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INTERNATIONAL NEWS

Global trade expected to rebound in 2024: UNCTAD

Global trade is expected to see a rebound and remain at around 3 per cent this year, reversing last year's downturn amid lingering geopolitical uncertainties, according to the United Nations Conference on Trade and Development (UNCTAD).

Global trade witnessed a 3 per cent contraction last year.

Logistical challenges like shipping disruptions in the Red Sea, Black Sea and Panama Canal cast shadows over the optimistic outlook, and can raise costs and disrupt supply chains, UNCTAD cautioned in its Global Trade Update report.

However, there has been an increasing demand for container shipping during the last few months. Some East Asian and Latin America economies may find opportunities this year to become more integrated into the supply chains affected by geopolitical concerns, the UNCTAD report noted.

The prioritisation of domestic concerns and the urgency of meeting climate commitments are driving changes in both industrial and trade policies. The utilisation of trade restrictive measures and inward-looking industrial policies are anticipated to affect the growth of international trade, it said.

"Projections for 2024 are more optimistic. Overall, moderating global inflation and improving economic growth forecasts suggest a reversal of the downward trends. Additionally, rising demand for environmental goods should boost trade in 2024. However, it's important to note that the global trade outlook for 2024 remains subject to significant uncertainties," the report said.

Major economies, except Russia, experienced a generalised downturn in merchandise trade last year. Trade in goods dipped by 5 per cent last year compared to 2022. Russia saw a sharp decline in export levels in 2023, largely tied to energy markets.

Quarter-on-quarter figures indicate a return to growth in some major economies, including China and India.

India's merchandise exports grew by 5 per cent Year on year (YoY) in 2023 last quarter. However, on an annual basis, export growth in the country witnessed a 6 per cent contraction.

Source: fibre2fashion.com– Mar 27, 2024

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Global apparel trade slumps in January 2024 but India shows mixed picture: Wazir Advisors

Global apparel trade has seen a drop in January 2024. In its latest study 'Apparel Trade Scenario in Key Global Markets and India-March 2024' Wazir Advisors reveals, apparel consumption and import in the US, EU, UK, and Japan has seen a decline. India however throws up a mixed picture while apparel exports in February 2024 has shown a marginal increase compared to February 2023, imports however has gone down

Apparel imports drop across key markets

Wazir Advisors' study shows, in January 2024, US apparel imports were $6.1 billion, almost 16 per cent lower than January 2023. Moreover, the share of China and Vietnam has increased by 2 per cent and 1 per cent, respectively since 2022 in the US apparel market. And India and Bangladesh share has remained the same since 2022.

EU's apparel imports in January 2024 were $6.6 billion which is 20 per cent lower than January 2023. In the EU apparel market, China's share has decreased 2 per cent while that of Turkey has increased 2 per cent since 2022. Interestingly, Bangladesh share has gone down since 2022 and so has India's since 2023.

UK's apparel imports in January 2024 stood at $1.4 billion, 18 per cent lower than in January 2023. Meanwhile in the UK apparel market, China's share has reduced by 2 per cent and that of Italy has increased by 3 per cent since 2022. India's share has more or less remained constant since 2022.

Japan, another major market too followed the same pattern as apparel imports in January 2024 were $1.9 billion, 14 per cent lower than January 2023. In the Japan apparel market, China's share has gone down by 3 per cent while that of Vietnam has increased by 1 per cent since 2022. Bangladesh, Cambodia among others has seen no change.

Retail Sales: US saw a rise, UK a drop

In February 2024, US Consumer Confidence Index has decreased to 106.7 from 114.8 last month. US inflation rate in the same period increased to 3.2 per cent from 3.1 per cent. Apparel store sales threw up a mixed picture in different countries/regions under review in this study. In February 2024, US monthly apparel store sales were around $15.8 billion which is 10 per cent higher than in February 2023. On YTD basis, sales in 2024 are 6 per cent higher than in 2023. In February 2024, US monthly home furnishing store sales are $4.2 billion, 22 per cent lower than in February 2023. On YTD basis, the sales in 2024 are 25 per cent lower than in 2023. In Q4 2023, US online sales of clothing and accessories grew 7 per cent over Q4 2022.

In the UK however, February 2024 monthly apparel store sales were £3.0 billion which is 3 per cent lower than in February 2023. On YTD basis, sales in 2024 are 3 per cent lower than in 2023. In Q4 2023, UK's online clothing sales grew almost 20 per cent over Q4 2023. Overall, in 2023 sales were 16 per cent higher than in 2022.

India's apparel trade

In February 2024, India's apparel exports are estimated at around $1.4 billion, a mere 1 per cent higher than in February 2023. On YTD basis, the exports are down 3 per cent than in 2023. India's apparel exports share in the US and UAE has gone down 4 per cent and 1 per cent, respectively since 2022. In January 2024, India's apparel imports were $109 million which is 23 per cent lower than in January 2023.

In the Indian apparel import basket, China's share has decreased by 4 per cent since 2022, while that of Italy has increased by 3 per cent.

Source: fashionatingworld.com– Mar 26, 2024

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Hong Kong's Fashion InStyle returns 'Bigger and Better' in 2024

Fashion InStyle, Asia's leading fashion event, is revving up for its 2nd edition this year. Formerly known as the Hong Kong Fashion Week, the event will be held under a new EXHIBITION+ hybrid model, combining a physical show with an online platform to serve fashion professionals anytime, anywhere.

A global fashion extravaganza

The much-anticipated physical exhibition will take place from April 20 to 23, 2024, at the Hong Kong Convention and Exhibition Centre. It will converge hundreds of exhibitors from the clothing and fashion industry, showcasing the latest trends across the entire fashion supply chain. This includes textiles, fashion technologies, sustainability solutions, and suppliers of all-season clothing and accessories.

Running concurrently with Home InStyle, the event creates a dynamic sourcing festival for lifestyle products. For those who can't make it in person, Click2Match, the event's online business-matching platform, will be operational from April 13 to 30, facilitating connections between businesses.

What to expect at Fashion InStyle 2024

This year's event promises to be bigger and more vibrant than ever before. Here are some highlights to look forward to:

• Over 400 exhibitors: Attendees can explore a wide range of products from over 400 exhibitors from 8 countries and regions. This includes India, Indonesia, Luxembourg, Mainland China, Japan, Korea, Hong Kong, and Thailand.

• Themed zones: The exhibition will be divided into themed zones, catering to specific interests. These zones include:

• Certification & Trade Services Zone: This new zone promotes services related to meeting garment standards.

• Fashion Tech Zone: This zone showcases cutting-edge technologies used in garment manufacturing.

• Athleisure Zone: This zone features collections that blend comfort, function, and style, perfect for active lifestyles.

• Other zones will showcase new season garments, designer collections, fashion accessories, fabrics, and more.

• Focus on sustainability: There will be a strong emphasis on sustainability at the event, with exhibitors from ASEAN countries showcasing eco-friendly practices and products.

• Fashion parades and presentations: Witness the latest designs and brand features come alive through captivating fashion parades and presentations.

• Industry insights and networking: A lineup of seminars will provide valuable insights on fashion trends, technology, and sustainability. Networking receptions will offer opportunities to connect with industry professionals and explore business prospects.

Positive feedback from previous exhibitors and buyers

The 2023 edition of Fashion InStyle was a resounding success, attracting close to 56,000 buyers from over 130 countries and regions. Here's what some participants had to say about the event:

• Hayeon Kim, CEO of SALON DE YOHN, Korea: "We're impressed by the organization of Fashion InStyle. We networked with potential partners like fabric suppliers and button manufacturers, opening doors for business expansion."

• David Valker, Managing Director of Sk8 Kft., Hungary: "We found several potential suppliers of recycled and sustainable fabrics at Fashion InStyle. Hong Kong offers an excellent business environment, and this is a very successful show."

EXHIBITION+ Hybrid Model: Expanding Reach and Opportunities

The EXHIBITION+ hybrid model is a game-changer for Fashion InStyle. It provides a comprehensive package of services, including physical fairs organized by the HKTDC, Click2Match, the online business-matching platform, online-to-offline seminars under the Intelligence Hub and the hktdc.com- a sourcing platform

This combination extends the reach of the event beyond physical boundaries, offering greater flexibility and effectiveness for businesses. It allows for extended fair periods, expanded platforms, and enhanced opportunities for SMEs to connect with potential partners.

With its focus on innovation, sustainability, and global connectivity, Fashion InStyle 2024 promises to be a must-attend event for anyone in the fashion industry.

Source: fashionatingworld.com– Mar 27, 2024

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Sweden's H&M cuts GHG emissions by 22% in 2023

Key sustainability achievements of H&M Hennes & Mauritz AB for 2023 include a 22 per cent reduction in greenhouse gas emissions across the supply chain and a 24 per cent decrease in the company's operations, based on a 2019 baseline, as per its Annual and Sustainability Report. These efforts align with H&M's target to cut absolute emissions by 56 per cent across various scopes by 2030.

The report underscores the company's commitment to a sustainable and circular fashion industry amid global social, environmental, and economic challenges.

The company also reported that 85 per cent of its materials are now recycled or sustainably sourced, with a goal to reach 100 per cent by 2030. Notably, recycled materials accounted for 25 per cent of the total, a figure H&M aims to double within the next seven years.

In addition, H&M Group achieved a 29 per cent reduction in electricity intensity per square metre and opening hour in its stores, surpassing its 25 per cent reduction target seven years ahead of schedule. The company also reported a 55 per cent reduction in plastic packaging since 2018, moving closer to its objective of using solely recycled or sustainably sourced packaging materials by 2030.

The report also highlighted the engagement of over 200,000 workers from more than 750 supplier factories in a worker voice survey. This initiative is designed to establish clear priorities and develop effective roadmaps, improving grievance mechanisms within the supply chain.

Leyla Ertur, H&M Group's head of sustainability, emphasised the importance of integrating ambitious environmental actions with equitable transitions within the fashion sector. "Ambitious and concrete actions to reduce emissions and resource use must go hand in hand with contributing to a just transition for the millions who rely on the fashion industry for their livelihood."

Source: fibre2fashion.com– Mar 28, 2024

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Texworld, Apparel Sourcing & Home Textiles Sourcing registrations open

Texworld and Apparel Sourcing, the leading platform for global sourcing and innovation, are thrilled to announce that registration is now open for its upcoming events in both New York City and Los Angeles.

The New York event encompasses a series of co- located shows, including Texworld New York City, Apparel Sourcing New York City, Home Textiles Sourcing, and Printsource. The Los Angeles event includes Texworld Los Angeles, Apparel Sourcing Los Angeles, and Printsource.

Texworld and Apparel Sourcing New York City, Home Textiles Sourcing, Printsource
July 16 - 18, 2024 – Javits Center, New York City

Texworld and Apparel Sourcing Los Angeles, Printsource
August 13 - 14, 2024, California Market Center, Los Angeles

Both East and West Coast events bring together textile innovators, industry leaders, and fashion professionals to explore the latest trends, connect with suppliers, and discover new opportunities.

With a diverse array of product categories across the fashion, apparel, home, and print design industries and exhibitors representing global textile markets, the shows offer unparalleled networking and educational experiences for attendees.

"Our co-located events in New York and Los Angeles represent a unique opportunity for industry professionals to connect, learn, and grow.

From curated trend presentations to networking opportunities, our shows offer a comprehensive experience designed to empower both attendees and exhibitors and drive success in today' s competitive marketplace," states Jennifer Bacon, VP of Fashion and Apparel, Messe Frankfurt Inc.

Background information on Texworld New York City

Texworld NYC is one of the largest sourcing events on the East Coast for apparel fabric buyers, research and product development specialists, designers, merchandisers and overseas sourcing professionals. This international business platform offers a wide product range covering the entire fabric spectrum. From casual cotton to functional fabrics and sophisticated knits to intricate laces, season-to-season attendees discover textiles of innovative structures, material mixes and surprising color palettes.

Background information on Apparel Sourcing New York City

As a long- term joint venture partnership between Messe Frankfurt and CCPIT- Tex, Apparel Sourcing New York City offers apparel brands, retailers, wholesalers and independent design firms a dedicated sourcing marketplace for finding the best international apparel manufacturers.

As the only event on the East Coast to focus on finished apparel, contract manufacturing and private label development, the show provides attendees direct access to suppliers specializing in ready-to-wear for men, women, children and accessories.

Background information on Home Textiles Sourcing

As a long-term joint venture partnership between Messe Frankfurt and CCPIT- TEX, Home Textiles Sourcing Expo is one of the largest sourcing events in North America to solely focus on fabrics and finished soft goods for all home applications.

Held annually alongside Texworld New York City and Apparel Sourcing New York City, Home Textiles Sourcing provides manufacturers, retailers, jobbers, converters, contract specifiers and designers a one-stop-sourcing venue to locate new fabrics and products for their latest collections. Together the three co-located shows create one of the largest fabric sourcing destinations for the North American marketplace.

Background Information on Texworld and Apparel Sourcing Los Angeles

Messe Frankfurt, organizer of Texworld New York City and Apparel Sourcing New York City, the east coast’s leading event for the textile sourcing industry, launched Texworld Los Angeles and Apparel Sourcing Los Angeles, a west coast version of its highly successful New York event, in Los Angeles, California, in 2023 at the California Market Center (CMC).

The upward growth at Texworld New York City events opened the door to offering the same dynamic event to the buyers on the West Coast seeking high-quality textile options from a diverse product selection.

Catering to a wide range of sourcing professionals from apparel fabric buyers, research and product development specialists to designers, merchandisers, and others, Texworld and Apparel Sourcing Los Angeles encompass all sectors of the sourcing industry inviting them to gather, build new relationships, and foster collaboration.

Source: fibre2fashion.com– Mar 28, 2024

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Consumer sentiment in Australia takes a dip in March 2024

Australia saw a slight decline in consumer confidence, with the consumer sentiment index dropping 1.8 per cent to 84.4 in March, down from 86 in February, according to the latest findings from the Westpac Melbourne Institute. Despite some initial signs of optimism, the mood among consumers remains largely pessimistic, reflecting growing concerns about the near-term economic outlook.

The March survey highlighted that progress in lifting the pervasive consumer gloom of the past two years is, at best, sluggish. Consumers' apprehensions about the economy's future continue to dampen sentiment, overshadowing any minor improvements noted in certain areas.

A glimmer of hope is observed in how consumers perceive news related to inflation and the cost of living. While inflation continues to be a dominant topic, the intensity of concern has lessened, with 43 per cent of respondents recalling inflation news, down from over 60 per cent in the previous year.

The perception of inflation news has shifted, with 51 per cent now viewing it as unfavourable, a significant improvement from 74 per cent last year, as per Westpac.

Other news topics, including budget and taxation changes, employment, and interest rates, are also being received more positively than in December. However, perceptions around 'economic conditions' have soured slightly, likely influenced by disappointing national accounts figures for the December quarter.

The detailed analysis of the survey's sub-indexes reveals a mixed picture, with four out of five showing declines. The most significant drop was seen in the 'economic outlook, next 12 months' sub-index, which fell by 4.5 per cent.

In contrast, the 'economic outlook, next 5 years' sub-index offered a rare positive note, rising by 1.1 per cent to reach 94, slightly above the average of 92.

The survey also captured the impact of the Reserve Bank of Australia's (RBA) recent decision on interest rates, with a marked difference in sentiment before and after the announcement. Sentiment stood at 94.9 prior to the RBA's decision but plummeted to 79.3 post-decision. This swing mirrors the reaction observed in February, underscoring the significant influence of monetary policy on consumer expectations.

On a brighter note, the outlook for jobs remains relatively stable, with the Westpac-Melbourne Institute unemployment expectations index increasing by 1 per cent to 128.1, aligning closely with the historical average. This indicates a general expectation of a softening in the labour market rather than a dramatic increase in unemployment.

Source: fibre2fashion.com– Mar 28, 2024

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US to launch project for secure textiles-apparel trade with Guatemala

The office of the US trade representative (USTR) and US Customs and Border Protection (CBP) will launch a Trade Capacity Building Programme to advance secure trade in textiles and apparel between the United States and Guatemala, vice president Kamala Harris recently announced. She welcomed President Bernardo Arevalo of Guatemala to the White House on March 25 and discussed bilateral issues.

The vice president announced an additional $170 million for development, economic, health and security assistance to Guatemala's subject to congressional notification. The Trade Capacity Building programme will encourage engagement, including with existing government-to-industry stakeholder partnerships such as CBP's Customs Trade Partnership Against Terrorism Programme and the Superintendence of Tax Administration of Guatemala's Authorised Economic Operator Programme.

The Commerce Law Development Programme (CLDP) will support legal and regulatory reforms to facilitate new infrastructure and public-private partnerships in the Latin American country, Harris announced. These reforms will also promote workers' rights. CLDP will provide technical assistance to improve Guatemala's proposed port authority law, which would counter extortion and the use of maritime ports and airports by organised criminal organisations.

The Women's Economic Empowerment Legal Reform Fund Project in Guatemala will support key congressional, governmental and civil society partners to advance legislation and policy that reduces barriers to women competing in the workforce, while enhancing protection of women's access and rights in the workplace, she said.

A US investment facilitation team will visit Guatemala in the next six months to support clean energy and infrastructure development, facilitate private sector operations and promote sustainable economic development, a White House factsheet said.

Source: fibre2fashion.com– Mar 28, 2024

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Tragic Baltimore Bridge Collapse Expected to Have Minimal Impact on Apparel Shipping

Search and rescue efforts have continued Wednesday for six people who are presumed dead after a container ship hit a pillar of Baltimore's Francis Scott Key Bridge, causing its collapse.

With the Port of Baltimore no longer accepting any vessel traffic, and no timetable in place for when ships will be able to sail through to the gateway, cargo delays are expected in the northeastern U.S. as containers are rerouted to various local northeast ports.

But for the majority of apparel retail businesses, the impact is likely going to be minimal since fashion merchandise typically comprises a small proportion of goods flowing through the Port of Baltimore.

"Baltimore's not a big center for apparel, accounting for 0.7 percent of national imports and 3.8 percent of the northeast U.S. ports (everything from Virginia north)," Chris Rogers, head of supply chain research, S&P Global Market Intelligence, told Sourcing Journal. "We haven't heard anything yet about cargoes being swapped elsewhere."

Freight forwarder OEC Group, which has been suggesting clients reroute any goods headed to Baltimore to nearby ports including New York & New Jersey and Norfolk, Va., hasn't seen much demand for assistance in redirecting cargo.

"Apparel clients, for the most part, are West Coast," said Joseph Firrincieli, sales supervisor at OEC Group's New York Bureau. "And a lot of them use Matson, which is an expedited service carrier, so I don't anticipate it to affect them as much. Because like I said, most of it goes into the West Coast."

That's not to say there won't be delays, particularly if more cargo is shifted to other ports which can cause wider congestion amid the volume increase.

Additionally, the lack of the Francis Scott Key Bridge will also affect the movement of goods on the road, forcing delivery drivers and truckers in the area to use alternative routes, further likely escalating trucking rates.

“The tragic Key Bridge collapse will inevitably lead to delays in deliveries that go through the I-95 corridor between Washington D.C. and New York or through the Port of Baltimore,” said Andrei Quinn-Barabanov, supply chain industry practice lead at Moody’s. “Supply chain managers who get their deliveries via either of these routes need to immediately accelerate orders that are likely to be affected. Speed of action is critical.”

Amazon, the largest e-commerce retailer that sells goods across all categories, appears to be one of the companies that may have to adjust its local supply chain operations in the wake of the bridge collapse.

“We’re assessing the immediate and future impacts to our employees and delivery partners, as well as the surrounding community and will make any adjustments to our operations that are needed,” said an Amazon spokesperson. “We also stand ready to support the community in any way we can.”

Under Armour, which is headquartered in Baltimore and hosts a warehouse in nearby Sparrows Point, Md., did not respond to requests for comment.

Another company operating a distribution center near the port, FedEx, said it is closely monitoring the situation in Baltimore and has contingency plans in place to lessen any potential impacts on service.

Count Mediterranean Shipping Company (MSC) and Maersk as major ocean carriers that are omitting Baltimore on all their service lines “for the foreseeable future” until the passage through the Patapsco River is deemed safe. MSC estimates that this is expected to take several months. Both container shipping giants said all customer cargo will be rerouted and discharged at alternative ports in the near term.

There is currently no timetable for how long it will take to rebuild the Francis Scott Key Bridge.

The collapse’s effects are going to be more pronounced for other industries beyond apparel, given that the Port of Baltimore handled 10 percent of U.S. northeast imports in the 12 months to Jan. 31, 2024, according to S&P Global data.

The port is one of the largest handlers of specialty wheeled transport shipments (cars and trucks) in the U.S. Baltimore port's private and public terminals handled 847,158 autos and light trucks in 2023, the most of any U.S. port.

In addition, expect more delays in shipments of wood (which comprises 39 percent of northeast ports' imports), construction machinery (31 percent) and steel/aluminum (20 percent).

Consumer goods exposures including home appliances (16 percent) and furniture (9 percent), with the latter expecting to catch some headwinds in the form of delays and costs.

"The thing with furniture too, is a lot of it comes out of Vietnam," said Firrincieli. "Depending on where you're shipping out of in Vietnam, there's only a select few carriers that even call Baltimore direct. So it's limited on options there."

Firrincieli told Sourcing Journal that if furniture shipments are rerouted to Norfolk, for example, conducting the process of transloading and long-haul trucking will become more expensive since you can't palletize a piece of furniture.

Source: sourcingjournal.com– Mar 27, 2024

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Uzbekistan's export of textile products rises 3% YoY in Jan-Feb 2024

Uzbekistan exported textile products worth $519.4 million in the first two months this year—a 3 per cent rise year on year (YoY), according to official statistics. The figure accounts for 14.3 per cent of the country’s total exports.

The exported textile products primarily consisted of finished textile goods (37.4 per cent) and yarn (47.7 per cent).

The central Asian country exported 496 types of textile products to 52 countries during the two-month period, according to domestic media reports.

Exports of yarn, finished textiles, knitted fabrics, fabrics and hosiery were worth $247.8 million, $194.4 million, $42.8 million, $26.8 million and $7.7 million respectively during the period.

Source: fibre2fashion.com– Mar 27, 2024

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Vietnam eyes closer trade links with Finland: Reports

Vietnam is actively pursuing enhanced trade relations with Finland, as evidenced by National Assembly (NA) Chairman Vuong Dinh Hue's advocacy for strengthened trade ties during a recent diplomatic exchange between the two nations.

Reports from local news outlets indicate that discussions, occurring during Finnish Parliament speaker Jussi Halla-aho's visit to Vietnam, emphasised Vietnam's commitment to facilitating smoother trade processes, particularly for vital exports like steel, textiles, and footwear.

During talks held recently, Hue underscored the importance of creating favourable conditions for Vietnam's primary exports. Both parties engaged in discussions encompassing various mutual interests, including green economy initiatives, digital transformation, high technology, renewable energy, environmental protection, water treatment, and smart cities.

Hue stressed the significance of supporting Vietnam's human resource development in innovation, entrepreneurship, and vocational training, leveraging Finnish expertise in these domains. Vietnam's recent endeavours in renewable energy, as outlined in its National Electricity Development Plan VIII (Power Plan VIII), offer promising avenues for collaboration between the two nations.

"Proactive dissemination of information to business communities and the organisation of trade and investment promotion activities are essential to foster bilateral cooperation," noted Hue. Jussi Halla-aho's official visit to Vietnam, spanning from March 24 to 26, marked his first trip outside the European region since assuming office, with Vietnam being the sole destination.

This visit signifies an exchange of high-level delegations to commemorate the 50th anniversary of diplomatic relations between Finland and Vietnam (1973-2023) even as it highlights the significance both nations place on furthering their bilateral ties and exploring avenues for mutual growth and cooperation.

Source: fibre2fashion.com– Mar 27, 2024

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Bangladesh's Patenga Container Terminal to start operations from April

The much-awaited Patenga Container Terminal, formally inaugurated last November at Chittagong port, is poised to begin operations in April, aiming to bolster international trade facilitation.

Initially, for approximately two to two and a half years, the terminal will exclusively accommodate geared vessels, utilising onboard cranes for container handling.

Golam Mainuddin, senior executive director at SHR Group, a partner with the port’s first foreign operator, outlined operational protocols, emphasising equitable vessel berthing and competitive dynamics among domestic operators.

The terminal’s operational phase will gradually transition to accommodate gearless vessels following the installation of three gantry cranes, a process expected to span around two years.

Equipped with three container jetties and one dolphin oil jetty, the terminal is designed to concurrently host three container ships and one oil tanker, enhancing Chittagong Port’s handling capacity to an anticipated 450,000 TEUs annually.

The terminal’s operation, under a 22-year agreement with Saudi Arabia’s Red Sea Gateway Terminal International (RSGTI), signifies a significant shift from traditional port management models.

Chittagong Port Authority (CPA), backed by the Public Private Partnership Authority Bangladesh, embarked on this partnership to optimise port efficiency, and reduce operational costs.

Transitioning from the tool port system to the landlord concept, Chittagong Port aims to foster competition, efficiency, and global competitiveness.

Mohammed Shafiqul Alam Jewel of the Bangladesh Shipping Agents’ Association anticipates streamlined operations and enhanced efficiency, which will benefit shipping agents and mainline operators, elevating Bangladesh’s standing in the global maritime sector.

While the terminal's construction, completed in June 2022, faced delays in operator recruitment, its imminent operation heralds a transformative phase in Chittagong Port's evolution.

The G2G agreement with RSGTI signifies a strategic departure from initial management plans, highlighting the government's commitment to optimising port infrastructure and fostering international partnerships for sustainable growth.

Source: fibre2fashion.com– Mar 27, 2024

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Pakistan: PRGMEA urges independent apparel policy

The Pakistan Readymade Garments Manufacturers and Exporters Association (PRGMEA) is pressing for the revision of the Textile Policy, calling on the government to introduce a separate five-year 'Apparel Policy', detaching the garment sector from textiles. This call comes in light of the expiration of the GSP Plus status and the forthcoming submission of the US International Trade Commission's (ITC) report on Pakistan's apparel industry competitiveness at the end of August this year.

PRGMEA Central Chairman Mubashar Naseer Butt commended the government's swift response to the US ITC report on the competitiveness of Pakistan's apparel industry. He observed the significance of this move, stating that it presents a valuable opportunity for Pakistan's apparel sector to enhance its exports. Highlighting the sector's importance, Butt stressed the need to strengthen it and give it a distinct identity.

Butt advocated for the launch of a new and independent apparel policy aligned with the textile policy for the next five years. He called for the establishment of an Apparel Council at the federal level to address sector-specific challenges and stabilise textile exports. He also underscored the differences between the garment and textile sectors, reiterating the need for targeted policies.

The garment sector, with its potential to create jobs with relatively low investment and energy needs, holds immense promise. Butt pointed out the sector's significance in global markets and highlighted the need for Pakistan to fully capitalise on emerging opportunities, especially in the US market.

Pakistan's apparel sector, with around 85% of its exports going to the US, stands to benefit significantly from fully exploiting this opportunity.

PRGMEA EC member Sajid Saleem Minhas highlighted the need for duty-free access to the US market and called for government support to enhance the competitiveness of the value-added textile industry.

Source: tribune.com.pk– Mar 28, 2024

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NATIONAL NEWS

Growth could reach 9% with reforms in 5 years, says Arvind Panagariya

India can realistically push its economic growth close to 9 per cent from the current 7 per cent or so, by implementing a few more reforms in the next five years, Chairman of the 16th Finance Commission Arvind Panagariya said on Wednesday.

Panagariya said Prime Minister Narendra Modi worked hard over the past 10 years to make India a friendly place for businesses, so investment is coming in.

"Today, the economy is open. In the next 2-3 decades, we can sustain a very rapid growth," he said, while speaking at the Times Now Summit.

India's economy grew at better-than-expected 8.4 per cent in the third quarter of FY24 -- the fastest in the past one-and-a-half years.

"India is currently growing in real rupees at about 7 per cent or so per year. "Certainly with a few more reforms in the next five years, we can realistically push it to close to 9 per cent, certainly somewhere at 8-9 per cent and that can be sustained easily for a couple of decades," the economist said.

Responding to a question on former chief economic adviser Arvind Subramanian saying India's latest gross domestic product (GDP) numbers are 'absolutely mystifying' and difficult to comprehend, Panagariya said, "If you are mystified, then first you have to check (whether) mist is on your own glasses... or somewhere else."

Panagariya said the methodological change for calculating GDP during the Modi government was recommended by bodies appointed by the previous administration (UPA government).

"Nobody... has questioned the integrity of those who actually do these (GDP)numbers. This is a new kind of phenomenon, which I don't understand," he said.

Panagariya said if critics are saying there is some fault with the methodology of calculating GDP, "they have to come in and point out out the fault so that we can talk about how to make the improvements".

Subramanian had recently said India's latest GDP numbers are "absolutely mystifying" and difficult to comprehend.

"I want to be honest with you that the latest GDP numbers, I just simply can not understand them.

"I say that with genuine respect and things. They are absolutely mystifying. They don't add up. I don't know what they mean," Subramanian had said.

On electoral bonds, Panagariya said political funding is an area where the reform is "extremely, extremely difficult".

The former NITI Aayog vice-chairman recalled that he had been persuaded by the arguments of then Finance Minister Arun Jaitley in support of electoral bonds.

Talking about reform measures, Panagariya pitched for privatisation of public sector banks, saying even if there are some social objectives for which the government wants to have banks India still has far too many PSU banks.

He also called for implementing land, labour, and agriculture reforms.

Source: business-standard.com– Mar 27, 2024

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Possible outcomes of India-UK trade deal

In a telephonic conversation on March 12, the Prime Ministers of India and the UK agreed to work towards the early conclusion of a mutually beneficial free trade agreement (FTA). We can expect the India-UK FTA to be signed soon after a new government is formed in India post-elections.

For the UK, the FTA is part of a strategy to establish new trade partnerships following its departure from the European Union. Meanwhile, India is concluding new FTAs in fast-track mode, as if to change its image of becoming protectionist. The shift came after India suddenly withdrew from the 16-nation Regional Comprehensive Economic Partnership (RCEP) negotiations in November 2019.

In the last four years, India has signed FTAs with Mauritius, the UAE, Australia, and the European Free Trade Association (EFTA) countries (Switzerland, Norway, Iceland, and Liechtenstein) in a fast-track mode. The FTA with the UK will be the fifth one signed by India after exiting the RCEP.India's FTA partners warmly reciprocate the fast-track negotiation strategy, as the FTA with India allows access to a large and growing market, bypassing high tariff walls.

The FTA is expected to boost bilateral trade flows. In FY23, trade between India and the UK exceeded $57 billion, with India earning $13.34 billion more than it spent. India sold $11.40 billion in goods and $23.80 billion in services to the UK and bought goods worth $8.96 billion and services worth $12.90 billion from the UK.

Both countries started negotiating the FTA in January 2022. The negotiations cover 26 subjects, including merchandise and services trade, intellectual property, government procurement, rules of origin, trade and sustainable development, labour, gender, and digital trade. Here are the expected outcomes in major negotiating subjects:

Merchandise trade: Over half of India's exports to the UK, valued at $6 billion and including items like petroleum, medicines, diamonds, machine parts, airplanes, and wooden furniture, already enter the UK without any import tariffs. Therefore, these exports won't gain any additional advantages from the tariff reductions brought about by the FTA. However, Indian exports to the UK, valued at $5 billion, including textiles, clothing, footwear, carpets, cars, seafood, grapes, and mangoes, which currently face tariffs in the UK, will benefit from tariff elimination under the new FTA.

UK's gain in merchandise trade will be higher, as 91 per cent of its products enter India at average to high import tariffs. Most such products will gain from tariff elimination by India. India might cut import tariffs on cars from the UK from 100 per cent to 50 per cent and allow a small number of cars at an even lower tariff of 25 per cent. India has already reduced tariffs on electric vehicles from as high as 100 per cent to just 15 per cent, indicating that India may offer a better deal to the UK, subject to some tangible returns. Similarly, for wines, India might lower taxes from 150 per cent to 25 per cent over 10 years, just like it did for Australian and Swiss wines. Overall, over 90 per cent bilateral trade will flow tariff-free in a few years, leading to higher trade volumes.

Services: India seeks greater market access for its information technology (IT) and software companies. It has requested the UK to issue priority visas to Indian professionals for short-term assignments. However, securing a significant number of short-duration business visas may be challenging due to the UK's immigration concerns post-Brexit. The UK will likely push for Indian commitments to open up telecommunications, legal, and financial services to foreign competition.

Allowing UK producers to sell to India's government procurement sector would bring them in line with Indian firms. However, Indian firms face a very competitive and restricted government procurement market in the UK, with little business prospects. India needs to be conservative and careful.

The negotiations in non-trade issues cover several complex areas that could restrict India's domestic policy space and economic interests. Let us discuss the key issues:

1. India prefers to maintain the ability to mandate data localisation to protect its digital economy and startups. The UK seeks free data flows and minimal barriers to digital trade.

2. As a developed country, the UK seeks to incorporate high environmental and labour standards in the FTA text. India is cautious about stringent standards that could impose economic burdens or impact its competitive advantage.

3. India is aware that even reiterating international commitments (for example, International Labour Organization conventions, Paris Agreements) in the FTA could transform previously non-binding commitments into enforceable obligations. This could also limit flexibility in policymaking and provide legal justifications for the UK to impose non-tariff barriers on India's textiles and other labour-intensive exports under the guise of promoting sustainability.

4. India is cautious about adopting TRIPS-plus standards that could affect its generic pharmaceutical industry and access to medicines. The UK seeks provisions for data exclusivity that prevent generic manufacturers from relying on clinical trial data submitted by originator companies for a certain period. India may not agree to this, as data exclusivity could delay the entry of generics and impact access to affordable medicines within India and in countries that rely on Indian generics.

5. Another problem is that India has already made many commitments on new issues like sustainability, labour, and intellectual property rights in its FTA with EFTA countries. It might face pressure to adopt even more ambitious commitments in the FTA with the UK.

6. The UK and India are also negotiating a bilateral investment treaty (BIT). The UK is unwilling to sign the FTA without finalising the BIT. Both countries have vast differences in approach, but may agree to common ground as the time to conclude the FTA nears.

7. The UK Carbon Border Adjustment Mechanism (CBAM) , likely to be implemented from January 2026, is the big elephant in the room. With CBAM, UK products could enter India without tariffs, but Indian exports to the UK might face a tariff equivalent of 12-24 per cent as CBAM charges. India must seek clarity before finalising the FTA.

The FTA with the UK will be India's 15th comprehensive trade deal. It's time the government shares details on how past FTAs have influenced exports, imports, investments, and other areas over the years. The findings could provide valuable insights to trading firms and help shape current trade discussions.

Source: business-standard.com– Mar 27, 2024

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DGFT notifies policy for general authorisation for export of certain goods under SCOMET category

New Delhi, The commerce ministry on Wednesday notified a policy for general authorisation for the export of certain telecommunication-related and information security-related items under a SCOMET category to grant one-time bulk licences. A detailed procedure for these authorisations has also been notified by the Directorate General of Foreign Trade (DGFT).

Special chemicals, organisms, materials, equipment and technologies (SCOMET) items are dual-use goods.

"The policy for general authorisation for export of telecommunication-related items under SCOMET category...and export of information security items under SCOMET category...to grant one-time bulk licences for these items has been notified," the DGFT said in a notification.

The applicant exporter will have to submit an application for getting a one-time license through the online SCOMET portal and attach the information in the prescribed format.

Source: economictimes.com– Mar 27, 2024

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RBI to consider relaxing FEMA guidelines for e-commerce players based on DGFT inputs

The Reserve Bank of India (RBI) has assured the Commerce Department that it would take a relook at the Foreign Exchange Management Act (FEMA) guidelines with the objective of easing operations of e-commerce players based on inputs received from it and get back on the matter soon.

“DGFT officials have explained at length to the RBI the need of easing guidelines for e-commerce exporters including giving them more time for realising payments in B2B shipments. Based on the recommendations, the RBI has assured that it is taking a relook at the guidelines and will get back on the matter soon,” an official told businessline.

The Directorate General of Foreign Trade’s nudge to the RBI to relax FEMA guidelines for e-commerce is in line with the larger policy direction of increasing exports through e-commerce.

270-day upper limit

“It is important that the RBI relaxes the 270-day upper limit (in place for normal B2B transactions) for realisation of foreign exchange in case of exports through e-commerce. That is because e-commerce takes place in a slightly different ecosystem and needs more time,” the official said.

For instance, if an e-commerce player is not directly exporting to the consumers but sending it to a warehouse outside, from where it gets sold later, say after a year, then it would take that much more time for realisation of foreign exchange, the official explained. “Hopefully the RBI will realise the merit of the argument and bring in flexibilities accordingly,” the official added.

The RBI is also working with DGFT to allow self-declaration based e-BRCs (electronic Bank Realisation Certificate) for e-commerce players, especially ones who deal with a large number of orders of small values. At present, banks have to upload the e-BRCs on the DGFT system upon the realisation of export payments which is a time consuming process.

India’s e-commerce export is estimated at about $2 billion annually, which is low compared to the country’s total goods exports of over $450 billion, but there is a huge potential for growth

FRP benefits

FTP 2023 announced last year had a number of measures to push e-commerce exports which included extension of all FTP benefits to such exports, increasing value limit for exports through couriers and formulation of guidelines to streamline e-commerce export facilitation.

The policy also stated that designated hubs with warehousing facility will be notified to help e-commerce aggregators for easy stocking, customs clearance and returns processing. Processing facility will be allowed for last-mile activities such as labelling, testing and repackaging.

Source: thehindubusinessline.com– Mar 27, 2024

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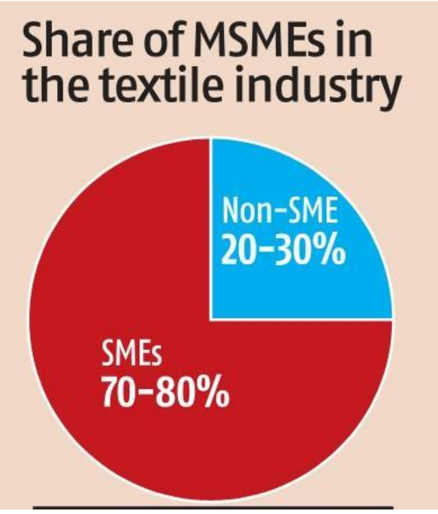
CRISIL SME Tracker: Textile revenue to rebound after 2 years of contraction

The textiles industry is expected see a rebound in revenues in the next financial year after being hit by volatile cotton prices and muted export demand in the previous two financial years. The industry is set to close this financial year with lower revenue as the nearly 25 per cent correction in the cotton prices and subdued readymade garment exports tone down realisations.



Exports, which usually account for a fourth of the overall market, are currently impacted by slowdown in key markets, although domestic demand continues to grow at a steady rate. That is of concern for small and medium enterprises (SMEs), which make up close to 75 per cent of the textile value chain.

In the next financial year, the growth is expected to revive on the back of continued domestic demand, stability in cotton prices and export recovery.

The cotton prices are likely to remain stable as cotton consumption continues to be lower than production, supporting the cost competitiveness of the cotton textile value chain.

The volume growth for cotton spinners is likely to normalise after an 80-85 per cent growth this year on a low base. For RMG players, volumes are expected to inch up in line with a gradual improvement in major export destinations such as the US, EU, and UK.

The key export-oriented RMG clusters such as Tirupur, Bengaluru and Mumbai are expected to witness a slower revenue growth of 6-7 per cent in the next financial year.

Clusters such as Kolkata, Kanchipuram and Ludhiana have a higher dependence on the domestic market and are, therefore, likely to outperform the export-centric clusters.

After a contraction in the current financial year, the profitability of players is expected to improve because of stable cotton prices and lower inventory losses.

Over the medium term, the free trade agreements with the UK and the setting up of textile parks under the PM MITRA scheme will help improve India's competitiveness in the RMG space. This will be complemented by the Production Linked Incentive scheme, which will give a boost to domestic manufacturing.

Source: business-standard.com– Mar 27, 2024

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Tariffs not a permanent stance of our government: FM Nirmala Sitharaman

Finance Minister Nirmala Sitharaman said on Wednesday that the imposition of tariffs is not the permanent stance of the government and that calibrations are being made on the policy.

At the Business Standard Manthan, Sitharaman said that the increase of tariffs do help the industry to grow within the country, and the decisions on these are driven by the fact that Centre thinks India cannot afford to have cheap imports coming in.

"But if your production is not of a certain quality, or cost competitive, obviously you'd have to face the music and artificial protection creating efficiencies can be supported and we are conscious of them," she said in a fireside chat with AK Bhattacharya, editorial director at Business Standard.

"So, there are calibrations being done in this policy, keeping India's capacities where you can grow, where you can become more efficient, in mind. We do want to give this protection but for some time and not sort of permanently shut the door off. That's not a permanent stance."

She added that the Centre is closely monitoring the valuation of public sector companies and is working on improving it before their listing.
"Even if it is going to take time, we are making sure that the valuation of these companies is improved even before we take them to the market," she said.

"The valuation of these companies is being very closely monitored, if anything, it is being improved."

Sitharaman also said that it is important to maintain the current momentum of reforms to make India a developed nation by 2047.

"I just want to underline the fact that sustaining the momentum on reforms is a very important factor based on which we have the confidence to be able to reach 2047 with the kind of goals which we wish to achieve," she said in her keynote address.

She said that in matters of economy, the differences between the Centre and States must not arise on the grounds of politics.

She added that it cannot be only the central government's responsibility to have a better system of functioning, governance and ease of doing business.

State governments and the urban local bodies also have a "big role to play" she said.

Source: business-standard.com– Mar 27, 2024

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India's anti-dumping policy: Safeguarding industries or stifling growth?

India's anti-dumping duties are not fulfilling their stated goal of safeguarding the domestic industry, but are throttling the growth of various businesses, say industry stakeholders. Moreover, these trade barriers are being applied in segments that have growth potential, they say, demanding a holistic review of the policy.

A case in point is a December 2023 notification that imposed 14.4-212.4% anti-dumping duty (ADD) on laser marking, welding, and cutting machines (LMWCMs) from China. The machines are versatile and used in various industries such as automobiles, electronics and semiconductors, medical devices and equipment, aerospace, packaging and jewellery, among others.

Such steep duties burden small firms and traders in downstream manufacturing value chains of multiple industries, as they claim that these duties were reportedly imposed without seeking their input.

According to a September 2022 government notification, Sahajanand Laser Technology Ltd initiated an investigation with the Directorate General of Trade Remedies (DGTR) alleging the dumping of industrial laser machines. This led to imposing the ADD.

Shridhar Uppin, founder & CEO of Belgaum-based engineering company Positron, which makes heat exchangers, says his business has been affected by the ADD. Uppin says a Gujarat-based company has a monopoly in LMWCMs and these are expensive machines, putting them out of reach of small businesses. "The Chinese LMWCMs are not only cost-effective but are far better in quality, too. These (ADD) moves put our goal of making world-class products on Indian soil on shaky grounds," says Uppin, a member of the Karnataka Small-Scale Industries Association (KASSIA).

When a product is considered 'dumped'

In trade parlance, a product is considered being "dumped" if it is exported to another country at a price lower than its "normal value" in the exporting country, explains the World Trade Organization (WTO). Many countries employ measures to address the "injury" (the harm) the dumping causes to their industrial domains. ADDs are such measures in the form of taxes that are imposed on imported goods to compensate for the difference between their export price and their normal value. These are meant to protect the producers in the importing country.

India tops the list of developing countries using anti-dumping measures. The world's fifth-largest economy has filed roughly 20% of all global antidumping cases, disproportionate to its share of global imports of 2%, studies show. According to the Ministry of Commerce, the major sectors in which India has imposed anti-dumping measures are chemicals & petrochemical products (42% of all ADDs); glass and glassware (14%); rubber or plastic products (12%); textiles and articles (9%); steel or other metal products (7%) and other consumer goods (16% of all ADDs).

While ADDs applied strategically can help combat unfair trade practices and provide a conducive regime for domestic firms, industry observers say it is coming in the way of the "make in India, make for the world" plan.

They use the example of the chemical sector, where India is the 6th largest producer; it contributes 7% to India's GDP. A big problem is China dumping isopropyl alcohol (IPA), used as a cleaning solvent in pharmaceuticals, chemicals, paints & coatings, and cosmetics, among others. Industry observers say the domestic industry has to pay high duties to import IPA, and use these to manufacture and export products.

Chemicals feel the burn

IPA's domestic requirement is more than its production, necessitating imports.

Satish Wagh, vice-chairman at industry body Chemexcil, says one company and its subsidiary — Deepak Fertilisers and Deepak Nitrite overwhelmingly controlled this segment. According to a recent report by ChemAnalyst (a platform monitoring chemical and petrochemical data), these companies have capacities of about 140-145 million tonnes (mt). But India's approximate consumption is around 210 mt, says Wagh, who is also the CMD of Supriya Life Sciences.

Based on the recommendation of domestic IPA manufacturers, certain quantity restrictions were imposed on IPA imports. This, Wagh points, inflated the prices of the input to Rs 150 a kg from Rs 50-70 a kg. The prices are expected to go up further.

According to the Ministry of Commerce, the major sectors in which India has imposed anti-dumping measures are chemicals & petrochemical products (42% of all ADDs); glass and glassware (14%).

IPA companies wanted the import restriction to protect themselves from dumping and also to force companies that use IPA as inputs to buy from them instead of importing, say industry observers.

“We need to check the cost, process, input solvents, etc. before imposing anti-dumping duty. Due to the abnormal price rise, the industry’s business has gone down. Our submission to the government is to remove such quantity restrictions and allow exporters to get IPA at a competitive price from the international market so that our products become competitive in the global market,” says Wagh.

Unhealthy signs in pharma

The pharma sector also faces problems due to ADDs. Though the country’s pharma industry is the third-largest in the world, China fulfils around 70% of the domestic market’s demand for essential inputs. In some life-saving drugs, the import dependency for raw materials is as high as 90%. Given this situation, industry leaders are rooting for a holistic review of the anti-dumping policy and to make it in sync with evolving market conditions.

Viranchi Shah, President of the Indian Drug Manufacturers’ Association (IDMA), says it is prudent to revisit certain anti-dumping measures on key pharma raw materials if the government wants to enhance its Atmanirbhar Bharat plan. “We have seen that suppliers from certain nations have a tendency to artificially drop prices of raw materials in specific products in such a way that domestic manufacturers of these raw materials cannot grow. These are unfair practices, and we may have to strategically address such situations.”

Shah points out that while an anti-dumping probe relies on the product’s price in the exporter nation’s domestic market, such data from China has a reliability cloud over it. This situation significantly affects Indian businesses as most imports come from China.

The country’s anti-dumping duties in pharma are ineffective, says Srivardhan Khemka, Director of Sanjivani Paranteral Ltd. Local manufacturers do not receive adequate protection from the duties imposed on Chinese imports as Indian companies still rely on that country for key raw materials. “It unintentionally gives our competitors an advantage. That is not what 'make in India' or Atmanirbhar Bharat mandates,” Khemka adds.

Similarly, members of the plastic exporters’ industry body, Plexconcil, flag up the anti-dumping strategy in PVC suspension grade resin, used in packaging, construction, and other uses. They state that, though heavy duties have been imposed since 2008, the domestic manufacturing capacity of PVC resin remains stagnant.

Arvind Goenka, Managing Director of RMG Polyvinyl India Limited, points out that PVC resin is used widely, inducing in pipes and fittings, agriculture, PVC floorings, artificial leather, and to make cables. Despite the high consumption, domestic production has not gone up. So, industries are forced to import, which becomes expensive due to ADD, making them less competitive against imports of finished goods from countries with lower PVC prices.

“The growth in imports is substantially higher than the growth in exports in the plastics sector. This results in plastic processors resorting to imports, subjecting them to substantial duties. It puts them at a disadvantage against cheaper imported goods from China, Thailand and Korea. A comprehensive review of ADD is essential to make it align with the market dynamics,” adds Goenka, who is also the chairman of Plexconcil’s panel on floor coverings, leather cloth & laminates.

‘Dumping policy favouring only large players’

Manufacturers contend that dumping duties should be imposed only if these are advantageous to the overall domestic market and firms of all sizes. The anti-dumping laws, however, look to be skewed in favour of larger companies that traditionally have the most say while such policy decisions are made. Pharma industry says it is prudent to revisit certain anti-dumping measures on key raw materials if the government wants to enhance its Atmanirbhar Bharat plan.

Jute felt the heat of such a decision in September. Prices of jute increased 20-30% after the ADD was imposed, says a Delhi NCR-based jute trader on condition of anonymity. He points out that this directly affects a labour-intensive, MSME-dominated domain. It will cripple the domestic players. “We have no choice but to import from China and Nepal despite the duty because the domestic supply is inadequate for the industry's requirements," says the trader.

The anti-dumping probe process is complex and expensive. Studies show that it is predominantly large companies that initiate these cases. Small businesses don't have the resources and capabilities to do it. The unorganised nature of India's estimated 6.3 crore MSMEs poses a problem in identifying and addressing genuine cases of dumping.

Sometimes, the Directorate General of Trade Remedies (DGTR) takes up cases suo moto — even when there is no request for a probe — as MSMEs lack the know-how to deal with such cases. But these efforts tend to lose steam. Take the example of the toy industry, where Chinese toys were causing significant harm to the domestic industry. The Indian government made an attempt to include small manufacturers and traders in its case against Chinese toy manufacturers. But as the segment is disorganised and lacked leadership, the Ministry of Commerce could not pursue the case. This is why there is a need to conduct a comprehensive review of the anti-dumping policy to address the concerns of MSMEs, say industry observers.

FTAs hurting anti-dumping strategy

India's free-trade agreements with least developed countries (LDCs) like Bangladesh are also an obstacle when it comes to stopping dumping. This is because the country gives preferential market access through these FTAs. But China exports fabrics to Bangladesh where these are made into garments and imported into India at low prices through the FTA route. A Parliamentary standing committee has even recommended that these FTAs be reconsidered, but that is yet to happen.

Vikas Singh Chauhan, Director of the Home Textile Exporters Welfare Association, says Bangladesh enjoys a "cocktail of zero-duty raw materials and easy market access to India". Bangladesh-based firms bring raw cotton from India at zero duty, mix it with duty-free polyester and viscose from China, and then export it back to India under FTA on zero duty. This hurts the Indian textile industry, he says.

China also gives a lot of raw materials to Sri Lanka that are rerouted to India. When it comes to electronic goods imported from Southeast Asian countries, the main components usually come from China.

Certain countries deliberately alter the country of origin to bypass ADD, making it difficult for a probe to identify the original dumping country, say industry experts.

A lengthy process

The current process of investigating and implementing anti-dumping measures is inefficient and not transparent, say industry participants. Srivardhan Khemka, Director of Sanjivani Paranteral Ltd, says anti-dumping inspections in pharma take a long time and are complicated. “The bottom line is that the current situation is like running a long race through quicksand,” he says. Stakeholders often criticise the opaque nature of the decision-making processes and the potential for political influence, says Plexconcil’s Goenka, and this leads to perceptions of unfairness among trading partners.

Anti-Dumping duties: A double-edged sword

Retaliatory anti-dumping duties are common. So when India imposes a duty on a product from China, Beijing does the same on some other product. There is no straightforward answer to this problem. Industry observers assert that any re-evaluation of the anti-dumping approach should take note of such trade nuances as well.

One way to counter this attack is to ensure that anti-dumping duty and domestic production incentives for a product or segment are aligned with each other, says Pradeep S Mehta, Secretary General of CUTS International. India has historically been a heavy user of anti-dumping measures, but an effort towards more careful, selective application is visible in the past few years, he says.

Experts point out that there is a delicate balance between legitimately protecting a domestic industry and using anti-dumping measures on such pretexts. “Any policy action aimed at protecting domestic industry, therefore, needs to balance the interests of the users of inputs and intermediates, the established players, as well as the end consumers. Restructuring import duty structures and taking trade remedial action — all of these need to be seen from this lens,” adds Mehta.

Source: economictimes.com– Mar 27, 2024

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SITRA, Textiles dept. impart training to textile workers

The South India Textiles Research Association (SITRA) and the TN Textiles Department have jointly commenced training program for workers in textile units here on Wednesday.

According to a press release from the Deputy Director (Textiles) Coimbatore, the TN government had proposed to impart skill based training to the workers employed in textile, spinning, weaving, knitting, garment and among other manufacturing facilities in the State.

The objective of giving training was that it would give them ample knowledge on the technology and about the latest development in the textile sector. The beneficiaries including those who are unemployed would not only get guaranteed placement, but also enhanced pay would be assured for existing workers up to ₹8000 per month from their present salaries.

The State government had planned to impart skill based training to 8,950 workers in the next five years.

The TN Skill Development Corporation, SITRA and the Textiles Department are jointly giving training by involving experts as resource persons.

As a first step, MoU was signed with Textile units and LS Mills in Theni had been approved as one of the training centres. On Wednesday, 20 persons joined the training program, which would conclude on May 20.

The inaugural session was attended by Theni LS Mills General Manager Anandan, DGM R P Nivas, Regional Deputy Director (Textiles) Raghavan and SITRA scientific officer Vaithianathan, the release added.

Source: thehindu.com – Mar 27, 2024

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A new textile park to have ZLD to address pollution concerns

AHMEDABAD: A new textile industry park is set to be established near Ahmedabad, which is anticipated to address the pollution challenges faced by the existing textile industry in Ahmedabad. Being developed by Rupam Eco Green Textile Park, the facility will span across 100 acres of land at Mahijadi village near Ahmedabad. The company had signed an MoU to invest Rs 500 crore for the textile park project in the recently held Vibrant Gujarat Global Summit-2024.

This park will have the necessary infrastructure to support the textile industry. One of the key features of this textile park will be a 6 MLD Zero Liquid Discharge (ZLD) system, which is an advanced wastewater treatment process that eliminates liquid waste and prevents water pollution. Nandan Shah, chairman, Rupam Eco Green Textile Park said, "ZLD system ensures 96% water recovery which will help us address the pollution problems. Waste water reuse will save 17 crore litre water per month which is equivalent to the water requirement of around 30,000 people. Our project aligns with sustainability goals achieving zero-waste, low groundwater usage and net-zero outcomes. An additional 6 MLD ZLD system is also planned to be developed, ensuring that the park adheres to the highest environmental standards and contributes to sustainable industrial practices."

He added that the basic infrastructure will be developed within a year.

The new textile park is expected to attract around 50 textile processing units, which will create numerous job opportunities. The arrival of these units is particularly significant considering the recent challenges faced by the Ahmedabad-based textile industry. Due to stringent pollution control measures, some textile units in Ahmedabad have been shut down for around two years.

Ahmedabad is considered as one of the biggest cotton textile processing hubs with more than 800 units having an installed capacity of more than 3,500 million meters of fabric annually.

Source: timesofindia.com– Mar 26, 2024

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