, with 22 per cent of products bought online being returned, more than threefold the rate for in-store purchases at 6.2 per cent. A staggering 87 per cent of consumers admitted to overbuying apparel online with the intention of trying items at home and returning those they do not want, as per the survey.

The survey pinpointed the most common reasons for online returns, including damaged items (52 per cent), items not fitting (50 per cent), items not meeting expectations (42 per cent), and receiving the wrong items (37 per cent).

Across all retail categories studied, online returns outpaced in-store returns, with the gap most pronounced among discount department stores—where only 6.2 per cent of in-store purchases were returned compared to 33.2 per cent of online purchases.

The survey also revealed the significant influence of return policies on consumer shopping decisions, with 82 per cent of respondents indicating that return policies affect their choice to purchase from a retailer. The potential for changing online return policies poses a challenge for retailers; nearly three-fourths (71 per cent) of consumers said they would likely cease shopping online with a company that charges a fee for return shipping, and 60 per cent said they would likely stop shopping online with retailers that shortened the free return window.

In response to the costs associated with returns, retailers are exploring new strategies, such as 'keep it' policies, where 60 per cent of consumers reported being told to keep the goods and receiving a full refund for their online purchase. Despite the risk of stricter online return policies deterring consumers from shopping online, these measures could inadvertently drive more in-store visits. According to the survey, 79 per cent of consumers would be more inclined to visit a retailer's store to make a return if charged for returning items purchased online, and 77 per cent would visit a store to make purchases if faced with online return charges.

"We have known for some time the value of brick-and-mortar to a retailer's strategy. Our latest findings further prove this by showing that the return rate for in-store purchases is three times less than the return rate for online purchases. Additionally, consumers are becoming more mindful of changing return policies that result in fees and shortened return windows," said Tom McGee, president & CEO, ICSC.

Source: fibre2fashion .com– Mar 22, 2024

HOME

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H&M Collaborates With Global Fashion Agenda to Amp Up Circularity

The H&M Foundation has partnered with nonprofit Global Fashion Agenda to support textile circularity initiatives in Cambodia, Vietnam, Turkey and Indonesia through the Global Circular Fashion Forum. As part of the agreement, the H&M Foundation committed 5 million EUR to the cause.

The Global Circular Fashion Forum has worked since 2022 to accelerate and scale recycling of post-industrial textile waste in fashion-producing countries. As of November 2023, the organization and its Circular Fashion Partnerships in Bangladesh and Cambodia have recycled 10,685 metric tons of textile waste, an equivalent of around 60 million t-shirts. The partnerships include some 179 manufacturers, 15 waste handlers and 22 recyclers.

"This landmark partnership with H&M Foundation will enable Global Fashion Agenda to significantly expand its impact work, which is centered around our vision of a creating net positive fashion industry," said Federica Marchionni, CEO, GFA. "Together we can converge, collaborate, and chart a course towards a socially just circular fashion industry that turns textile waste into value, minimizes the production of virgin materials, and aligns with the 1.5-degree pathway."

To do that, the H&M Foundation plans to support the Global Fashion Agenda and its partners across three objectives:

1. Mobilizing the industry to commit to producing and using recycled materials with a lower carbon impact.
2. Facilitating knowledge exchange across countries and regions by developing supportive publications and tools.

3. Enabling the realization of locally owned and led National Circular Fashion Partnerships in additional manufacturing countries while fostering multi-stakeholder efforts to establishing and scaling infrastructures for post-industrial waste recycling.

Over the past decade, H&M has come under fire by critics of fast fashion for its role in contributing to clothing and textile waste. But in recent years, the company has made a concerted effort toward more sustainable, circular practices. The Swedish retailer recently announced plans to purchase $600 million worth of recycled polyester over the next seven years as part of a new textile-to-textile recycling project called Syre.

The company also recently partnered with New York-based designer Heron Preston to launch H2, a "circular innovation program underscored by a joint commitment to closing the loop." And H&M Group also announced plans to test Deven Supercritical's Suprauno technology, which will allow it to replace conventional chemical-driven dye processes, reducing water, energy and chemical use.

And through its H&M Foundation—which is privately funded by the Stefan Persson family, founders and main owners of the H&M Group—the company offers financial backing to sustainability initiatives like the Global Fashion Agenda and the Global Circular Fashion Forum.

"Working towards greater circularity and impactful change in the textile industry requires bringing together diverse stakeholders across the entire value chain," said Christiane Dolva, strategy lead, H&M. "This is why we're incredibly proud and excited to join forces with the Global Fashion Agenda. Together we're putting the pieces in place to create a self-sufficient infrastructure that endures far beyond the scope of this partnership."

Source: sourcingjournal.com– Mar 21, 2024

HOME

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EU Chamber of Commerce suggests policy support for China's demand side

In the fringes of the EU Research and Innovation Days, the European Commission has announced 9 new European co-funded and co-programmed partnerships, including "Textiles of the Future". These partnerships will be at the core of the Horizon Europe Strategic Plan 2025-2027, addressing the green and digital transition, and a more resilient, competitive, inclusive and democratic Europe.

EURATEX has been working towards such a partnership over the last few years. Investing in innovation is a critical component to successfully implement the EU Strategy for Sustainable and Circular Textiles. We therefore welcome the Commission's decision, as a very timely measure to help our 200.000 EU textile companies to remain competitive.

Director General Dirk Vantyghem commented: "Innovation is the bridge between sustainability and competitiveness. This Horizon Europe Partnership is therefore an essential tool which will help our companies to become global leaders on sustainable textile products".

The Textiles of the Future Partnership will be co-managed by the European Technology Platform for Future of Textiles and Clothing (ETP). With a deep knowledge in textiles research and a vast innovation network, ETP stands ready to bring that partnership into reality.

ETP secretary general Lutz Walter commented: "Textile research has been an integral part of the EU's Research and Innovation Framework Programmes for many years, but this dedicated Partnership brings a strategic focus that is critical and timely to help our industry succeed in its green and digital transformation and reinforce Europe's global leadership role in textile research, technology development and higher education. ETP is looking forward to engage with all stakeholders of the European textile innovation ecosystem to turn this partnership into a success story".

Source: fibre2fashion.com– Mar 21, 2024

HOME

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Sri Lanka-India eye FTA expansion scope via ECTA, says Indian envoy

Indian high commissioner to Sri Lanka Santosh Jha underlined India and Sri Lanka are seeking to broaden the scope of Free Trade Agreement (FTA) through an Economic and Technology Cooperation Agreement (ETCA) even as a separate Bilateral Investment Treaty will also be formed.

This is as per media reports which added the Indian envoy stated this while addressing the 75th year celebration of the Sri Lanka India Society in Colombo recently.

Speaking at the event, Santosh Jha reportedly said the FTA signed in 2000 had served its purpose well, especially in enhancing Sri Lanka's export potential, while adding once concluded, the ETCA will further strengthen existing framework by removing impediments to genuine trade, eliminating non-tariff barriers, and enabling greater trade facilitation.

Emphasising that India is a rapidly growing engine for global growth and Sri Lanka should leverage and take advantage of this as the preferred partner and a close neighbour, he said: "Our desire to support Sri Lanka's economic recovery and its renewed quest for development is reflected also in our efforts to encourage the Indian private sector to invest in Sri Lanka," while adding connectivity remains the central pillar of India-Sri Lanka emerging partnership and all its dimensions.

He further added India is Sri Lanka's largest trade partner and the largest foreign investor in recent years and opined the India-Sri Lanka Land Connectivity Corridor is the most ambitious recent venture, and also the most impactful in terms of potential even as initial steps to translate this game-changing initiative into real action on the ground has now being taken.

Source: fibre2fashion.com– Mar 21, 2024

HOME

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Real stock of orders in German manufacturing down 0.9% MoM in Jan

The price-adjusted real stock of orders in the German manufacturing sector was down by 0.9 per cent month on month (MoM) in January this year after seasonal and calendar adjustment, according to provisional figures released by the Federal Statistical Office (Destatis).

The calendar-adjusted stock of orders was 5.2 per cent lower in January this year than in the same month last year.

Unfilled domestic orders in January were down by 1.5 per cent MoM and the stock of foreign orders was down by 0.4 per cent MoM.

Producers of capital goods saw the stock of orders decline by 1 per cent. The stock of orders increased by 0.1 per cent in the intermediate goods and consumer goods sectors, a Destatis release said.

Compared with the previous month, the range of the stock of orders fell to 6.9 months in January (December 2023: 7 months).

The range of the stock of orders dropped to 9.2 months for producers of capital goods (December 2023: 9.4 months). It rose to 4 months for intermediate goods producers (December 2023: 3.9 months) and increased to 3.5 months for consumer goods producers (December 2023: 3.4 months).

Assuming turnover remains constant and no new orders are received, the range indicates the number of months local units would, in theory, have to produce goods in order to fill all orders on hand, Destatis noted.

Source: fibre2fashion.com– Mar 22, 2024

HOME

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Ocean Freight Contracts Update: 'There's A Lot of Shippers Who Are Just Waiting'

With ocean freight contract negotiation season underway, brands and retailers are taking their time to find the right price in the wake of the skirmish in the Red Sea.

Annual ocean freight contracts typically run through the end of April before expiring, but even as the time to strike a new deal winds down, shippers still want to see where short-term spot rates end up.

The largest shippers typically set the benchmark for contract negotiations, according to Judah Levine, head of research at freight booking platform Freightos.

"There's a lot of shippers who are just waiting," Levine told Sourcing Journal. "In a normal year, maybe there would be more progress already in early March. The different tiers of size of shippers use [the largest shippers] as a benchmark and negotiate their rates relative to that. The biggest shippers get the best deals. As far as I know, I haven't seen any major importers coming to agreements yet."

While short-term spot rates escalated heavily at the start of the Red Sea disruptions when vessels were getting diverted around southern Africa, the peak was brief, and has deescalated again.

"The good news is, we reckon that the contract rates starting May 1 will be slightly lower than where they are currently, so the previous expectation that the Red Sea crisis could really inflate contract rates has not materialized," said Philip Damas, managing director of Drewry Supply Chain Advisors.

As of Thursday, spot rates from Shanghai to Los Angeles are $3,934 per 40-foot container, according to the Drewry World Container Index (WCI) while contract rates on the same trade lane are roughly $1,800 per container—less than half of the spot rates and a nearly $2,000 swing to move the goods.

And across other trade lanes, the gap between spot and contract rates is at roughly $2,500, according to Gautam Jain, CEO of freight management and logistics software provider GoComet.

Damas predicted that spot rates on that trade lane will continue to collapse in the second half of this year to roughly $2,000 per container, "about half what they are today," especially as more shipping capacity continues to come online in 2024.

"At that point, there will be a much more normal and smaller gap between spot rates and contract rates," Damas said.

The falling rates have spooked the CEOs of both Maersk and Hapag-Lloyd, who both acknowledged the market impacts of a larger orderbook of vessels. Load factors, the level to which ships are filled with cargo, will fall below 80 percent in the second quarter, according to Damas, thus driving prices further down.

Three-month deals become a viable alternative

Due to the continued declines, the option of a long-term contract might not be as enticing for beneficial cargo owners (BCO) if they are concerned about spot rates continuing to plummet.

Jain told Sourcing Journal that two clients of GoComet, a tire company and a pharmaceutical firm, opted for shorter contracts in the immediate term given the fear of missing out on a cheaper deal.

"They are planning either to do monthly spot rates, or they will do a three-month contract only, Jain said. "Not a longer contract, which will usually do for one-year contract. But they know that this is probably not sustainable for the long term, so that is why they will be moving to a longer-term contract after getting the benefit of the current lower spot rates. After these three months, they will move to probably a longer contract."

During a session at the TPM24 logistics conference in early March, one trans-Atlantic shipper said they were following a similar strategy, according to Levine.

"The shipper used to do annual contracts and now they're just doing three-month contracts and rolling to the next month when they can revisit it," Levine said. "I think there's a lot of hesitancy because of what happened during the pandemic, as well as really what keeps happening today. A lot of times with negotiations, it's treated more as a framework than a strict agreement."

Contract rates deliver more stability, particularly for larger shippers like Walmart or Target that have an ongoing influx of freight over a longer period of time, regardless of season. But in the event of a sinking (or spiking) spot rate, contracts can be renegotiated.

When spot rates fell below contract levels in late 2022 and into 2023, 77 percent of BCOs and freight forwarders reported renegotiating with partners to lower active contract rates, according to a recent survey from Freightos. Among those who renegotiation, 52 percent they renegotiated more than once a quarter.

Source: sourcingjournal.com– Mar 21, 2024

HOME

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Post-pandemic 'new normal' for cotton prices elusive amidst speculation

Cotton prices are on a roll again globally, defying expectations and leaving everyone scratching their heads. After a seemingly stable post-pandemic period, prices surged in February 2024, reaching $1 per pound – a level last seen a year ago. This is happening despite stagnant global consumption and high stockpiles.

Prices defy expectations

Production and consumption projections by country paint a mixed picture. "Major producers like China and India are expected to maintain or slightly higher output," another analyst noted, "However, consumption is forecast to remain subdued globally, hovering near a four-year low. This should ideally lead to lower prices, but that's not the case."

Table: Production and consumption projections 2023-24

Region	Production (million bales)	Change from 2022-23	Consumption (million bales)	Change from 2022-23
World	113.0	-3%	113.0	+2%
China	35.0	Stable	55.0	Stable
India	28.0	+5%	23.0	-2%
United States	15.8	+6%	N/A	N/A
Other Countries	34.2	Varied	35.0	Varied

As shown in the table, global production is expected to be slightly lower than the previous year, with major declines in the US and Australia offset by increases in Pakistan and Brazil.

Consumption is projected to inch up slightly, driven by growth in Pakistan, Vietnam, and Bangladesh. However, major consumers like China and India are expected to see a decline.

China: Stockpiles high, imports soar

In fact, China, the world's largest cotton producer, holds record stockpiles but faces a new reality due to the Xinjiang ban. "Despite flat domestic consumption," an analyst explained, "China's import estimates have skyrocketed by 107 per cent year-on-year to compensate for the ban. This rise offsets the decline in import demand from other major players like Bangladesh, Pakistan, and India."

In the US meanwhile, despite lower planted area, cotton production is expected to rise in 2023-24. However, recent news suggests increased supply expectations and lower mill demand might put downward pressure on prices.

Price surge, speculation or new normal?

The price increase has analysts baffled. "Cotton consumption is at a four-year low, and the stock-to-use ratio is at its pandemic peak," one analyst said. The USDA forecasts the Cotton A Index to average 97 cents per pound in 2024, a significant drop from the highs of 2022 but still above pre-pandemic levels.

The current rise could be partly speculative, due to China's uncertain buying despite record stockpiles. China, the world's largest cotton importer, has significantly increased import forecasts for the current year. This could be due to a shift away from Xinjiang cotton due to the forced labor ban, analysts speculate.

To an extent, the rise suggests a post-pandemic "new normal" for cotton prices is yet to be established. Moreover, global cotton consumption is projected to remain low, with major consumers like India facing sluggish demand. Also, the current stock-to-use ratio is at its highest level since the pandemic's beginning, indicating ample supply.

A complex situation with geopolitical tensions

What's more, despite the weak demand outlook, some factors could be driving speculation. China's increased import forecasts, despite high stockpiles, could be seen as an attempt to manipulate prices, some analysts say. Geopolitical tensions are another factor, as the ongoing trade war and wars in Europe and the Middle East could disrupt cotton production or trade flows, leading to price volatility.

"Indeed, the global cotton market is in a complex situation," one analyst concluded. "With China's import surge and potential geopolitical motives, the 'new normal' for cotton prices remains elusive.

While the recent rise might benefit some producers like Pakistan, consumers might face the brunt of higher prices in the near future."

Source: fashionatingworld.com– Mar 22, 2024

HOME

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NATIONAL NEWS

India's economic growth to propel a global expansion, says Amitabh Kant; spells out roadmap for growth potential

The next phase of India's story has to be on the back of manufacturing, said India's G20 Sherpa Amitabh Kant said at an event at the Confederation of Indian Industry.

He pointed out that India has been growing at more than 8.3 per cent in the last three quarters and has emerged as a very resilient powerhouse during this period.

Economic projection

"India, according to IMF, will be contributing close to 20 per cent of the world's economic expansion in the next decade and South is the engine of India's growth story for India to be a $35 trillion economy by 2047.

In the next five years, India will surpass Japan and Germany to emerge as the third-largest economy and also the third-largest stock market in the world," said Amitabh Kant, India's G20 Sherpa and Former CEO, NITI Aayog while delivering his keynote address at the conference.

He said that India should aim to register around 10 per cent economic growth over the next three decades to become a $35 trillion economy.

He remarked that the compounding effect of around 10 per cent growth will also have an impact on the per capita income of the country to reach a level of $23,000-24,000 from the current level of around $2,700.

He said that India needs to grow on the back of manufacturing and needs to grow on the back of smart urbanisation and agriculture.
Need of the hour

"India needs to improve learning outcomes and skills to ensure it provides 30 per cent of the skilled manpower globally by 2047, focus on creating a large number of large companies in India to create an ecosystem for MSMEs and SMEs to thrive and increase its R&D spending from 0.7 per cent to at least 2.5-3 per cent of GDP," he pointed out.

He also pointed out the benefits of goods and services tax, the IBC and the others rolled out by the government.

For India to have accelerated the pace of growth that we are currently witnessing, we brought in a goods and services tax that is paying us rich dividends. Secondly, we brought in the insolvency and bankruptcy code. Thirdly, the Real Estate Regulation Act has led to discipline in the real estate sector of India. Fourthly, the ease of doing business at the central level has ensured1500 laws have been eliminated, which is big," he said.

"We also started the Start-up India movement. From a mere 150 start-ups today we have 125,000 start-ups, plus 115 unicorns. The challenge for India in the coming years, up to 2047, is that India must grow at high rates. We need to accelerate the pace of growth for India," he added.

Source: thehindubusinessline.com– Mar 21, 2024

HOME

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Capping of interest subsidy for exporters to continue in Q1 of new fiscal

The Centre has notified an interest subsidy cap of ₹2.5 crore for individual export units in the first quarter of the forthcoming fiscal 2024-25 under the popular interest equalisation scheme (IES) for identified sectors and MSMEs. This is in continuation of its capping policy, introduced this fiscal, to ensure that more units can benefit from the scheme, sources said.

But the government is not yet ready to consider the demand made by exporters to increase the subsidy rates despite several submissions by exporters, an official tracking the matter told businessline.

The DGFT issued a notification on Wednesday clarifying that a cap of ₹2.50 crore per IEC is imposed till June 30, 2024, for the quarter starting from April 1, 2024.

"Last May, the government introduced a cap of ₹10 crore per importer exporter code (IEC) on the annual net subvention amount. All disbursements made from April 1, 2023, onwards were counted towards the IEC for the current financial year. The latest notification is to clarify that the cap will continue in the new fiscal as well. As the extension of the scheme is till first quarter of 2024-25, the cap has been calibrated accordingly," the official said.

Subsidy cap

The subsidy cap for individual exporters would ensure that a greater number of eligible exporters can benefit from the scheme instead of the amount getting concentrated in the hands of few, per the government.

The IES was first implemented in April 2015. Under the scheme, exporters are extended credit by banks at a reduced rate (the rate of interest subsidy is determined by the government). The banks are later reimbursed by the government for their lower interest earnings.

In December last year, the Union Cabinet approved an additional allocation of ₹2,500 crore for continuation of the scheme beyond the current fiscal, till June 30, 2024. The scheme would continue for all the targetted beneficiaries which include merchant exporters of the identified 410 tariff lines and all manufacturer exporters from MSME sectors.

The rates of subsidy were at 3 per cent for MSME sectors and 2 per cent for the rest.

Last month, the Reserve Bank of India officially extended the scheme through a notification. "Although exporters have been making a case for increased rate of subvention, due to low global demand owing to economic slowdown and geopolitical problems, an immediate increase seems unlikely," the official said.

Source: thehindubusinessline.com– Mar 21, 2024

HOME

****

India, UK aim to sign free-trade agreement by July; legal vetting on

After a long delay, New Delhi and London are aiming at signing the free-trade agreement (FTA) by July, leading to Indian exporters of labour-intensive products such as textiles, machinery, automobile parts, and marine products getting greater market access.

Signing a trade deal with the United Kingdom (UK) would be one of the main priorities of India's National Democratic Alliance-led government, which is now eyeing a third consecutive term.

"The legal vetting of the trade deal is on. Only one per cent of the deal needs to be finalised. Even if we iron out the last few issues, the deal cannot be announced till the elections in India are over," a senior government official told Business Standard.

While the last round of negotiations between India and the United Kingdom (UK) concluded during the first week of this month, the negotiating teams from both sides are continuing to hold discussions virtually.

The timeline for finalising the FTA continues to remain crucial even after the conclusion of the Lok Sabha elections in early June, since the UK will get close to its general election thereafter.

Intense negotiations were held especially over the last two months to iron out the contentious issues. Since January, a high-profile delegation from London visited New Delhi twice to thrash out the thorny issues pertaining to the deal. Similarly, an Indian delegation headed by Commerce Secretary Sunil Barthwal was in London for discussion.

Most importantly, last week, Prime Minister Narendra Modi and his UK counterpart Rishi Sunak discussed an early conclusion of the FTA on the phone, which gave a final push to the negotiating team from both sides.

"Both sides intended to finalise the deal before the announcement of the model code of conduct (on March 16), but a few differences remained. That's why it was decided that it was crucial for the deal to be 'fair and equitable' and it shouldn't be rushed, even as the Indian side thought an announcement of a substantial conclusion of the deal should be contemplated," the official cited above said.

A separate bilateral investment treaty (BIT) or an investment pact, which is being negotiated by the finance ministry, is one of the major areas where a consensus is yet to be achieved.

"London is unwilling to sign a deal without finalising the BIT. So there's a holdup on that front," the official said. While India is also keen to sign a BIT, it's not as big a priority.

India is bargaining hard to seek a resolution on London's plan to roll out carbon border tax on its imported goods from 2027. A resolution is yet to reach on that front.

Similarly, India has made it clear that a bilateral social security agreement (SSA) to protect the interests of skilled cross-border workers will be imperative in finalising the deal. "There has been progress on the social security agreement, and some differences have been narrowed," the official said.

Although India has signed three important FTAs since 2022 -- with the United Arab Emirates, Australia, and European Free Trade Association -- a deal with the UK is expected to be one of the most crucial since India walked out of the China-backed Regional Comprehensive and Economic Partnership (RCEP) deal in 2019.

India-UK FTA negotiations, launched in January 2022, have had 14 rounds so far. Chapter-wise textual negotiations are "nearly closed and schedules on goods and services are at an advanced stage" of negotiations. "Recently, the UK team visited India (March 5-7) for negotiations on outstanding issues. Teams have made good progress. A majority of difficult issues are towards resolution. A couple of key priority issues to seal the deal are being ironed out to have a balanced outcome," the commerce department said last week.

Source: business-standard.com– Mar 21, 2024

HOME

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Indian retail sector witnesses 5% growth in February 2024: RAI

The Indian retail sector reported an average growth of 5 per cent in February 2024 compared to the same period last year, signalling a tepid rise in consumer demand, according to the recent Retail Business Survey conducted by the Retailers Association of India (RAI). Among the categories showing promising growth, apparel and clothing retail saw a 6 per cent year-on-year increase.

Notably, specific segments such as footwear and sports goods contributed significantly to the overall retail growth, witnessing an increase of 8 per cent and 9 per cent year-on-year, respectively.

Regionally, the performance varied across the country, with retailers in West and South India leading the growth charts at 6 per cent each. In comparison, North India saw a slightly lower growth rate at 4 per cent. East India lagged behind its counterparts, recording the least growth at only 3 per cent, as per the survey.

Source: fibre2fashion.com– Mar 22, 2024

HOME

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Summer fashion style goes comfortable, environmentally sustainable

Indians are setting up their wardrobe for the summer, pulling out their light cotton, linen and khadi clothes. It is time to be “eco-conscious” in what you wear, say fashion designers and industry executives.

Cotton, khadi, silk blends and linens are in vogue, taking new forms in jackets, capes, saris and lehenga tops. “In 2024, India's sustainable fashion scene is set for a transformative and eco-conscious summer. With a rising awareness among consumers about sustainability issues, driven by initiatives such as Make in India, the country is witnessing a significant shift towards environmentally friendly practices,” says Sanjay Gupta, vice chancellor, World University of Design, a private institute in Sonipat, Haryana.

Choose clothes made from sustainable fabrics like linen and pure cotton when shopping for your summer wardrobe, says Sanjay Nigam, founder of Fashion Entrepreneur Fund. “It isn't just about style; it's about being mindful of our planet. Many individuals opt for these materials because they contribute to environmental preservation. There is an increasing focus on eco-friendly materials, ethical production practices, and recycling/upcycling,” he says.

Natural fibres like linen and cotton are eco-friendly and cotton “offer exceptional comfort” in hot weather. “They keep us cool and stylish without compromising our environmental values. Although they may require a bit more care than synthetic fabrics, their durability, comfort, and eco-friendly qualities make them an excellent choice," he says.

Clothing brands that have sustainable products include 11/11, The Pot Plant, Red Sister Blue, Bunosilo, Runaway Bicycle, Brass Tacks, Metaphor Racha. Well-known linen clothing brands include Kaveri, Linen Club, Cotton World and BharatSthali.

Linen is the lightest fabric to wear in summer, for it is comfortable and absorbs sweat, says Raj Sarthak Nigam, co-founder of FEF India Fashion Awards and strategist Fashion Entrepreneur Fund. “Most people live under the notion that moving towards eco-friendly and sustainable choices means spending more money, I think otherwise. Consciously choosing sustainable fabric garments does not necessarily have to burn a hole in someone's pocket. They're breathable and hold moisture absorbing properties," he says.

"Contrary to expectations, Cantabil isn't new to linens," says Deepak Bansal, director of the affordable clothing company. The company is "diving into" linen blends, focusing on men's shirts. It has half-sleeve casual shirts in cotton linen blend, full-sleeve shirts and a men's casual trouser in cotton linen blend. For women, the company has a long tunic and a kurti in a poly linen blend.

Key styles at the Summer Somewhere brand include a slinky satin red slip dress, a linen coordinated set that can be worn in different ways, and a pastel dip-dyed ruched dress. "Our brand's styles are made from 100 per cent natural fibres that have low impact on the planet. We only use Azo free dyes (low impact dyes) that do not contain carcinogenic compounds," says a spokesperson for the company.

Khadi, the hand-spun fabric worn by Indian politicians, is comfortable to wear in summer. Consumers who are environmentally conscious wear it like denim jeans or as a lehenga. "My first brush with khadi products was at the Gramodyog Bhavan in Connaught Place (in central Delhi) many years ago. I heard that what goes on your body is as important as what goes into it, so I became a conscious consumer and went back to our textile roots. It's a myth that khadi is uncomfortable and coarse," says Gaurangi Singh, a yoga expert who lives in the national capital.

Indian fashion brand KAZO's SS'24 collection for summer comprises linen shirts, trousers made from nylon and poly blend, and cotton blended dresses. "We have curated a color palette that reflects the essence of nature, including earthy tones, soft pastels, and vibrant hues. These colours complement the natural fabrics we have used, creating a harmonious and eco-conscious collection," says Deepak Aggarwal, founder and chief executive officer of KAZO.

UNIQLO, the Japanese brand, has linen shirts priced between Rs 2,490 and Rs 2,990 and pants and jumpsuits between Rs 1,990 and Rs 3,990. According to a company spokesperson, "Beyond mere style, customers are now also seeking comfort and convenience. For summer, colours that add a sense of lightness and freshness to hot days are proving popular, including hues of beige, pink, blue, and green."

For women the style in spring and summer is natural fabrics of soft, muted pastel shades like lavender, mint green, and baby blue. Flowy silhouettes, floral prints, and boho-inspired elements such as fringe and crochet. Geometric prints, tropical motifs, and abstract designs add a playful and vibrant touch to summer wardrobe. The fusion of athletic wear with casual and everyday clothing continues to be popular, offering comfort and style for various occasions. Dramatic sleeves including puff sleeves, bell sleeves, and exaggerated ruffles add flair and femininity to tops and dresses. Light and airy sheer fabrics like chiffon and organza add a delicate and ethereal quality to summer outfits. Clean lines, simple shapes, and monochromatic color schemes create chic and timeless looks suitable for the warmer seasons.

Summer clothes made of natural fibres crease easily and need care, says Kamal Khushlani, chairman and founding director of Mufti Jeans. “The first piece of advice is to accept the natural traits and personality of the fabric.” He advises wearing linen shirts with a light jacket in linen or cotton and pleated pants.

Natural fibre clothes should be washed in cold water, in the delicate cycle option in a washing machine, and flat dried in the shade. Woven fabrics should be line dried and hung on hangers. Wash coloured clothes separately and keep lights away from darks.

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Source: business-standard.com – Mar 21, 2024

HOME

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