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The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 52 of 2024 **March 30, 2024**

Currency Watch			
USD	EUR	GBP	JPY
83.38	90.06	105.23	0.55

INTERNATIONAL NEWS

NATIONAL NEWS

INTERNATIONAL NEWS

Logistics Firms Double Down on US-Mexico Nearshoring

Mexico is becoming more of a hotspot for third-party logistics (3PL) providers as the country gains steam as the U.S.'s top trading partner. Last week transportation and supply chain management services provider Echo Global Logistics unveiled it has established operations in Mexico City, Monterrey and Laredo, Texas—the last of the three being a major trade hub directly on the U.S.-Mexico border.

Echo's expansion south of the border mirrors another U.S.-based logistics provider, Ryder System Inc., which completed a substantial buildout recently with the addition of its own 228,000-square-foot warehouse and cross dock in Laredo. And on the Mexico side, Ryder is expanding its Nuevo Laredo drayage yard, which facilitates the transfer of freight across the border to U.S. drivers.

While Echo has managed southern border shipping solutions for eight years, the move marks the first time the company will invest in local offices and personnel. Prior to the recent launch, cross-border shipments were handled via the company's headquarters in Chicago. As part of the expansion, Echo has named a new president of its Mexican operations.

"We are starting with a strategic advantage with thousands of monthly shipments going to and from Mexico and the southern border," said new Echo Mexico president Troy Ryley in a statement. "I'm excited to leverage Echo's footprint and technological advancements to help grow the business and provide the reliability and transparency our clients count on."

Echo offers freight brokerage and managed transportation solutions for modes including truckload, partial truckload, less-than-truckload (LTL), intermodal and temperature-controlled shipping, as well as warehousing, and warehouse services.

The company has a network of more than 50,000 transportation providers to assist 35,000 clients with logistics and transportation management.

"Although we've been a major player in Mexico for nearly a decade, having boots on the ground in Mexico will allow us to simplify brokerage on both sides of the border as well as help our clients and carriers better navigate customs and the border crossing," said Dave Menzel, president and chief operating officer at Echo.

Total trade across the U.S. and Mexico in January was $64.5 billion, according to the U.S. Census Bureau, representing 15.6 percent of trade the U.S. conducts with foreign nations. And Laredo plays a massive role in that, with the port serving as the No. 2-ranked U.S. trade gateway during January (6.1 percent of port market share, behind only the 6.4 percent share via the Port of Los Angeles) with trade totaling $25.1 billion for the month.

Reflecting the significance of the area, Ryder Mexico manages more than 250,000 freight movements annually across the entire Mexican border. Ryder's newly built Laredo warehouse and cross dock are located three miles from the World Trade Bridge on the U.S.-Mexico border. The building has 102 dock doors, room for 143 trailers, and is located within a six-mile radius of Ryder's other operations in Laredo, which allows for overflow and pooling of labor and resources for added flexibility.

Across Mexico, Ryder operates approximately 5 million square feet of multi-client and dedicated warehouse and yard space.

Alongside Ryder and Echo, logistics players such as C.H. Robinson, Arrive Logistics and BlueGrace Logistics are among those in the past six months that have either built out a larger presence along the border or debuted offices in Mexico.

Maersk debuts Tijuana warehouse

On the same day Echo made its Mexico announcement, Maersk also unveiled it opened a 323,000-square-foot warehouse in Tijuana. The facility offers services such as sorting, storage, cross-docking, inventory management, as well as added services such as labelling, packaging, re-packaging and order fulfilment.

The move also appears to be part of an effort to capitalize on the de minimis provision, in which shippers importing packages worth $800 or less don't have to pay taxes or fees on the imported parcels. With the warehouse, Maersk said it is targeting customers in the technology, automotive, retail and lifestyle sectors who are looking to improve their cross-border trade capabilities.

Tijuana represents a strategic location for Maersk, which the city lying on the U.S.-Mexico border and situated near the Port of Ensenada, giving the firm access to various transportation modes including rail, truck and air. Maersk's footprint spans over 1.6 million square feet across Mexico, with warehouses located in Mexico City, Tijuana and Cuautitlan, and depots located near the country's two largest ports: Lazaro Cardenas and Manzanillo. Looking ahead, Maersk has plans to expand its logistics capabilities into cities like Guadalajara and Monterrey, and expanding its landside capabilities, aimed at providing customers with solutions to facilitate Mexico-U.S. cross-border trade.

Source: sourcingjournal.com– Mar 28, 2024

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EU records trade surplus of $40.9 bn in 2023

The European Union (EU) recorded a trade surplus of €38 billion (approximately $40.9 billion) in 2023, according to the latest data from Eurostat, the statistical office of the EU.

This development is a stark contrast to the situation in 2022, when the EU faced a substantial trade deficit of €436 billion (approximately $469.8 billion). The deficit in the previous year was largely attributed to a significant increase in the cost of energy imports, driven by soaring energy prices.

The transformation from a deficit to a surplus within a year can be credited to a considerable decline in the value of imports from outside the EU, which fell by 16 per cent compared with the previous year.

This reduction was primarily seen in two categories: ‘energy products’, which saw a 34 per cent decrease, and ‘manufactured goods classified chiefly by material’, which experienced a 21 per cent drop. The declines in these sectors were the result of both falling prices and reduced volumes.

The distribution of trade within the EU also showed interesting patterns. Luxembourg stood out with the highest proportion of intra-EU imports, which constituted 90 per cent of its total imports, showcasing its deep integration into the EU market. Conversely, Czechia emerged as the leader in intra-EU exports, with 82 per cent of its total exports going to other EU member states, highlighting its role as a significant exporter within the bloc, as per Eurostat.

On the flip side, Ireland recorded the lowest share of intra-EU imports, at just 39 per cent of its total imports. This is primarily because Ireland's main trading partners are outside the EU, notably the US and the UK.

Source: fibre2fashion.com– Mar 30, 2024

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UK CMA issues advisory to all fashion retailers to review green claims

The UK Competition and Markets Authority (CMA) recently issued an open letter advising all fashion retailers to review their green claims in light of the commitments by ASOS, Boohoo and George at Asda made through formal agreements to use only accurate and clear green claims.

The three brands, which together make over £4.4 billion annually from UK fashion sales, have committed to change the way they display, describe and promote their green credentials. The move comes after the CMA launched an investigation into the three brands to scrutinise their fashion 'green' claims in July 2022, having identified concerns of possible greenwashing during its initial review of the fashion sector, according to an official release. "Following our action, the millions of people who shop with these well-known businesses can now have confidence in the green claims they see," CMA chief executive Sarah Cardell said.

The regulations in the commitments include making key information clear and prominent; specific and clear statements regarding fabrics, avoiding ambiguous words like 'eco', 'responsible' or 'sustainable' without further explanation; and not using 'natural' imagery in a way that suggests a product is more environmentally friendly than it actually is. The percentage of recycled or organic fibres must be clearly displayed and easy for customers to see. Search filters online must be accurate, only showing items that meet the filter requirements.

Any claims made to consumers about environmental targets must be supported by a clear and verifiable strategy, and customers must be able to access more details about it. Such information should include what the target is aiming to achieve, the date by which it is expected to be met, and how the company in question will seek to achieve that target. Statements made by the companies about accreditation schemes and standards must not be misleading. All three firms must also regularly provide the CMA with reports on how they are complying with the commitments they signed, as well as taking steps to improve their internal processes.

Source: fibre2fashion.com– Mar 29, 2024

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China-Europe freight train service connecting Taiyuan, Moscow unveiled

China yesterday unveiled an international freight train route linking Moscow with Taiyuan, capital of its northern Shanxi province.

The distance is nearly 5,000 km through the border port of Erenhot.

A cargo train loaded with auto parts, appliances, cast iron fittings, kaolin and other products in 55 containers departed on its debut journey from the Huanghouyuan station in Taiyuan, a Chinese state-controlled media outlet reported.

Shanxi province has opened 15 regular international intermodal routes connecting more than 40 major cities in 16 countries, helping Shanxi's integration into the Belt and Road Initiative, Wang Xingdong, deputy manager of Huayuan International Land Port, said.

Source: fibre2fashion.com– Mar 29, 2024

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USDA Prospective Plantings: 10.7 Million Cotton Acres in 2024

USDA's Prospective Plantings report for the 2024 crop year shows an intended cotton planted area of 10.7 million acres for the year – up 4% from 2023 acreage.

The report was issued by USDA's National Agricultural Statistics Service (NASS) on March 28.

Upland cotton area for 2023 is estimated at 10.5 million acres, up 4% from 2023. American Pima area is estimated at 203,000 acres – up 38% from last year.

Estimated cotton acres are projected to increase in all but five cotton-producing states, where acreage is reported unchanged or down 1-2%. Regionally, the report shows total Southeast cotton area at 2.33 million acres and 1.97 million acres across the Mid-South states. Southwest area is projected at 6.15 million acres, with 323,000 total cotton acres noted for Arizona, California, and New Mexico.

Among other crops, the USDA report for 2023 showed a 5% decrease in planted acreage for corn, a 4% decrease for wheat, an 11% decline for sorghum, a 3% increase for soybeans, and a 1% increase for rice. Total projected peanut acres are expected to remain unchanged from 2023.

Estimates in the Prospective Plantings report are based primarily on surveys conducted during the first two weeks of March. The March Agricultural Survey is a probability survey that includes a sample of approximately 71,800 farm operators across the U.S. Data from operators was collected by mail, internet, or telephone to obtain information on crop acreage intentions for the 2024 crop year.

Source: cottongrower.com– Mar 28, 2024

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German hiring confidence strengthens in March 2024: ifo

German companies are showing renewed confidence in expanding their workforce, according to the latest ifo Employment Barometer which climbed to 96.3 points in March 2024 from 94.9 points in February 2024. This uptick signifies a growing optimism among businesses, fuelled by their improved ability to gauge economic conditions, leading to an increased willingness to hire, particularly skilled workers.

Despite the positive momentum across most sectors, the manufacturing and trade industries present a contrasting picture. Manufacturing companies, along with the trade sector, anticipate a reduction in their workforce. This trend underscores the sector-specific challenges that persist even as the broader economic outlook appears to brighten.

However, there is a silver lining for the trade sector. The anticipation of rising real wages offers a glimmer of hope for a resurgence in consumer spending. Retailers, in particular, are optimistic that this potential increase in consumption could positively influence their staffing plans, suggesting a cautious yet hopeful outlook for the near future, as per ifo.

Source: fibre2fashion.com– Mar 28, 2024

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A Giant in the Nonwovens Sector Passes

The global nonwovens industry lost a veteran recently as C.K. Wong – fondly known as CK to many across the globe in the technical textiles industry – died last week at the age of 86.

Using his engineering background, Wong established the U. S. Pacific Nonwovens Industry Limited, which specialized in converting roll goods into consumer, industrial, and multi-use products. In addition to his entrepreneurship, he is well known for his service to the global nonwovens and technical textiles sector.

My path crossed with Mr. Wong in the early 2000s at the INTC conference organized by INDA and TAPPI, and, ever since, he has been a friend and supporter. I had the good fortune of meeting with him at the World of Wipes conference last July in Atlanta, which was my last meeting with him. While hosting me at lunches, he advised me about the importance of sustainability in the advanced textiles sector. His company has pioneered the development of converted products using PLA.

“Cotton can find new opportunities in the nonwovens sector as the cost will be competitive with bioplastics,” he advised in my interview with him last July. “The industry has been successful in developing food packaging and medical products using bio-based materials such as PLA.”

Source: cottongrower.com– Mar 28, 2024

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Economic Transform Bill to drive Sri Lanka's development: Reports

The Cabinet of Ministers has greenlit a proposal directing the legal draftsman to craft a draft Economic Transform Bill, incorporating revisions from the attorney general, for presentation.

This bill encompasses key provisions, including the establishment of crucial institutions such as the Economic Commission, Sri Lanka Zones of Investment, International Trade Office, Sri Lanka Economics and International Trade Institute, and the National Productivity Commission.

This is as per media reports, which added according to cabinet co-spokesman and minister Bandula Gunawardena, these institutions are designed to be the foundational pillars of the nation's economic framework, facilitating strategic planning, investment promotion, trade facilitation, capacity building, and productivity enhancement.

The decision stems from cabinet approval granted on March 4, 2024.

Gunawardena emphasised that the Economic Transform Bill embodies structural, quantitative, and qualitative changes aimed at driving economic growth and transformation even as he anticipated that once enacted, this legislation will play a pivotal role in reshaping Sri Lanka's economic landscape, ushering in a new era of development and prosperity.

The envisaged institutions are poised to serve as vital components of the country's economic infrastructure, providing essential support for various aspects of economic development and ensuring a conducive environment for sustainable growth.

Source: fibre2fashion.com– Mar 28, 2024

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Australian retail sector sees uptick led by clothing & footwear in Feb

Australian's retail turnover saw a modest increase of 0.3 per cent month-on-month (MoM) in February 2024, and a 1.6 per cent rise year-on-year (YoY), according to the Australian Bureau of Statistics (ABS). This uptick in retail activity comes on the back of a 1.1 per cent increase in January 2024, rebounding from a 2.1 per cent decline in December 2023.

The surge in February was notably led by the clothing, footwear, and personal accessory sector, which experienced a significant 4.2 per cent jump, amounting to an additional $125.2 million in seasonally adjusted terms.

Department stores also saw a healthy increase, with sales rising 2.3 per cent or by $43.7 million in the same period, as per ABS.

Geographically, retail turnover improvements were observed across most Australian jurisdictions. Victoria and New South Wales led the charge with increases of 0.7 per cent and 0.6 per cent respectively. Meanwhile, Queensland recorded a downturn, with retail sales dropping by 0.5 per cent, marking it as the jurisdiction with the largest fall in the reported month.

"Seven sold-out Taylor Swift concerts in Sydney and Melbourne boosted retail spending this month, with over 600,000 Swifties flocking to these events. This led to increased spending on clothing, merchandise and accessories," said Ben Dorber, ABS head of retail statistics.

Source: fibre2fashion.com– Mar 30, 2024

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FTA with China may cost Bangladesh Tk 15,000cr a year: study

Bangladesh may lose nearly Tk 15,000 crore per year in revenues from import duties if a proposed free trade agreement (FTA) is signed with China, according to a new study.

However, at the same time, Bangladesh stands to gain billions of dollars if Chinese investors come here with investment proposals under the FTA, the study also said.

These are the preliminary findings of a joint feasibility study conducted by Bangladesh and China as they look to begin negotiations for the FTA, said a senior official of the commerce ministry, asking not to be named.

The countries signed a memorandum of understanding in October 2016 to conduct the joint feasibility study. In June 2018, the countries began conducting a preliminary study on the proposed FTA, the senior official also said.

Two different studies were conducted, he added. Bangladesh conducted a study on trade in services while China conducted a study on trade in goods.

Senior Commerce Secretary Tapan Kanti Ghosh and Chinese Ambassador to Bangladesh Yao Wen exchanged the documents of the preliminary studies at a press conference held at the commerce ministry office in Dhaka yesterday.

In the preliminary study, there is no exact figure of how much either country may benefit, added the official.

However, the Chinese government will have to facilitate local companies who want to invest in Bangladesh, the official said.

He added that it was just the beginning of negotiations and it may take a long time to complete as the commerce ministry will hold a series of meetings with government officials and private sector stakeholders for their opinions.

Currently, China is Bangladesh's single largest trading partner, with the bilateral trade amounting to $24 billion.

Bangladesh exported goods to China worth $677 million and imported goods worth $22.90 billion from China in fiscal year 2022-23, according to data from the commerce ministry.

At the press conference, Ghosh said the government has engaged major trading partners in negotiations for FTAs, economic partnership agreements, comprehensive economic partnership agreements, and preferential trade agreements.

The aim is to retain duty preferences after Bangladesh makes the United Nations country status graduation from a least developed to a developing country in November 2026.

China currently provides duty benefits for 98 percent of Bangladeshi products.

If negotiations take a long time, Bangladesh will seek the continuation of LDC benefits from China until the signing of the FTA, Ghosh said.

He added that more detailed studies need to be conducted before the FTA can be signed.

Yao Wen said China has been negotiating with Bangladesh mainly to overcome economic challenges and to increase trade between the two countries.

An FTA may address those challenges and exports from Bangladesh to China may eventually increase if facilities can be created.

Currently, China has 22 FTAs with 29 countries, including nations like Mauritius and Cambodia, he added.

Citing an example, the Chinese envoy said exports from Mauritius to China increased by 15 percent and exports from Cambodia to China rose by 30 percent after the signing of the FTAs.

This indicates mutual trade benefits after the signing of trade deals, he said, adding that Bangladesh could export more jute and jute goods, leather and leather goods, and aquatic products to China.

Among agricultural products and those of agro-processing, mangoes, jackfruits, and juice products could also be good items for export from Bangladesh to China.

On the other hand, Chinese investment could bolster the IT and agricultural sectors and can make Bangladesh a manufacturing hub in South Asia if the FTA is signed, the ambassador also said.

Currently, China is the second largest source of foreign direct investment (FDI) for Bangladesh.

Source: thedailystar.net– Mar 29, 2024

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Nigerian govt urged to revive textile-apparel industry

The Nigerian government was recently urged to revive and invest in the textile industry to create 2 million jobs and reduce the over-$4 billion annual bill incurred on importing textile and apparel.

At the 13th national delegates conference of the National Union of Textile Garment and Tailoring Workers of Nigeria (NUTGTWN), the union's outgoing president John Adaji lamented the depressed state of the domestic textile industry, saying 90 per cent of textile products in Nigeria now are imported.

The domestic production cost of textile materials is also high apart from poor infrastructure, energy costs and low patronage from government agencies and parastatals, he said.

Nigeria Labour Congress (NLC) president Joe Ajaero called on the government to take urgent steps to resuscitate the textile industry. He urged Nigerians to promote and patronise domestic fabrics.

"There should be more renewed emphasis on textile and power industry at the national assembly in order to boost production. We need a new power policy to give room for effective power plants in the country", he was quoted as saying by domestic media reports.

Source: fibre2fashion.com– Mar 29, 2024

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Textile yarn market to hit $23.51 billion by 2030: Study

The textile yarn market is expected to reach $23.51 billion by 2030, driven by a rising global demand for textiles across various industries, reveals a study by Virtue Market Research, highlighting growth projections, trends, and opportunities. Despite pandemic's disruption of supply chains, the textile yarn market exhibits resilience. The growing demand for textiles in apparel, home furnishings, automotive parts, and industrial applications fuels long-term market growth. As economies recover and manufacturing resumes, the pent-up demand for textiles is expected to propel the market forward.

Sustainability in the spotlight

A key driver is the increasing focus on sustainability. Consumers are demanding eco-friendly textiles made from recycled fibers, organic cotton, and biodegradable materials. Manufacturers are responding by investing in sustainable production practices and certifications to meet this growing demand.

The market presents a significant opportunity in technical textiles -- those used for medical, hygiene, and protective applications. The pandemic has underscored the importance of technical textiles in healthcare, driving demand for yarns in medical gowns, masks, and hygiene products. Manufacturers are expanding production and diversifying product lines to capitalize on this trend.

Digitalization revolutionizes yarn production

Digitalization and automation are transforming yarn manufacturing. Technologies like artificial intelligence, the Internet of Things (IoT), and data analytics are being integrated into equipment to enhance efficiency, quality control, and productivity.

Automated machines enable faster production, higher yarn consistency, and reduced costs. Additionally, real-time process monitoring, predictive maintenance, and optimized production schedules are facilitated by digitalization, giving manufacturers a competitive edge.

Chemical yarns, encompassing synthetic fibers like polyester, nylon, and acrylic, represent the largest market segment due to their versatility, durability, and affordability. However, plant-based yarns, derived from natural fibers like cotton, hemp, flax, and bamboo, are the fastest-growing segment. These fibers' softness, breathability, and biodegradability appeal to eco-conscious consumers, propelling market growth.

Artificial reigns, animal yarns rise

Artificial yarns, including polyester, nylon, acrylic, and viscose, dominate the market due to their versatility and ability to mimic natural fibers with added benefits like wrinkle, moisture, and abrasion resistance. However, animal yarns derived from sheep, goats, and silkworms are experiencing significant growth. Wool's warmth, softness, and moisture-wicking properties make it ideal for winter wear and outdoor clothing, while silk's luxurious texture and sheen are sought after in high-end fashion.

The apparel segment, encompassing a wide range of clothing and fashion items, is the largest application for yarns. Both natural and synthetic fibers are used, offering a variety of textures, colors, and performance properties. However, the industrial segment, encompassing technical textiles used in automotive, aerospace, construction, and healthcare, is the fastest-growing.

These yarns are engineered for specific performance requirements like strength, durability, heat resistance, and chemical resistance, finding applications in tire cords, conveyor belts, ropes, hoses, filters, and medical textiles.

The Asia-Pacific region, including China, India, Japan, and South Korea, is the largest market segment due to abundant raw materials, low labor costs, and supportive government policies. However, North America, which includes the United States, Canada, and Mexico, is the fastest-growing region.

This growth is driven by rising demand for sustainable and high-quality textiles, technological advancements, and a shift towards locally produced goods. The pandemic has accelerated e-commerce adoption and digital technologies, further propelling online retail channels for textiles and apparel in North America.

Sustainability, technology, and collaboration

Sustainability initiatives are a key differentiator for companies. Focus areas include using recycled fibers, water-saving techniques, and minimizing carbon emissions. Collaboration with sustainability organizations, participation in certification programs, and transparent communication about these efforts are crucial for building trust with consumers.

Companies are embracing digitalization to streamline operations, enhance efficiency, and meet consumer demands. Advanced manufacturing technologies like automation, robotics, and data analytics are being implemented. Additionally, companies leverage digital platforms for marketing, sales, and distribution, enabling them to reach a wider audience and adapt to changing market trends.

Collaboration and partnerships are becoming increasingly prevalent. Examples include textile manufacturers collaborating with technology firms to develop innovative yarns, brands partnering with suppliers for sustainable product lines, and strategic alliances for market expansion. These collaborations leverage combined expertise, resources, and networks to drive market growth and competitiveness.

In conclusion, the textile yarn market is poised for significant growth, driven by rising demand for textiles, a focus on sustainability, and technological advancements.

Source: fashionatingworld.com– Mar 29, 2024

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Secondhand Market Booming: ThredUp report forecasts continued growth

The secondhand apparel market is experiencing explosive growth, according to a new report by online consignment platform ThredUp. The report, conducted in partnership with retail analytics firm GlobalData, predicts the global market will reach a staggering $350 billion by 2028, with a compound annual growth rate (CAGR) of 12%.

This growth significantly outpaces the overall apparel market, highlighting the increasing popularity of thrifting and resale. In the United States alone, the secondhand market is expected to hit $73 billion by 2028, growing at a rate seven times faster than traditional clothing retail.

Key Takeaways:

Surging popularity: The global secondhand market ballooned by 18% in 2023, reaching $197 billion.

Online dominance: Nearly two-thirds (63%) of U.S. secondhand shoppers made online purchases in 2023, with online resale projected to reach $40 billion in the next five years.

Consumer motivations: Resale offers affordability (60% of consumers see it as the best value) and sustainability. Over half of consumers say they'll increase secondhand spending if the economy weakens.

Branded resale on the rise: The number of brand-operated resale shops surged by 31% in 2023, with companies like J.Crew and Kate Spade embracing resale opportunities.

Government action sought: 42% of consumers believe governments should promote sustainable fashion through legislation.

A bright future, but challenges remain

While the report paints a rosy picture for the secondhand market, some challenges persist. Major players like ThredUp are still working towards profitability, despite steady progress. Additionally, some consumers may require a nudge towards resale, with a significant portion calling for government incentives for sustainable fashion practices.

ThredUp's report underscores the secondhand market's transformation into a mainstream force. Driven by consumer preferences, economic factors, and environmental concerns, resale is poised for continued growth in the coming years.

Source: fashionatingworld.com– Mar 29, 2024

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50% Vietnam firms lag in sustainable park awareness: Reports

The Vietnam Confederation of Commerce and Industry (VCCI) recently organised 'Promoting Sustainable Development of Vietnam Industrial Parks' forum in Hanoi, taking part in which, Nguyen Quang Vinh, secretary of the Party Committee and vice chairman of VCCI, emphasised the pivotal role of industrial parks (IPs) in Vietnam's socio-economic landscape. With 418 IPs covering 129,900 hectares, they contribute around 50 per cent of the country's total export turnover, aiding in shifting Vietnam's trade balance towards surplus and significantly bolstering state revenue.

However, despite their critical economic role, a VCCI survey revealed concerning gaps in understanding sustainable IP concepts. Half of the businesses surveyed admitted to being unaware of the concept, hindering progress towards national green growth goals. Vietnamese IPs are mandated to transition towards environmentally friendly and sustainable models as per the National Strategy on Green Growth. Yet, the survey highlighted substantial obstacles, with only 22 per cent possessing international management system certificates and a dearth of enterprise-level audit information on financial, social, and environmental aspects.

Business representatives at the forum voiced challenges in achieving sustainable IPs, notably capital constraints and regulatory ambiguity even if developing IPs demands substantial upfront investment in infrastructure, while unclear regulations impede model transitions.

Vuong Thi Minh Hieu, deputy director of the Department of Economic Zone Management at the Ministry of Planning and Investment, pledged governmental support in developing green, sustainable IPs, adding efforts will focus on institutionalising this model into legal frameworks to facilitate industry adaptation and growth.

The forum underscored the urgent need for collaborative action to address these challenges, emphasising the importance of clear regulations, adequate financial resources, and governmental support to advance sustainable industrial park development in Vietnam.

Source: fibre2fashion.com– Mar 29, 2024

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Green Factories Bangladesh: a global champion

The midday sun blazes down on SM Sourcing, the world's highest-rated green garment factory in Gazipur's Konabari. About 60 workers on one of the factory floors are busy making export-quality frocks as they hurriedly finish their work ahead of lunch. Despite the summer heat outside, only a few ceiling fans are switched on and the factory floor is quite cool.

Although there is not a single air cooler, the atmosphere inside the factory – which scored 106 out of 110 points in the United States Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) rating system – remains comfortable.

Despite SM Sourcing being a small unit that employs just 900 workers, it has been using green technologies to make the factory floor welcoming. The factory, established on nearly four bighas of land, has left 35 percent of the space open and planted trees to facilitate the free flow of fresh air inside and outside the factory. The ceiling is five feet higher than in normal buildings, so rooms are not easily warmed by the summer heat. It also reduces humidity.

Several exhaust fans have been installed to suck out warm air and draw in fresh air. Therefore, only a few electric fans are adequate to cool the room. The open space inside the factory harvests rainwater during the rainy days to use as an alternative to groundwater.

The factory uses 45 kilowatts of electricity produced every day from its solar panel which lessens the use of fossil fuel-generated power. The total requirement of electricity for the unit is 225 kilowatts daily.

The cost to build a platinum-rated LEED-certified unit is nearly 40 percent more than it would cost to build a normal factory. But despite the additional cost, a good number of entrepreneurs in Bangladesh have transformed their factories into green units to tailor their facilities to the global standard.

The USGBC has four categories for green building: platinum, gold, silver and green. Bangladesh, which has demonstrated exceptional dedication to eco-friendly practices, now has 213 LEED-certified factories, with 80 platinum and 119 gold-rated factories. Currently, Bangladesh is home to 54 of the top 100 LEED-certified factories globally, including nine out of the top 10, and 18 out of the top 20 units. Additionally, the country boasts the two highest-rated LEED-certified factories.

This remarkable accomplishment highlights the garment sector's vision and continued commitment to sustainability while showcasing the immense potential of Bangladesh as a leader in responsible manufacturing. The recognition of green performance opens the doors to future investments and partnerships, propelling the nation towards a sustainable future.

In the past, local manufacturers used to conduct business in conventional factory buildings, which often overlooked global best practices and polluted the environment. However, industrial incidents served as an eye-opener.

Following the nation's deadliest industrial disasters, including the fire at the Tazreen Fashions in November 2012 and the Rana Plaza building collapse in April 2013, western consumers were openly avoiding Bangladeshi garment items. Consumers even took up positions in front of stores in Europe and the US and chanted slogans against garment items made in Bangladesh, saying they were produced in 'sweatshops' and were 'blood-stained'.

As such, Bangladeshi garment manufacturers and exporters found themselves in hot water, with international retailers and brands in Europe and the US signalling that they would abandon the nation because of the image crisis. At the same time, in June 2013, the US suspended the Generalised System of Preferences (GSP) status for Bangladesh, citing poor labour rights and poor workplace safety in the garment sector.

At a time when rights groups were already criticising the country's garment sector, the decision from the Obama Administration simply rubbed salt into the wound. By this time, European and North American retailers and brands had formed the Accord on Fire and Building Safety in Bangladesh and the Alliance for Bangladesh Worker Safety to inspect, recommend and remediate loopholes in the areas of fire, structural and electrical safety in the garment sector.

The Accord and the Alliance inspected nearly all garment factories that conduct business with international buyers. They recommended the abandonment of existing factory buildings, significant remediation, or relocation, particularly away from dense areas of Dhaka.

The recommendations helped manufacturers build new factories with most of the safety measures. With the vision of winning the hearts of Western consumers, entrepreneurs also started greening their production units spending millions of dollars to become more competitive in the global apparel trade.

The green initiative helped brighten the image of the sector and Bangladesh eventually became the second-largest garment exporter after China, capturing 7.9 percent of the global garment trade.

A hospitable working environment was long overdue as many labelled Bangladeshi as sweatshops. An inhospitable work environment, including temperatures that ran very hot, also affected productivity and air coolers led to owners incurring huge electricity bills. As a result, greening factories became a clear choice, with initial costs offset by quick returns. The eco-friendly measures won the hearts of consumers.

Ananta Ahmed, a USGBC faculty and an expert in green building, says it is not possible to say how far carbon emissions have been reduced in total. But he offers a glimpse by providing individual numbers. For instance, at SM Sourcing, 2,000 tonnes of carbon emissions are prevented each year, which is equivalent to planting 67,000 trees.

Because of the improvement of the work environment, productivity increases, he says, adding that a return on investment can be seen in three years because of energy and water savings and due to higher levels of efficiency.

With such wonderful outcomes, local garment factories are opting for further greening of their production units and more than 500 units are waiting to be certified by the USGBC in the LEED category.

Source: thedailystar.net– Mar 30, 2024

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NATIONAL NEWS

100-day plan: Commerce Department to identify export barriers, launch `Trade Connect e-Platform'

The Commerce Department has sought inputs from export bodies on trade barriers and non tariff measures they face in different countries to incorporate ways to combat such barriers in the 100-day action plan to be presented to the new government that takes over after the general elections.

The 'Trade Connect e-Platform', which seeks to provide information to new and aspiring exporters on the identification of products for export, non-tariff barriers, updated tariff schedule of items, applicable customs duty and benefits under India's FTAs, will also be launched as part of the 100-day action plan, a source tracking the matter told businessline.

"The 100-day action plan will contain various measures to boost exports to move towards achieving the $2 trillion goal for 2030. Launch of the Trade Connect ePlatform is also a step in the direction. Addressing non tariff barriers is also likely to be part of the plan as they hinder export growth in markets where tariffs are already low," the source said.

Prime Minister Narendra Modi, at a Cabinet meeting earlier this month, asked Ministers to draft a roadmap for the first 100 days of the new government and another one for the next five years of the government.

UK-Oman FTA

"Most of the export bodies have already given their inputs to the Commerce Department on non-tariff measures and other trade barriers for their particular sectors in various countries. The inputs are now being collated," the source said.

The 100-day action plan is also likely to include the Commerce Department's intention to seal Free Trade Agreements with the UK and Oman. "As the FTA with Oman has been almost fully negotiated and is going through legal vetting and the one with the UK has just a handful of issues to be sorted out, these will probably be included in the 100-day plan," the source said.

On the Trade Connect e-Platform, the source pointed out that it was almost ready but would be launched as part of the 100-day action plan. The e-Platform will act as a one-stop-shop for exporters and importers to connect with existing portals.

In the April-February 2023-24 period, India's goods exports contracted 3.5 per cent to $394.99 billion as continued slowdown in Western economies and geopolitical stress affected demand.

Source: thehindubusinessline.com– Mar 28, 2024

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FTAs and new markets will increase India's export to USD 1 trillion by 2030

Despite global trade uncertainties, India's exports are charting a new course, bilateral agreements, free trade agreement (FTA) and venturing into uncharted territories like Africa, Latin America, and Central Asia have led to all time high export of USD.

With these new initiatives, India has seen a surprising surge in exports of precious metals, minerals, automobiles, electronics, pharmaceuticals, organic chemicals, textiles, spices and defence equipment.

Exports from India soared 11.9 per cent year-on-year to USD 41.4 billion in February 2024, the highest level since March 2023, boosted by sales of drugs and pharmaceuticals, engineering and electrical goods.

Exports to new markets like Africa, Latin America and Central Asia, have witnessed a significant influx of USD 234 million worth of goods, including cars, two- and three-wheelers, and precious metals, during the April-December 2023 period.

This translates to a 5 per cent growth in exports for key sectors.

FIEO DG Ajay Sahai said, "The medium- to long-term prospects of Indian exports are very encouraging. We are on course to reach the target of USD 1 trillion each in goods and services exports by 2030.

However, in the first quarter of the next financial year, some challenges may be faced due to high inflation and geopolitical uncertainties. We expect the US Fed to start reducing the key rates in its next review, which will signal other countries central banks, thus pushing demands."

The focus on new markets, bilateral trade pacts, and FTA's extends beyond value, it will reduce dependence on the traditional export items and foster stronger trade partnerships and economic cooperation across continents. Sahai said, "The strategy to push FTAs with complimentary economies is showing good results. It is win-win situation as while domestic manufacturing gets a boost with duty free imports of raw materials and intermediates while our exports get better market access."

He added, "While we require a minimum 3-5year time frame to assess any FTA, in a very short period we are seeing growth in the bilateral trade with partner countries of UAE and Australia and exports growth to such countries growing much faster than overall exports. We expect to sign FTA with UK, Oman and Eurasian countries by the next financial year." India's main export partners are: United States with 15 percent of the total exports, United Arab Emirates, 11 percent, Hong Kong 5 percent, China and Singapore 4 percent each and United Kingdom 3 percent. Trade with UAE has surged post free trade agreement between the two countries.

FTA talks with the UK are at an advanced stage and a trade pact is likely to be signed after the formation of the new government. India has signed 14 FTA's in 2024, including a Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA) on March 10, 2024. The EFTA consists of Iceland, Liechtenstein, Norway, and Switzerland

The ongoing Red Sea crisis, which has disrupted traditional shipping routes, is a new challenge to trade. But, India has cleverly turned this adversity into an opportunity. By embracing longer routes via the Cape of Good Hope, new markets in Africa and the Americas are being unlocked.

Sahai said, "While the Red Sea crisis has affected the bottom line of exporters, our top line has not been affected much. However, some commodities and low-value, high-volume products have taken a hit. Most contracts are not coming for renewal and we have to see if existing buyers are willing to factor in high freight prices. The trend so far suggests that in most of the cases, both sides are mutually settling and agreeing to absorb a part of the high freight."

India's export trajectory is in a positive zone. The proactive market diversification strategy, coupled with a focus on innovation and adaptability, positions India as a strong contender in the global trade arena. With a shrinking trade gap, rising exports, and a growing global presence, India's export story transcends mere economic figures. It embodies resilience, strategic foresight, and the potential to reshape the global trade landscape in the years to come.

Source: economictimes.com– Mar 29, 2024

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Cotton Corporation of India's procurement at MSP 32.85 lakh bales so far this season

The Cotton Corporation of India has procured about 32.85 lakh bales (of 170 kg each) of the natural fibre crop at the minimum support price (MSP), so far, in the current 2023-24 marketing season.

"Bulk of the procurement, about 24 lakh bales, has been procured from Telangana, while the rest has been purchased from other States," said Lalit Kumar Gupta, Chairman Cum Managing Director, CCI.

In Maharashtra, CCI's cotton procurement was 2.44 lakh bales till March 27, 2024 followed by 1.30 lakh bales in Andhra Pradesh and 1.27 lakh bales in Madhya Pradesh. In Gujarat, CCI's cotton procurement stood at 0.91 lakh bales, Odisha at 0.95 lakh bales and Karnataka at 0.62 lakh bales. Cotton procurement in Rajasthan stood at 0.52 lakh bales, Haryana at 0.43 lakh bales and Punjab 0.38 lakh bales.

Crop estimate hiked

Gupta said about a tenth of India's cotton crop for cotton season 2023-24 has been procured by the CCI so far. The Committee on Cotton Production and Consumption (CCPC), an apex body of stakeholders set up by the government comprising cotton textile mills, cotton growers, traders, Central Government officials etc., recently raised the crop production estimates for the current season to 323.11 lakh bales against the earlier estimates of 316.57 lakh bales made in November 2023. The revision is based on the second Advanced estimate of Ministry of Agriculture.

With the open market prices moving above the MSP levels, CCI is not getting cotton in the mandis at MSP any more.

"Our procurement started going down from the first week of February as the domestic prices started rising as a result of rise in prices in international market. Our last procurement was on March 4th, 2024 and now the prices are prevailing about 7-8 per cent above the MSP levels. There is no place our intervention is required and no farmer is offering any cotton at MSP as they are getting better price in the market," Gupta said.

For the 2023-24 kharif marketing season, the MSP for seed cotton is ₹6,620 a quintal for the medium staple and ₹7,020 for the long staple variety. Raw cotton prices are currently hovering above MSP and ruling between ₹7,500 and ₹7,800 per quintal.

Ready to intervene

The CCI team, Gupta said, is present in the markets across the country and ready for any intervention if required. The daily market arrivals across the country are in the range of 80,000-1,00,000 bales and the consumption from the mills is around 85,000 bales, Gupta said.

Meanwhile, CCI has started selling the Kasturi Cotton Bharat, the certified cotton. “We have already sold about 5,000 bales. There is a good demand as our quality is good, we are getting premium over the market price.” Gupta said.

The Kasturi Cotton Bharat is a joint initiative by the Ministry of Textiles, CCI, Trade Bodies & Industry to work on the principle of self-regulation by owning complete responsibility of Branding, Traceability and Certification of Indian Cotton to enhance its’ competitiveness in the global market and create a sustainable ecosystem for all stakeholders involved.

Source: thehindubusinessline.com– Mar 29, 2024

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Figure this: Discrepancy in India-China trade data is only getting worse

Trade with China before 1900 helped the early growth of some of India's biggest conglomerates, including the Tata group and the Wadia family. More than 50 per cent of global trade in the 1800s involved India or China. Recent data on trade between the two countries shows a curious discrepancy. China records billions of dollars more in goods leaving for India, than India records coming in. The gap has risen to $19 billion as of January, show Business Standard calculations based on government data from the two nations (chart 1).

Gap has widened to $19 billion

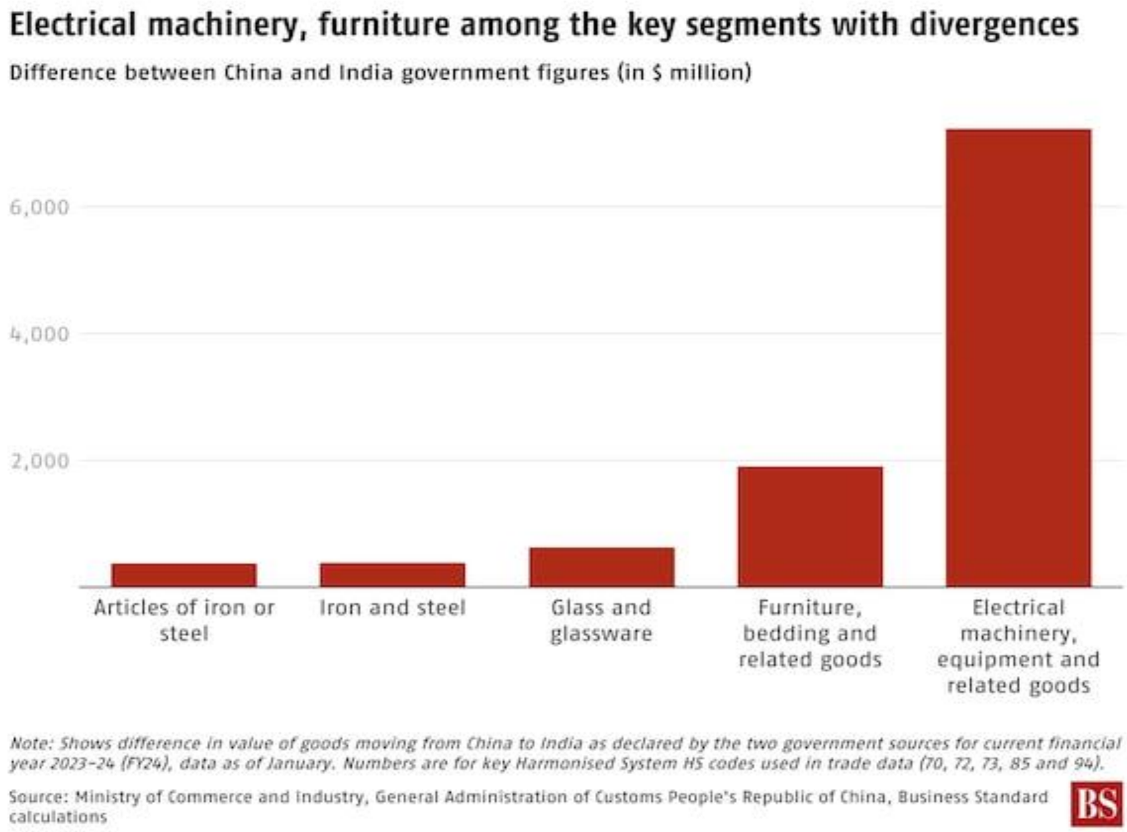
Value of goods moving from China to India (rolling 12-month basis, in $ billion)

Source: Bloomberg, Ministry of Commerce and Industry, Business Standard calculations

Such discrepancies are noted elsewhere and several explanations have been suggested for the gap. Reasons include whether freight and insurance costs are included or if shipment values are accounted for by the last country through which they came or the country of origin.

Trade fraud could be another explanation: It would involve showing a lower value of goods to reduce tariffs paid.

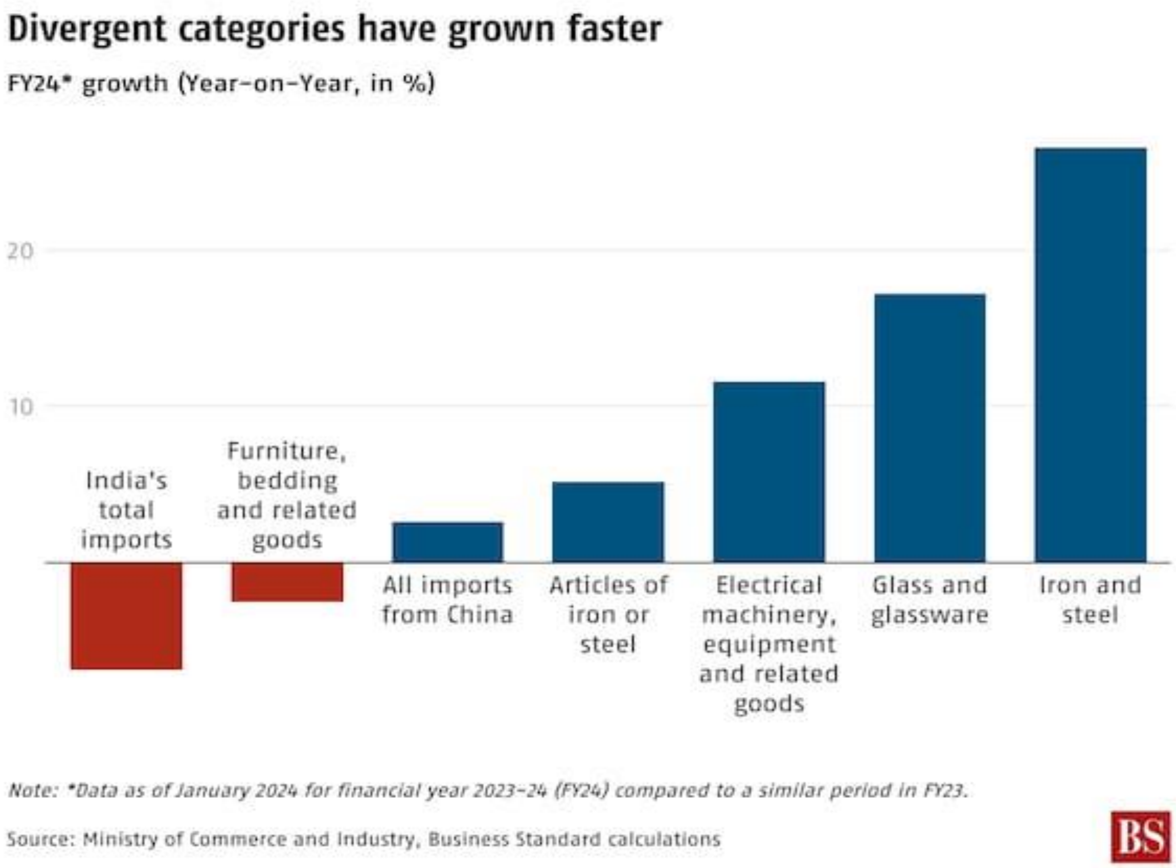
A 2023 Indian government study said that the country's trade discrepancy with China is pronounced in five categories of goods. Business Standard looked at the latest available data for these categories. The difference in figures provided by the governments of China and India ranges from $369 million to more than $7 billion as of January numbers for FY24 (chart 2).



The largest variance is for electrical machinery, equipment and related goods. Each of the five categories has grown faster than India's overall imports, meaning the trade discrepancies may not shrink anytime soon. Four categories recorded higher growth than overall imports from China.

Iron and steel has grown at 26.6 per cent compared to a 2.6 per cent growth in Chinese imports. Overall imports to India from all countries are down 6.9 per cent, according to January numbers (chart 3).

The jury is out on the reasons that could explain the trade data discrepancy. The Indian government report said, "while underreporting may be cited as one of the plausible reasons coupled with unfair cross-border trade practices; a more granular examination may prove to be fruitful ...(and)...reduce loss to revenue exchequer".



International research shows that trade discrepancies increase with barriers. If that's true, discrepancies may well widen amid talk of India increasing barriers to Chinese imports – and Beijing's restrictions already in place.ORG: Akasa Air commences international operations

Source: business-standard.com– Mar 29, 2024

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India keen on trade deals with UK, Oman in PM Modi's probable next term

Indian Prime Minister Narendra Modi is likely to prioritise completion of free trade deals with Britain and Oman in the first 100 days of the next government if he wins upcoming elections as opinion polls predict, two government sources said.

Modi has asked Indian ministries to set annual goals for the next five years that will fit into a 100-day action plan as he chalks out a strategy to fuel further growth in Asia's third-largest economy.

Among its goals for the 100-day plan, the trade ministry aims to feature the pacts with Britain and Oman, as talks on both deals are in their final stages, said the sources, who have direct knowledge of the discussions.

They sought anonymity as details of the plan are private.

This month Modi identified integrating India into world trade as a key priority area in talks with senior government officials, according to a document seen by Reuters.

Some of the objectives will be discussed on May 1, when India will be in the middle of its seven-phase election, set to start on April 19 with vote-counting due on June 4, at which Modi will be seeking a rare third term. The trade ministry and Modi's office, which will make a final decision on the priorities, did not respond to a request for comment.

A spokesperson for Britain's department for business and trade said the two countries were "continuing to work towards an ambitious trade deal". The spokesperson added, "Whilst we don't comment on the details of live negotiations, we are clear that we will only sign a deal that is fair, balanced and ultimately in the best interests of the British people and the economy."

Ahead of India's elections, both nations this month put on hold their two-year long negotiations without a deal, while reaffirming their commitment to a new pact aimed at doubling their trade by 2030. Britain also holds elections this year.

Reuters could not immediately contact an Oman official. The trade ministers of India and Oman met in December and said they had asked their negotiators to wrap up talks on a comprehensive pact so as to hasten signing of a deal.

Trade between the countries has more than doubled in two years to $12.39 billion in the last fiscal year.

Source: business-standard.com– Mar 29, 2024

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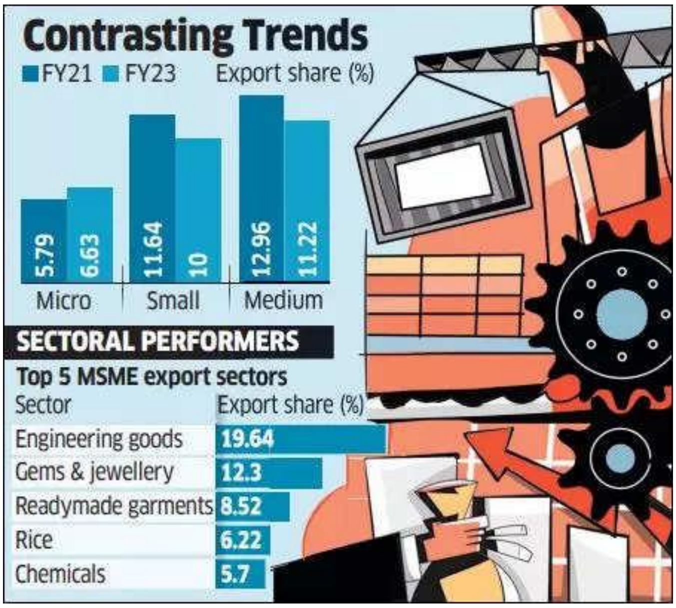
Micro enterprises' share in total exports rises, drops for SMEs

New Delhi: Micro enterprises saw an increase in their share in exports from India in January to 6.63% from 5.79% in 2020-21, whereas the share of small and medium enterprises fell to 10% from 11.64% and to 11.22% from 12.96% respectively, said a report by the Directorate General of Commercial Intelligence and Statistics.



Manufacturing and services units with investment of up to ₹1 crore and annual turnover of up to ₹5 crore are classified as micro enterprises, while small enterprises are those with investment of up to ₹10 crore and turnover of ₹ 50 crore, and medium enterprises are those with investment of up to ₹50 crore in plant and machinery and equipment and turnover of ₹250 crore. As per the data, the top five micro, small and medium (MSME) export sectors were engineering goods (19.64%), gems and jewellery (12.3%), readymade garments (8.52%), rice (6.22%) and organic and inorganic chemicals (5.7%).

However, exports from the top two sectors in the overall industry fell in the April 2023-February 2024 period in terms of value, with textile and apparel exports falling 8.44% year-on-year and gems and jewellery exports down 12% while engineering goods saw a 4.65% increase.

The US, UK and Germany are among the top five export destinations for Indian MSME exporters, according to the report, It said but all three export sectors saw a decline in exports to the US and EU in this financial year. Engineering goods exports to the US and EU fell 9.1% and 2.6% year-on-year respectively in the first 10 months of this fiscal. "The rising freight costs have increased the cost of goods in the exporting country, thereby, leading to a fall in demand," said Arun Kumar Garodia, chairman, EEPC.

Textile exports to the US fell 16.7% year-on-year and to the EU and UK 14% in April-January 2023-24. Gems and jewellery exports to the US declined 61% and to the EU and UK 51% during this period, showed the data. "The Western world has been grappling with wars leading to a rise in gas prices and a shrinking economy over the last two years, affecting the demand for goods in these countries," said Anil Bhardwaj, secretary general, Federation of Indian Micro and Small & Medium Enterprises.

Except for the pharmaceutical sector, which has a considerable market share in low-income countries, the demand for goods constituting exports of the top-five MSME sectors, predominantly comes from the Western world. Apart from falling demand, the sharp increase in freight cost due to the war in West Asia has hurt exporters.

"The Red Sea crisis has increased shipping time and cost. Costs have started coming down but are still on the higher side. Shipping costs to Europe have increased 1.5-2x and to America 1.2x," said Pankaj Poddar, CEO, Cosmo First, a medium enterprise .

Source: economictimes.com– Mar 29, 2024

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How a Rs 76,220 cr port project aims to be a game changer for India's trade trajectory

Can the Vadhavan port project help to realise India's long-term maritime trade ambitions while also making a place for itself alongside the top container ports of the world?

Ports play a crucial role in making a nation a powerhouse of manufacturing and exports. China is the prime example: the country has seven of the 10 busiest container ports in the world. India, which aspires to be a big manufacturer and exporter, finds an entry at 35 on the World Shipping Council's list.

The container volume at Shanghai port surpassed 49 million TEU in 2023, against the global container port throughput of 866 million TEUs. India's Mundra port, the biggest commercial port by volume, handled 6.64 million TEUs in the period. It has the advantage of a 15-metre natural draft, which lends it the advantage of handling larger vessels.

But India is now drawing up plans to give itself an advantage through a Rs 76,220 crore development: the Vadhavan port in Dahanu, Maharashtra, 150 km north of Mumbai. The project that is being pushed in a public-private partnership mode will see the construction of a port with a container capacity of 15 million TEUs in 2035 and 24 million TEUs by 2040. On top of that, the sea floor's topography in the region will give Vadhavan port a natural draft of 20 metres, which means it can accommodate container vessels up to 20,000 TEUs.

For any country, it is the port-led infrastructure that contributes towards economic development and sets the tone for more progress. In the case of China, it is clear that this strategy has paid rich dividends and elevated its position as a player to reckon with in global trade. It is long overdue for India to add some port muscle — especially with the government pushing self-reliance; encouraging manufacturing through production-linked incentives and other schemes; and creating pathways to expand export through free trade agreements and other deals.

Union Minister of Ports, Shipping & Waterways Sarbananda Sonowal has said last year that a modern and advanced port infrastructure is of paramount importance for smooth and efficient trading. India's major ports had collectively handled 795 million tonnes of cargo, registering a

10.4% growth over the previous year. “95% of India's trading by volume and 70% by value is done through maritime transportation,” he had said while speaking at FICCI’s Port Infrastructure Conclave in the capital, highlighting the need to develop port infrastructure if the economy has to grow faster.

For any country, it is the port-led infrastructure that contributes towards economic development and sets the tone for more progress.

In February 2020, the Union Cabinet had given an “in-principle” approval of the Vadhavan port project under the Sagarmala Programme. The project is currently awaiting the Cabinet nod on the proposal to develop the container port, after which it would be tendered out.

Sonowal had told reporters in February this year that they were expecting an approval from the Cabinet soon. “The Union Environment Ministry has given clearance to the Vadhavan Port project. We are soon going to get cabinet approval (for the project),” a PTI report stated.

A senior government official tells ET Digital on the condition of anonymity that such a port is the need of the hour as the size of vessels has increased tremendously. “The parcel size is increasing. As we don’t have a deeper depth in our port, international vessels are going to Colombo and Singapore. So, for example, a 20,000 TEU vessel will first go to Singapore as the port has 20 metres depth, and will discharge cargo there. Thereafter, a small ship will carry the cargo and bring it to India. After Vadhavan comes up, international ships can directly come here with goods from, say, America. That is the advantage,” he says.

India’s growth story

His views hold merit, especially in the backdrop of India’s economic growth curve, which has seen an upward trajectory in recent years. In an interview with ET Now in March, Reserve Bank of India Governor Shaktikanta Das had stated that the Indian economy is likely to grow at a rate exceeding the central government's Second Advance Estimate of 7.6% in the ongoing financial year. “I would not hesitate to say that India’s GDP growth in FY24 will exceed 7.6%, it might be closer to 8%,” he stated.

Such growth implies a need to increase the cargo handling capacities at ports. The senior government official speaking on condition of anonymity says: “Right now the total capacity, including the major and non-major ports, is 2,500 million tonnes per annum. This can go up to 10,000 million tonnes per annum in the coming years, given the country's growth momentum."

This is where a port like Vadhavan can be a game changer for India because of its handling capacity. Sameer Bhatnagar, Partner, and Global Head of Ports (Maritime) at KPMG India, says the country does not have a sufficient number of deep draft ports that are capable of handling the next-generation vessels.

Such vessels are larger in size, typically they can up to 24,000 TEUs against 3000 or 4000 TEUs at one point of time. These vessels typically call on ports like Singapore, Jebel Ali or Hong Kong, which are very deep draft, transshipment ports.

The port of Shanghai in China is the busiest port in the world in cargo tonnage, comprising a deep sea port and a river port.

"Vadhavan port will create a kind of scale which will be fairly large in terms of its handling capacity," Bhatnagar says. "For example, JNPT is expected to max out its capacity at 10 million TEUs and after that there is no other port in the vicinity of JNPT or in Maharashtra with that capacity of a big scale traffic. Hence, now Vadhavan is being planned to be set up as a large capacity port," Bhatnagar says.

The port will service the vast hinterland regions of Maharashtra, Gujarat, western Madhya Pradesh and North Indian states. It will be the third major port in Maharashtra, besides JNPT and Mumbai port, catering to the varied requirements of global trade as a deep draft port.

Logistics costs

Besides natural depth, Vadhavan port brings in another great promise that has the potential to redefine business dynamics for even small manufacturers. The enhancement to India's port infrastructure can cut logistics costs, say experts.

According to the Economic Survey 2022-23, logistics costs in India have been in the range of 14-18% of GDP against the global benchmark of 8%. Improving the quality of trade and transport-related infrastructure such as ports, railroads, roads and information technology was cited as important factors to address this aspect.

KPMG's Bhatnagar explains how the new port project is a step forward in that direction: "If there is a larger vessel to carry an Indian export container and such vessels only stop at the major transshipment hubs instead of halting at all the places across the world, it would result in more volumes and direct calls. This would reduce the cost of shipping one box which, in turn, will reduce the logistics cost for India."

If a big vessel directly comes to the port in India — instead of going to, say, Singapore to load or unload goods — transshipment cost comes down. So the unit cost for a larger vessel is cheaper as it does not stop at every port. This will also make such ships reach the destination faster, thereby changing the way the logistics of export and import would happen through containers.

Rotterdam is often considered the gateway to Europe and a central hub of global trade with a throughput of approximately 14 million TEUs per year. Vadhavan port's scheme falls in line with India's ambitions to be a developed nation by 2047, by giving a push to port-led growth and planning.

"In the coming years, a lot of development in port and waterway infrastructure will be seen and we are hoping for more contribution from road and railway as well," the senior government official adds. "Once such projects are in good shape, the logistics cost will come down in 5-10 years, infrastructure will be better and the ultimate beneficiary will be the people. It has to reach every person at the end of the chain."

In august company

But is it too ambitious an aim for India to be in the top 10 ports alongside Shanghai and Singapore?

Experts say that it is not just deep draft that has contributed to the success of such ports but also the landside infrastructure that allows the cargo to be loaded and unloaded efficiently. Bhatnagar points out that effective cargo handling involves quick unloading at the port and seamless evacuation of the cargo to the hinterland. The movement has to be fast and paperwork should not be a barrier here.

"The way they (officials at Singapore and Shanghai) handle the processes, the documentation is something which allows them to work very efficiently and rapidly," he says. "Last year, the Port of Singapore alone handled approximately around 39 million TEUs while India's total traffic of containers was around 20-25 million TEUs."

This puts the efficiency situation in perspective and highlights the need for officials in India to streamline infrastructure and processes behind the port.

Bhatnagar, however, adds that even though such nations may enjoy certain geographical advantages — such as Singapore's presence on a global shipping lane and Shanghai port's sheer scale — India can still strive to build its port infrastructure with a focus on quality of service and streamlined processes.

As part of the Amrit Kaal Vision 2047, India has six mega ports on the anvil as part of its maritime expansion plans. This is also expected to ramp up cargo handling capacity significantly. Can the Vadhavan port project help keep such ambitions afloat in the next few years?

As Bhatnagar puts it, "The saying is well known that a ship is safest in the harbour, but that is not the place where it is meant to be. Even in the world of shipping commerce, ships are not meant to spend too much time in a harbour. The faster one is able to turn around a vessel, the better is the reputation of the port. And that capability is something that India also has to develop."

Source: economictimes.com– Mar 29, 2024

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Procurement through govt's online marketplace GeM crosses ₹4 lakh crore so far this fiscal

The procurement of goods and services through government's portal GeM has crossed ₹4 lakh crore so far this fiscal due to higher buying activities by various ministries and departments, a senior government official said on Friday. The Government e-Market (GeM) portal was launched on August 9, 2016, for online purchases of goods and services by all central government ministries and departments.

"As of March 28, the procurement has crossed ₹4 lakh crore. It is historic," GeM CEO P K Singh told reporters here. In 2021-22 the procurement value stood at ₹1.06 lakh crore and it crossed ₹2 lakh crore last financial year. He said that procurement of services from the portal has jumped from ₹66,000 crore in 2022-23 to ₹2.05 lakh crore so far this fiscal.

Similarly, goods worth ₹1.95 lakh crore have been bought from the platform till March 28 this fiscal. GeM has over 63,000 government buyer organisations and over 62 lakh sellers and service providers offering a wide range of products and services.

Currently, government departments, ministries, public sector units, state governments, and central armed police forces are allowed to carry out transactions through this portal.

The portal provides a wide range of products from office stationery to vehicles. Automobiles, computers and office furniture are some of the major product categories. Services, including transportation, logistics, waste management, webcasting and analytical, are listed on the portal.

South Korea's KONEPS is the largest such platform in the world. GeM stands at the third position after Singapore's GeBIZ.

States/Union Territories such as Uttar Pradesh, Gujarat, Maharashtra, Delhi, Madhya Pradesh, Jammu & Kashmir, Odisha, Bihar, Assam, and Uttarakhand have placed significant procurement orders in the current fiscal.

Source: thehindubusinessline.com– Mar 29, 2024

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India improves on its FTA template

India signed its first free trade agreement (FTA) with European countries earlier this month. Called the Trade and Economic Partnership Agreement (TEPA), signed with the European Free Trade Association (EFTA) grouping of four countries — Iceland, Liechtenstein, Norway and Switzerland, it is another step towards trade and investment liberalisation with select partners.

Together, EFTA has a market of only 14.65 million people, but they are capital rich with high investment potential. The highlight of TEPA is a commitment by companies in these countries to inject fresh FDI of $50 billion into India in 10 years and $100 billion in 15 years, which is expected to generate direct employment to one million. In comparison, from the year 2000, inward FDI from this group add up to only $10 billion.

TEPA advances India's evolving FTA template. Tariff elimination or reduction is offered in several areas but sensitive sectors are shielded. Giving space for our manufacturing under PLI schemes to grow is also a factor. Still, India's offer provides substantial opportunities for the FTA partners, considering our relatively higher tariff levels. In return, we seek fuller access in their markets.

Through TEPA, India will have full and free access to the EFTA market for industrial products, but not for sensitive items in agriculture. In all, 92.2 per cent of their tariff lines covering 99.6 per cent of India's existing exports will benefit.

That said, TEPA will only offer a level-playing field to Indian exporters since EFTA's FTA coverage is already extensive with 29 existing FTA partners (that also includes a few FTA groupings like the EU) apart from individual members like Switzerland being parties to a few more.

Even so, India's exports of chemicals, garments, jewellery, steel and machinery items can gain to some extent. Even fresh vegetables, fruits and flowers have improved access with some receiving freer access during off-season.

India is offering tariff concessions on 82.7 per cent of its tariff lines, covering 95.3 per cent of imports from EFTA. Switzerland will not, however, benefit for its gold exports, accounting for 80 per cent of its total, since reduction under TEPA will be only 1 per cent from bound rate (of 40 per cent, while the MFN applied rate is much lower). But it will benefit from its exports of chocolates, wines, chemicals, pharmaceuticals, watches and machinery items. For Norway, the other major exporter in EFTA, benefits will accrue for its exports of fish, chemicals, petroleum gases, fertilizers and certain machinery items. Unwrought nickel, a substantial item, is however imported into India at nil MFN duty.

On services, the commitments made are on India's preferred positive list basis. All four modes are covered with improved market access for several services. India has made commitments in 105 sub-sectors (against a total of 155) as against Switzerland's 128, Norway's 114, Liechtenstein's 107 and Iceland's 110.

A horizontal commitment by all EFTA countries on movement of natural persons also include intra corporate transferees and contractual service providers. Norway and Switzerland also have committed on movement of individual professionals. There will be no labour market and economic needs testing for their entry. There is however no further provision on social security beyond stating that respective domestic laws shall apply. Provision for mutual recognition of qualification or licences for practice is also generally worded.

The Ministry of Commerce is hoping that the FTA will stimulate our IT, business, personal, cultural, and recreational services exports.

Areas of departure

Noteworthy also are certain areas of departure in TEPA in relation to India's earlier FTAs. The rules of origin are, as EFTA itself has claimed, designed more on their model. There are also new concepts included such as providing for 'chemical reaction' as conferring origin for certain chemical products. However it appears that India's products of particular strength and interest like cut and polished diamonds (CTSH + 6 per cent value addition) have been suitably tailored to our requirements.

The chapter on intellectual property confines itself largely to TRIPS standards but amplifies on enforcement. Noteworthy, particularly of relevance to the pharma sector, is a record of understanding on data protection that is integral to the agreement. It calls for both EFTA and India to enter into consultations one year after entry into force of TEPA to discuss ‘issues relating to protection of undisclosed information from unfair commercial use’.

The chapter on government procurement is rather brief exchanging only points of contact, unlike the FTA with the UAE that provided for some market access. However, there is a commitment by both sides to examine within three years the possibility of developing and deepening cooperation in this area.

For the first time in an FTA, India has agreed to have a detailed chapter on Trade and Sustainable Development that covers environment and labour standards, even if largely in consonance with multilateral environment agreements and ILO standards, and due consideration for gender. These provisions will not be subject to dispute settlement but issues if any can be taken up in consultations and the joint committee under TEPA. Provisions on labour standards, however, have also figured in the IPEF supply chain agreement signed last year.

Both India and EFTA have also given themselves the possibility to review and further deepen TEPA in case the other party enters into FTAs with third parties offering more favourable terms. EFTA could, for example, seek a review if India’s future FTAs with the UK or the EU carry deeper concessions.

How did EFTA and India, between whom FTA negotiations began in 2008, paused in 2013, and recommenced only six months ago managed to move so quickly to the finish before the election announcement? The momentum of interest in India could be a factor. Perhaps they also wanted to get the first-mover advantage among European countries. The speed is also discernible in their decision to keep negotiations on government procurement to a later date. For India, the investment commitment by EFTA must have been attractive. It could also help if this prods the UK and EU to be more forthcoming in their negotiations.

Finally, an FTA can only be an enabler. It is important for our trade and industry to study and make best use of its provisions with appropriate strategising.

Source: thehindubusinessline.com– Mar 28, 2024

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Manchester of South India spins its own success story

The textile industry in Coimbatore has been the cornerstone of the region's economy, driving growth, employment, and innovation.

Coimbatore boasts a rich legacy of textile manufacturing, dating back to the early 19th century. The roots of the industry can be traced back to the entrepreneurial spirit of its early settlers. With a favourable climate and abundant cotton cultivation in the region, Coimbatore emerged as a natural choice for textile manufacturing. The city's strategic location coupled with its well-established trade networks facilitated the rapid expansion of the industry during the British era.

Issues related to unstable prices of raw materials and challenges in marketing brought together mills of the south. While textile mills in western India were playing an important role in the sector nationally in the early 1990s, the units in the south, engaged in yarn production, faced different challenges due to their geographical location. The metamorphosis of a collective entity for the industries in the south seemed to be a logical progression. The idea of forming an association of mill owners in south India was first mooted by RK Shanmugam Chetty, the first finance minister of independent India.

The Southern India Mills Association (SIMA), which began its journey with 11 mills as members in 1933, has grown into the single largest entity representing the organised textile industry in south India. It is the only organisation in the industry to have in-house expertise on the entire value chain of textile production — from designing a textile project to marketing.

Evolution & modernisation

Over the years, the textile industry in Coimbatore has witnessed significant evolution and modernisation. From traditional handloom weaving to mechanised textile mills, the sector has embraced technological advancements to enhance productivity and quality standards.

Today, Coimbatore boasts a diverse ecosystem of textile enterprises, including spinning mills, weaving units, dyeing facilities and garment manufacturers.

In the recent years, the textile industry in Coimbatore has been in the forefront of innovation and sustainability initiatives. Several companies have invested in state-of-the-art machinery and processes to minimise environmental impact while optimising resource utilisation. Additionally, there has been a growing emphasis on ethical labour practices and social responsibility, ensuring fair wages and working conditions for employees across the chain.

Despite facing stiff competition on international markets, Coimbatore's textile industry has maintained global competitiveness through continuous innovation and adaptability. The city's skilled workforce coupled with its robust infrastructure and supportive government policies has enabled local businesses thrive in the global market. Strategic collaboration and partnership with international brands have facilitated market expansion and product diversification.

But the industry is not without its challenges. Rising production costs, electricity tariff hikes and evolving consumer preferences pose significant hurdles for businesses in the region.

The Covid-19 pandemic also disrupted supply chain and dampened demand, necessitating agile response and resilient strategies.

Amid all these challenges, however, lie ample opportunities for growth and innovation. With an increasing focus on sustainability and eco-friendly practices, Coimbatore's textile industry is well-positioned to capitalise on emerging trends and consumer preferences. The government's initiatives to promote investment and modernisation in the sector bode well for its long-term sustainability and competitiveness.

Role of Tiruppur

Tiruppur, which was part of the Coimbatore district in the past, was also part of the textile zone. It was filled with handloom and cotton mills in the early 20th century.

The first knitting unit in Tiruppur was established in 1925, and the industry experienced slow growth until the late 1930s. Strikes in knitting factories in Salem and Madurai during the late 1930s led to the establishment of new firms in Tiruppur. By the 1940s, Tiruppur had become a prominent hub for knitwear in south India.

In 1942, there were 34 units producing knitwear, all of which were composite mills where the entire chain of production took place within the same unit. Some units specialised in tasks like bleaching and dyeing, operating within larger units. The number of units increased to 230 by 1961, and until the early 1970s, the industry primarily served the domestic market. These units were mainly composite mills with no subcontracting system. It was not until the 1980s that the export market began to grow, turning Tiruppur into the largest exporter of cotton knitwear in the country, accounting for approximately 80% of all cotton knitwear exports.

It wouldn't be an exaggeration to state that Coimbatore's journey as the 'Manchester of South India' symbolises resilience, innovation, industrial excellence and entrepreneurial spirit. From its humble beginnings to its current stature as a leading textile hub in India, Coimbatore has demonstrated its ability to adapt, innovate and thrive in an ever-changing industry. As it continues to embrace new challenges and opportunities, Coimbatore's textile industry remains a source of pride and inspiration for the entire state and the nation.

Source: newindianexpress.com– Mar 30, 2024

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Textile waste turns into felt courtesy the Hasiru Batte X The Good Felt collab

Late last month, as industry experts presented their offerings at Bharat Tex — one of the world's largest textile events — two organisations from Bengaluru marked their presence with a rather unique offering: felt apparel, and accessories.

The project is a collaboration between Hasiru Batte (an initiative by Bengaluru-based Hasiru Dala Trust) and The Good Felt. The latter is a project by Netherlands-based Enviu, an organisation that helps build new companies (such as Bengaluru's Khaloom) across the clothing production chain that turn waste into value.

Ina Bahuguna, programme manager for Recycling, Livelihood and Green Jobs at Hasiru Dala, a social impact organisation that works with waste pickers, explains how they sent 250 kgs of white old clothes (from the city's JP Nagar and Domlur facilities) to the Netherlands in August 2022, to be converted into felt material.

"This was a pilot to test if Indian post-consumer textile waste is good enough to be made into felt material. The pilot was successful, and Enviu started looking for partners in India who could make felt and the search ended in Panipat," says Ina, adding that Hasiru Batte's role is to collect textile waste from households and sort it according to TGF's requirements (all whites, for instance) and send it to their partner recycling facility at Panipat to be made into felt material.

But why felt? Anurag Jain, CEO of The Good Felt that launched in September 2023, says that felt aka a non-woven material "stands out as one of the most versatile yet underrated materials in the textile industry". He says it boasts several key advantages: it demands minimal infrastructure, is highly recyclable, and operates within a completely circular system.

"Through our manufacturing of felt, we have the capability to process a wide array of discarded textile waste, regardless of its composition or quality, provided it meets cleanliness standards," he says.

Since the inception of TGF, the team has diverted over two tonnes of textile waste. “The applications are endless but at present we are focussing more on acoustic panels, and fashion and lifestyle accessories,” says Anurag, who has also collaborated with brands such as Gurugram-based Jaggery Bags and Can of Juice, a design studio in Bengaluru.

Anurag, who aims to divert 5,000 tonnes of textile waste from going to the landfills in the next five years, says a significant hurdle they encounter revolves around the perception of textile waste among Indians.

“The aim is to find a solution to the large volume of textile waste that goes into landfills and poor work and living conditions of waste collectors in India. We are working on it by developing non-woven materials (felt sheets) out of the discarded waste,” explains the NIFT and Parsons School of Design (New York) graduate.

As far as procurement goes, one of the primary challenges lies in the lack of understanding among many households regarding the importance of segregating their waste. “Specifically, when it comes to textile waste, there is a critical need for individuals to wash their clothes before handing them over to waste collectors.

Contaminated clothes pose a substantial obstacle for textile recyclers, as despite their best efforts and intentions, these items often end up in landfills,” explains Anurag, adding that there are challenges on the purchasing side too.

“There remains a lingering taboo surrounding textile waste and recycled clothing. Many consumers still view wearing recycled clothes as demeaning and hesitate to embrace the practice of purchasing used materials. However, there is a shifting tide as awareness grows, particularly among the younger demographic in India.”

While they are currently headquartered in Bengaluru, Anurag plans to set up a textile waste recycling centre “to monitor all the textile waste that comes to us which can help us develop even better non-woven materials and increase the magnitude of our impact”.

Ina elaborates on how, after a decade, textile waste has increased as the fast fashion impact can be seen in landfills. “People are not conscious buyers. What colour will suit them is a priority before what material they are wearing. Mixed material is a threat to the environment and humans as microplastics enter our body causing lung damage and cancer," she says, adding that there are very few policies related to textile waste management.

"We don't see responsible brands and manufacturers. There is a great responsibility on this generation to pass on a cleaner environment to the next generation," concludes Ina, who is now planning to establish an aggregation centre (textile recovery facility) in Bengaluru, and a repurpose project wherein women from the waste picker community can make items out of textile waste such as key chains, bags and jewellery.

Source: thehindu.com– Mar 28, 2024

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