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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

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Currency Watch			
USD	EUR	GBP	JPY
83.46	90.52	105.64	0.55

SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

American Manufacturing is Picking Up—But So Are Input Prices

The American manufacturing sector saw its first growth spurt in more than a year during the month of March, and the textile sector was at the top of the list of industries that experienced gains.

Reporting released by the Institute for Supply Management (ISM) on Monday revealed that economic activity in the U.S. manufacturing industry expanded last month after 16 consecutive months of contraction. Timothy R. Fiore, CPSM, C.P.M., chair of ISM's Manufacturing Business Survey Committee wrote that its manufacturing purchasing managers index (PMI) reached 50.3 percent up from 47.8 in February—the index's first above-50-percent reading since September 2022. A PMI above 50 percent indicates expansion.

The bounce-back indicates manufacturing getting onto the same track as the overall economy, which has been expanding for 47 months straight after one month of contraction during April 2020. The ISM's New Orders Index also moved into expansion territory, reaching 51.4 percent—2.2 percent higher than the month prior.

Meanwhile, the March reading of the Production Index hit 54.6 percent, 6.2 basis points higher than February. The New Export Orders Index reading of 51.6 percent remained consistent with the previous month.

"Production execution surged compared to January and February, as panelists' companies reenter expansion," Fiore said. Overall, "Demand was positive, output strengthened and inputs remained accommodative."

The improvements in demand were reflected by the New Orders Index moving back into expansion territory, along with fewer comments from nationwide purchasing and supply executives regarding "softening," he added. The movement of New Export Orders into expansion range was supported by respondents' "stronger optimism," while output, measured by the Production and Employment indexes, "surged."

"Panelists' companies notably increased their production levels month over month," Fiore added.

But despite the fact that the group's Employment Index hit 47.4 percent, a 1.5-percent increase from the 45.9 percent seen in February, layoffs continued throughout March, with substantial reductions in headcount reported for the sixth month in a row. Heightened raw materials costs, too, are a lingering cause for concern.

The ISM's Prices Index came in at 55.8 percent in March, up from 52.5 percent the previous month. "The Prices Index indicated moderate expansion in March, recording its highest level since July 2022 (60 percent)," the ISM chair said. "Commodity prices continue to be volatile, especially crude oil, aluminum and plastics. Twenty-four percent of companies reported higher prices, compared to 18 percent in February."

According to ISM, the nine manufacturing industries, in order, that reported growth in March include textile mills, non-metallic mineral products, paper products, petroleum and coal, primary metals, food, beverage and tobacco products, fabricated metal products, chemical products and transportation equipment.

Textile mills reported employment growth, but they also reported slower supplier deliveries, higher inventories and increased prices for raw materials in March. The apparel sector, too, reported that its customers' inventories remain too elevated and raw materials were more expensive.

"Demand remains at the early stages of recovery," Fiore said. While there are "clear signs of improving conditions," prices on inputs have been increasing at a faster rate for the past three months."Suppliers continue to have capacity but are showing signs of struggling, due in large part to their raw material supply chains," Fiore said.

Source: sourcingjournal.com– Apr 03, 2024

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UK's manufacturing sector witnesses growth & optimism in March 2024

In March, the UK manufacturing purchasing managers' index (PMI), after seasonal adjustment, climbed to a 20-month peak of 50.3, an increase from February's 47.5 and surpassing the preliminary estimate of 49.9, according to S&P Global. This was the first time the PMI has posted above the neutral 50 mark since July 2022.

Three of the PMI sub-components (new orders, output and suppliers' delivery times) were consistent with an improvement in overall operating conditions during March. Although the sub-indices tracking employment and stocks of purchases both signalled ongoing downturns, rates of contraction eased sharply since February.

Manufacturing production increased for the first time since February 2023, as output growth in the consumer goods sector more than offset downturns in the intermediate and investment goods categories. Where an expansion of production volumes was registered, this was linked to client restocking supporting a rise in new order intakes, as per S&P Global.

March data signalled that the mild uptick in new business inflows was centred on the domestic market. The trend in new export orders remained weak in comparison, with overseas demand falling for the twenty-sixth successive month (albeit at the slowest pace since April 2023). Companies reported reduced demand from mainland Europe, with specific reference to France, the Netherlands, Belgium, and Poland.

The end of the opening quarter saw business optimism rise to its highest level since April 2023, with 58 per cent of manufacturers expecting their level of production to increase over the coming 12 months. This compared favourably to only 7 per cent anticipating a contraction. Improved sentiment reflected signs of stronger demand, new product launches, a better trading environment, export opportunities and hopes the cost and supply situations would move closer to normal conditions.

The tentative signs of growth and renewed optimism among manufacturers in March filtered through to other variables. Although levels of employment and purchasing activity continued to decline, rates of contraction eased noticeably. The pace of job loss was the slowest since last May, while input buying volumes fell to the weakest extent during the current 21-month sequence of decline.

Lower levels of purchasing along with delays in receiving goods ordered from suppliers, efforts to reduce safety stocks and cash flow management initiatives led to a further drop in stocks of purchases during March. Companies linked longer vendor lead times to the Red Sea crisis, as diversions of freight (especially from Asia) and the knock-on effect to downstream supply chains led to extended delivery times.

Holdings of finished products also declined in March. Lower inventories reflected cost-control programmes, lower safety stock requirements and settling existing contracts from stock. Backlogs of work subsequently fell for the twenty-third month in a row.

Source: fibre2fashion.com– Apr 04, 2024

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Australian industry sees steady recovery across Q1 2024: Ai Group

The Australian Industry Group's (Ai) seasonally-adjusted domestic industry index strengthened in March, rising by 9.5 points to minus 5.3, pointing to a steady recovery in the industry across the first quarter (Q1) this year.

The index has indicated contraction for the last 23 months.

In trend terms, all four component indices—activity/sales, employment, new orders and inputs—have been recovering since a low at the end of last year.

However, negative readings for sales and new orders continue to point to overall weak, if improving, conditions in the Australian industry, the Ai Group said in a release.

March saw mixed results in upstream manufacturing. Input prices increased while sales and wage indicators dropped very slightly in the month, suggesting continuing margin pressure on businesses.

The activity/sales indicator rose by 8.4 points in March, but continued to indicate contractionary conditions at minus 8.8 points (seasonally adjusted). It appears the activity indicator hit a low around Christmas 2023, and has been improving across Q1 2024.

The industrial employment indicator moved out of contraction and into mild growth at 4.2.

Some respondents reported increased sales, supply improvement and better labour supply; however, others continued to face challenges recruiting skilled staff.

The new orders indicator was broadly stable in March at minus 16.8. This followed a much steeper contraction across the new year period. This index has been recovering following the low at Christmas. However, it continues to point to weak order books.

Input volume improved to move out of contraction to 10.5. This indicator has mostly been in negative territory for the last two years.

Some respondents noted an uptick in demand as customers had run down inventory; others across the subsectors reported a slower or stable orders.

The Australian manufacturing purchasing managers' index (PMI) indicator rose by 5.6 points, but remains in contraction at minus 7. The PMI has been improving across 2024.

Manufacturers reported a slow March with continuing difficulties recruiting suitable people for vacant positions and obtaining reliable overseas suppliers.

Capacity utilisation in Australian industry moved upwards to 81.7 per cent in March, following a record high in early 2023. High-capacity utilisation continues to reflect supply-side constraints, particularly for labour supply, the Ai Group noted.

Declining demand conditions reported since the new year have started to translate into loosened capacity constraints, it added.

Source: fibre2fashion.com– Apr 04, 2024

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Sri Lanka awaiting RCEP entry process, says presidential advisor

Sri Lanka's bid to join the Regional Comprehensive Economic Partnership (RCEP) is contingent upon the establishment of a new member admission mechanism, as per senior economic advisor to President Ranil Wickremesinghe.

Sri Lanka has formally expressed its intent to join RCEP and engaged with member state representatives in Jakarta, stated senior economic advisor HHR Samaratunga at a forum hosted by the Pathfinder Institute, a Colombo-based think tank.

Samaratunga informed that discussions revealed an ongoing internal procedure being formulated for new member admissions even as he noted Sri Lanka's potential to become the first non-founding member to join once this process is finalised.

The appeal of RCEP lies in its potential to enable Sri Lankan exporters to access inputs from multiple member countries, enhancing flexibility compared to traditional bilateral trade agreements.

Concurrently, Sri Lanka is pursuing other trade agreements, including a free trade pact with Thailand and preferential deals with Bangladesh and Indonesia.

These efforts underscore Sri Lanka's commitment to fostering regional economic integration and diversifying its trade relations for sustained growth and development.

Source: fibre2fashion.com– Apr 04, 2024

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FOBAP proposes pilot wearable textile factory in Philippines

The Foreign Buyers Association of the Philippines (FOBAP) recently called for setting up a pilot commercial-scale wearable textile factory to initiate the backward integration of the sector as the country lacks a textile industry.

The country needs more garments factories that use locally-made textiles to fulfill orders from the European Union (EU), FOBAP president Robert Young, who is also the trustee for the textile, yarn and fabric sector of the Philippine Exporters Confederation Inc, said.

“Just one will be enough; we have to quickly start something so that these foreign investors will follow suit,” Young said in a statement.

Philippine garments exported to the EU are subject to a 12 per cent or higher duty due to its strict rules of origin, he was cited as saying by Philippine media reports.

The strict EU rules of origin impose a ceiling for value-added inputs sourced from a country that is not a beneficiary under the Generalised Scheme of Preferences (GSP) scheme. The EU prefers that the fabric used in making garments is sourced from domestic firms.

The revival of negotiations by the Philippines for a free trade agreement with the EU will also prescribe the same requirements, he added.

Source: fibre2fashion.com– Apr 03, 2024

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Is Textile Recycling in the UK Really About to Collapse?

The UK's Textile Recycling Association (TRA) is sounding the alarm.

The "imminent collapse" of the country's textile recycling sector is reportedly nigh due to global market challenges like the crisis in the Red Sea and the rise of fast fashion.

Escalated operational costs for textile merchants, disrupted shipping lines with increasing taxation from African and Asian markets and "mounting pressure" to curb waste exports are factors putting the industry under "immense" financial strain. "Fast fashion has intensified the influx of low-quality textiles into the recycling stream," the TRA said in a statement. "This has further driven up operational costs, pushing many textile merchants to the brink of financial collapse."

As the recognized trade association for over 75 percent of the UK's used textiles collectors and sorters, the organization has been "made aware of their plight," the TRA said. "There is real fear in the industry about being unable to collect from charity shops, recycling centers and community textile banks due to reaching capacity at processing plants." If the UK can't collect this waste, the wider impact could have "devastating environmental consequences," considering 92 million tons of textile waste are produced each year. Not to mention, the livelihoods of industry workers are at risk. The used textiles industry in the UK is valued at over 1 billion pounds annually, the TRA said—impacting one in every 25 jobs in the country.

Furthermore, European countries potentially halting textile sorting operations compound the industry's fears for the sector's future, the TRA said. France, Denmark, Sweden, Finland and Austria have proposed a ban on the export of used textiles within the EU, signaling a "significant shift" in policy.

The TRA is "urging" UK government to step in and regulate the industry, including an introduction of an extended producer responsibility scheme, which is a policy approach that assigns producers responsibility—financially, operationally, or both—for the end-of-life of its products. "UK textile policy is non-existent and is indicative of the current [government] which have done nothing to address the environmental fall out of inaction," Jo-Anne Godden, a circular textiles developer, posted on

LinkedIn. “Says something when industry is demanding regulation—and yes, we must stop exporting used textile waste as part of a wider EPR scheme to reduce quantity and promote textile quality—and use it to fuel a new circular economy.”

The TRA replied to Godden’s comment, stating she is “absolutely spot on.” “The UK government does not see this sector as an essential service provider and has not supported it at all,” the association wrote. “EPR will certainly address the issue but if we are looking at it to be the savour [sic] we are very much mistaken. Collaboration is key to survival with transparency at its heart.” Last August, The United Kingdom’s Department for Environment, Food & Rural Affairs (DEFRA) laid out a new roadmap for handling waste, including textiles, to be enacted over the next few years.

That roadmap, titled “Maximizing Resources, Minimizing Waste,” was dubbed one of the government’s biggest opportunities to move toward more circular and sustainable practices in England. And within the framework was the plan to “develop a textiles waste hierarchy to provide robust guidance to businesses managing textiles and fashion products and materials,” the policy paper reads.

The government planned to explore “putting the textiles hierarchy on a firm statutory footing” by considering several measures, including a requirement to “present reusable and recyclable textiles for separate collection and for the collecting organization to separately collect and store until treating in accordance with the waste hierarchy, by sorting for reuse and recycling,” DEFRA said.

Another potential was banning separately collected material from being sent to landfill without prior sorting—bringing into scope the destruction of products and materials that can be reused, redistributed and recycled. The government department is also considered requiring businesses over a certain size to provide customer take-back systems for used textiles, exploring how to encourage online-only companies to partner with brick-and-mortars to “ensure the costs of implementing take back schemes are appropriate.” As it stands today, it is unclear how many—if any—of these objectives were, in fact, explored.

Source: sourcingjournal.com– Apr 03, 2024

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USA: Air Cargo Demand Sees Double-Digit Growth for Third Straight Month

Air cargo demand is still seeing a bump from 2023 levels, with the industry experiencing double-digit year-over-year growth for the third consecutive month. In February, total demand increased 11.9 percent to 19.7 billion cargo tonne-kilometers (CTKs), according to data from the International Air Transport Association (IATA).

The growth occurred even after accounting for seasonally reduced activity in the Asia Pacific region after the Lunar New Year, which lasted from Feb. 10-24. February demand figures also got a bit of a boost since 2024 was a leap year, giving the month one extra day compared to February 2023, which slightly exaggerates annual growth rates to the positive.

International routes saw the brunt of the pronounced air cargo demand at a 12.4 percent growth pace. The IATA explained in its monthly report that the growing demand reflects this "buoyant" international traffic, which benefits from booming e-commerce.

To a lesser extent, the report also attributed the growth to the current concerns experienced in the Red Sea, notably "a recently increased interest in sea-air services because of the ongoing capacity constraints in maritime shipping, among other factors."

On the other hand, North American airlines are significantly lagging their global counterparts with a 3.2 percent uptick. North American air cargo demand declined precipitously month over month, dropping from its 14.1 percent annual gain in January.

While demand on the North America-to-Europe trade lane grew by 5.2 percent year-over-year, up from the 1.9 percent growth seen in January, Asia-to-North America grew by just 3.9 percent annually—a steep decline from January's 17.1 percent increase.

The North American air cargo market saw a major domestic shakeup that seems to align with the slow growth, with UPS entering a new contract to be the new air cargo carrier of the United States Postal Service (USPS), replacing FedEx. The USPS reduced volume shipped by air by 90 percent over the two years prior to August 2023, contributing a top-line hit at FedEx's Express delivery unit.

On a global scale, cumulative CTKs for the first two months of 2024 have registered a total of 40.5 billion, up 15 percent from the 2023 value and only 0.3 percent below the heights experienced in early 2022.

Willie Walsh, IATA's director general, said February's demand growth far outpaced the 0.9 percent expansion in cross-border trade experienced the month prior, citing data from the World Trade Monitor published by the Netherlands Bureau for Economic Policy Analysis.

"This strong start for 2024 could see demand surpass the exceptionally high levels of early 2022," Walsh said. "It also shows air cargo's strong resilience in the face of continuing political and economic uncertainties."

In line with the increasing demand, measured in available cargo tonne-kilometers (ACTKs), global cargo capacity increased by 13.4 percent compared to February 2023. Capacity is up even further at 20.2 percent on a two-year basis, according to the IATA.

Much of the annual growth in industry ACTKs continues to come from the strong return in international passenger belly-hold capacity, which registered an outstanding 29.5 percent annual increase in February. By comparison, international cargo capacity for dedicated freighters rose by 3.2 percent year over year.

Despite many of the concerns that were had about rising freight rates in the wake of the Red Sea crisis, forcing container ships to continue rerouting around southern Africa, the capacity constraints on the ocean are having "no visible impact" on air cargo rates, according to the IATA report.

Specifically, global air cargo yields (including surcharges) are plummeting again on a yearly basis. While they registered just a 1.1 percent month-over-month reduction in February, the numbers represent a stark 18.3 percent drop from February 2023 totals.

"This decline materialized despite a simultaneous rise in jet fuel prices, which increased by 3.1 percent month-over-month in February, closing at $112.1 per barrel," the IATA report said. "Similarly, the Red Sea shipping crisis and the related sharp decrease in relative air cargo rates over container shipping continued to fail to produce significant upward pressure on the industry-average monthly yield for air cargo."

Freight rate benchmarking platform Xeneta backed up the data shared by the IATA, saying that air cargo spot rates declined 14 percent year over year in February to $2.29 per kg. When it came to the trans-Atlantic trade lane, Xeneta noted that the average general cargo spot rate on this corridor fell by a sharp 27 percent in February, ending at $1.82 per kg.

In January, the IATA forecast an approximately 20 percent year-over-year declines in global air cargo pricing.

Cargo load factors (CLF), the percentage of actual available freight tonne-kilometers, dropped by 0.6 percentage points month-over-month to 45.1 percent, likely influenced by slowing activity in the Asia Pacific region after the Lunar New Year. Slowing cargo load factors can be detrimental to airlines, as they can represent a potential imbalance in supply and demand and thus, a hit to revenue and profitability.

Source: sourcingjournal.com– Apr 03, 2024

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Clothing With a Conscience: Uniqlo Stays True to Japanese Roots

Wabi-sabi. Ikigai. Kintsugi. These—among many more—Japanese philosophies are popular in the Western world; cleaning consultant Marie Kondo sold more than 13 million copies of her book "The Life-Changing Magic of Tidying Up" and landed a certified fresh reality show on Netflix in 2019 based on these prinicples.

The popular Japanese casualwear brand Uniqlo also has a philosophy guiding its business practices. And it's safe to say it's been effective: the Fast Retailing-owned retailer took home more than $2.5 billion in fiscal 2023.

Seneiya Navajas, sustainability senior manager, Fast Retailing U.S. at Uniqlo, spoke about the fast fashion brand's "LifeWear" doctrine with Jasmin Malik Chua, Sourcing Journal's sourcing and labor editor, during a candid conversation at the third edition of the Road to 2030 Sustainability Summit.

"LifeWear is what we call our apparel, and it really follows this concept of design that tries to make everyday life better," Navajas said during the panel. And the entire company (more than 2,400 stores worldwide powered by 30,000-plus employees, for reference) is organized around this idea of thoughtfulness and simplicity, Navajas explained—finding, producing and delivering garments with intention.

"At Uniqlo in general, we try to create clothing that is essential," Navajas said. "We really seek for our customers to try to use it for a long time."

This dogma is what drove the firm to establish Re.Uniqlo—a framework that helps maximize the utility of Uniqlo's clothing to contribute to the circular economy—more than 20 years ago. In brick-and-mortar stores worldwide, the casualwear giant has these boxes to amass secondhand Uniqlo garments for reuse and recycling and to be donated to people in need.

Uniqlo "thoughtfully" partners with organizations like the UN Refugee Agency (UNHCR), Navajas said, to provide this clothing. To date, Uniqlo has donated over 54.6 million new and used items to over 80 countries and regions worldwide.

“We also try to prioritize local communities depending on their needs,” Navajas continued. In New York City, for example, the tech wear titan has partnered with the Department of Homeless Services (DHS) since 2014 and has provided more than 300,000 garments in the last 10 years.

“We really try to engage with them and understand the real needs of the community,” Navajas said.

Under the Re.Uniqlo umbrella is also Re.Uniqlo Studios, which first opened in Berlin two years ago and has since expanded to major cities like Chicago and Los Angeles.

The repair studios allow consumers to bring in their garments with a hole or two for a simple repair. For $5 a mend, available services include re-sewing split seams, reattaching buttons, patching holes in knitted garments or stitching tears in down products as well as patching tears in denim.

Plus, customers can customize their Uniqlo goods into one-of-a-kind pieces through the company’s Sashiko service—a Japanese technique of embroidering clothing with geometric patterns to repair or fortify them—available in London and Japan.

“We also started to offer collections of upcycled items,” Navajas explained. These are items that, for example were returned with mascara or foundation stains, therefore unable to rehit the shelves. Instead, “we upcycle it to be able to offer a very useful life to it” with a “unique perspective that our customers would actually want to wear.”

Chua pointed out that while repairing and upcycling are labor-intensive processes, Uniqlo does believe they are scalable operations. There are currently 42 studios in 19 markets, though the company aims to reach 50 by the end of this year.

“How we’re doing this is we’re really trying to leverage and work utilizing our existing infrastructure and know-how,” Navajas said. The brand is also tapping design schools like the Fashion Institute of Technology and emerging designers like Sho Konishi to transform unsellable items into unique garments.

In doing so, Chua said, Uniqlo is prioritizing emotional durability; a concept Navajas "loves" as it's naturally aligned with the brand's core values.

"For Uniqlo, it's naturally aligned with our concept of LifeWear and LifeWear comes from strong Japenese values; longevity, thoughtfulness, simplicity, respect and responsibility—those are Japanese values quite embedded in everything we do," Navajas said. "There's a phrase, 'mottainai,' which conveys this sense of regret over waste. I think that's a really nice way to encompass Uniqlo."

Source: sourcingjournal.com– Apr 03, 2024

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Bangladesh needs urgent monetary reforms to boost forex reserves

To bolster Bangladesh's foreign exchange reserves and alleviate inflation, there's an urgent need for the implementation of monetary reforms and the adoption of a single exchange rate regime, according to latest Bangladesh Development Update by the World Bank.

The report advocates for increased exchange rate flexibility to achieve a balance between demand and supply in the foreign exchange market and emphasizes structural reforms to diversify the economy and enhance resilience over the medium and long term. Such reforms include steps to increase government revenue, which in turn would fund investments in infrastructure and human capital.

Bangladesh's economic landscape has been marred by persistent inflation, eroding consumer purchasing power and dampening investment through tight liquidity conditions, rising interest rates, import restrictions, and the escalation of input costs following hikes in administered energy prices, as per World Bank.

The private sector's credit growth has further decelerated in the fiscal 2024 (FY24), indicating a broader investment slowdown. The banking sector faces challenges with a high non-performing loan (NPL) ratio, exacerbated by lenient reporting standards and weak regulatory enforcement. However, a silver lining appears as the Balance of Payments deficit showed signs of moderation in the first half of FY24, thanks to a current account surplus.

“Bangladesh’s strong macro-economic fundamentals have helped the country overcome many past challenges,” said Abdoulaye Seck, World Bank country director for Bangladesh and Bhutan. “Faster and bolder fiscal, financial sector, and monetary reforms can help Bangladesh to maintain macroeconomic stability and reaccelerate growth.”

A companion piece, the World Bank's South Asia Development Update-— Jobs for Resilience, projects South Asia as the fastest-growing region globally for the next two years, with growth rates of 6 per cent in 2024 and 6.1 per cent in 2025. This optimistic growth forecast is propelled by strong performances in India and Bangladesh, along with recoveries in Pakistan and Sri Lanka.

Despite this positive outlook, the report warns that the strong growth figures mask underlying vulnerabilities. For many countries in the region, economic growth remains below pre-pandemic levels, heavily reliant on public expenditure. Structural challenges persist, posing threats to sustained growth and the region's capacity to generate employment and withstand climate impacts. Notably, private investment growth has decelerated across South Asian countries, with the region struggling to create enough jobs for its burgeoning working-age population.

The demographic trends in South Asia further accentuate the employment challenge. The region has seen its working-age population growth outpace that of other developing regions. Yet, the employment ratio in South Asia stood at 59 per cent in 2023, significantly lower than the 70 per cent observed in other emerging market and developing economy regions.

Source: fibre2fashion.com– Apr 04, 2024

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Bangladesh takes steps for pre-arrival processing for faster imports

In a recent gazette notification, Bangladesh's National Board of Revenue (NBR) said imports have to be declared well in advance of the previous deadline for notifying of their arrival to reduce false declarations and enable quick releases.

The decision will help importers receive clearance for products of the general category, excluding those requiring further clearance or high value-added tax payments, by paying customs duty before the goods enter the country.

Earlier, the import general manifest (IGM), a document containing detailed information about the cargo being carried on a vessel or an aircraft, had to be submitted 24 hours prior to its arrival into the country.

But according to the Pre-Arrival Processing Rules-2024 for Imported Goods issued on March 24, the IGM has to be submitted 24 hours prior to the vessel departing the last port for Bangladesh.

Any amendment can be made by the importer or shipping agent within 24 hours of filing the IGM, domestic media outlets reported.

Source: fibre2fashion.com– Apr 04, 2024

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Ginning Up a Market for U.S. Cotton in Bangladesh

For almost 50 years, Bangladesh required U.S. cotton be fumigated because of concerns about the boll weevil. Collaboration between USDA agencies and the Bangladesh Ministry of Agriculture resulted in amended import requirements, exempting the United States from the list of countries required to fumigate cotton upon arrival.

This is a significant trade win for American cotton as Bangladesh is the fifth-largest export market for U.S. cotton, with export values exceeding $339 million in 2023. This decision gins up a new chapter for U.S. cotton growers to expand their market access to Bangladesh. As one of the world's top import markets for cotton, Bangladesh is a growth market with great potential for American cotton for years to come.

The USDA Foreign Agricultural Service (FAS) worked diligently to improve perceptions of U.S. cotton and provide evidence that the boll weevil is not a serious threat to imports.

Momentum spun up when FAS provided significant technical evidence on the near total eradication of the boll weevil back in 2021 to ease Bangladesh's concerns over the pest. Following that, FAS spent two years meeting with Bangladesh officials, including a High-Level Economic Consultation and an Agriculture and Ease of Business meeting.

Cotton Council International (CCI) continued bilateral efforts, bringing a Bangladesh delegation to visit U.S. cotton facilities and farmers in November 2022. The delegation witnessed the effectiveness of the Boll Weevil Eradication Program and learned about modern cotton harvesting and standardized ginning techniques while touring cotton fields, gins, and warehouses in Mississippi, Tennessee, and Texas.

This is an example of American farmers showcasing high quality agricultural products to an overseas market – a crucial element to growing American exports. U.S. cotton farmers not only utilize the Animal and Plant Health Inspection Service (APHIS) Boll Weevil Eradication Program to eliminate the pest, but the program also helps thousands of U.S. cotton growers become more competitive. Additionally, the CCI receives FAS Market Access Program funds to help grow overseas markets for American cotton growers.

This success is a testament to the continued efforts and nearly 22 years of engagement among the U.S. cotton industry, FAS, APHIS, and Agricultural Research Service officials, and the Government of Bangladesh to advocate for fair and open trade practices that benefit American farmers and businesses.

Source: cottongrower.com – Apr 02, 2024

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Pakistan: Uzbek envoy says Punjab has potential of $1b trade

In a press statement released on Wednesday, Ambassador of Uzbekistan Oybek Arif Usmanov expressed that the province of Punjab alone has the potential to reach a $1 billion trade volume with Uzbekistan. He stated that 60 to 70% of the combined mutual trade between the two countries involves Punjab.

These remarks were made during his address at the Lahore Chamber of Commerce and Industry (LCCI), where Trade and Economic Counsellor Bakhrom Yusupov, Honorary Counsel General Najeeb Mushtaq Vohra, LCCI Senior Vice President Zafar Mahmood Ch, Vice President Adnan Khalid Butt, and other officials were also present.

The ambassador highlighted a 50 to 60% increase in trade between Uzbekistan and Pakistan over the past four years, with bilateral trade volume rising from $300 to 400 million in the last year alone. He highlighted the potential for growth and regional connectivity between Central Asia and Pakistan.

A roadmap for industrial cooperation has been presented to the Pakistani government to enhance mutual investment and promote joint ventures in both countries. The ambassador noted the increasing interest of Pakistani companies in Uzbekistan, particularly in the electrical and agricultural machinery sectors.

Efforts from the Lahore Consulate, led by Honorary Counsellor Najeeb Mushtaq Vohra, have contributed to the growth in trade volume, the envoy acknowledged.

He stressed the need for research and development in various sectors such as cotton, garments, agriculture, chemicals, and textiles. An international forum will be held in Tashkent from May 2, 2024, and LCCI president and delegation members have been invited to participate. Additionally, LCCI members are encouraged to take part in a single-country exhibition in Tashkent from June 28 to 30 to showcase their products.

Transport companies from both countries have played a significant role in increasing trade volume, with driving permits increasing from 500 to 3000 this year. Furthermore, feasibility studies for the Pakistan, Uzbekistan, and Afghanistan Railway Project are expected to be finalized within two months.

LCCI President Kashif Anwar highlighted Uzbekistan's importance in Central Asia and Pakistan's "Vision Central Asia" Policy, aiming to strengthen bilateral cooperation across various sectors, as per the statement. He mentioned the $1 billion trade deal signed last year and expressed hope for its successful implementation. An array of agreements, including the Preferential Trade Agreement and Transit Trade Agreement, are expected to boost bilateral trade volume, with efforts to enhance trade ties in sectors like agriculture, pharmaceuticals, textiles, and renewable energy.

Source: tribune.com.pk – Apr 04, 2024

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Pakistan: Punjab plans to bring one million acres under early cotton cultivation

The Punjab government plans to bring one million acres of land under early cotton cultivation.

Textile exporters and agriculture experts have lauded the Punjab government's decision, suggesting that permanent solutions and mechanisms were needed to avoid a decline in production in future.

Agriculture secretary Iftikhar Ali Sahoo said that a strategy had been finalised to achieve the target by April 15. He said special committees will be formed at district, division and provincial levels to achieve the target.

Dr Aamir, a faculty member at the University of Agriculture Faisalabad, told WealthPK that cotton was the backbone of Pakistan's economy as the textile sector was its major consumer. He argued that by focusing on cotton production, Pakistan could save millions of rupees being spent on importing cotton.

"Everyone knows that cotton is vital for Pakistan's economic development. A strong mechanism must be put in place to enhance cotton production in the country," he said.

"In the fiscal year 2011-12, the country recorded cotton production of 15 million bales, but production declined thereafter to 6-7 million bales per annum," he said.

Ahmed, a textile exporter, told WealthPK that it was praiseworthy that the Punjab government planned to increase the cash crop production. He said the initiative came at a crucial time when Pakistan was struggling to fetch foreign exchange through textile exports.

He said cotton was a "white gold" and a crucial component of Pakistan's textile sector. He said a decline in cotton production created a plethora of problems for exporters. "They have to seek alternative ways to fulfill their foreign commitments. This decline actually benefits India, which is a business rival of Pakistan. To cash in on the situation, opportunists jump into cotton trade, and start importing cotton from India through different routes," Ahmed said.

Dr Amir, the faculty member of the agriculture varsity, said a committee was also formed in 2019 when decline in cotton production alerted the Punjab government. “The committee was tasked with detecting the factors which led to cotton decline. The committee officials were also tasked with suggesting measures to avoid such a situation in future.”

He said the committee had worked hard and forwarded its valuable suggestions to the quarters concerned. “However, it is not known whether the recommendations of the committee were put to use to boost the production.”

The Pakistan Economic Survey 2022-23 reported that the cotton crop was badly damaged due to changing climatic conditions.

It said cotton sowing area increased to 2,144 hectares during 2022-23 from 1,937 hectares the previous year, showing a growth of 10.7%.

However, floods swept away entire crops in Sindh and Balochistan, reducing production to 4.910 million bales against the previous year’s 8.329 million bales, a steep 41% decline.

Ahmed, the textile exporter, said the growers were still battling different insects like whitefly, thrips and pink bollworm. “Owing to these insects, farmers face decline in production each year,” he added.
He said Rajanpur, DG Khan and Taunsa were the major cotton producing areas, but farmers needed to be provided with climate-resilient cotton seeds to boost their yields.

“As an exporter, I know that Pakistan produces high-quality cotton varieties that can attract customers globally. However, our textile and agriculture sectors are grappling with issues like high costs of doing business and erratic power and gas supplies,” Ahmed said, adding that Faisalabad and Sahiwal divisions would be the main target areas, where land was available following the potato and maize harvest, for early cotton cultivation.

Source: nation.com.pk– Apr 03, 2024

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NATIONAL NEWS

Merchandise exports may shrink despite expecting double-digit growth in Mar

Merchandise exports from India for the financial year 2023-24 (FY24) may show a contraction of around 1-1.5 per cent after two consecutive years of growth, even as March is likely to witness robust double-digit growth, according to initial trade data estimates. The final data is still being compiled and will be released by the commerce department on April 15.

"During FY23, India exported goods worth $451 billion and FY24 is expected to see a small dip on a cumulative basis. The demand for Indian goods, in terms of volumes, is expected to grow. The contraction can be attributed mainly to the falling commodity prices," an official told Business Standard.

On a cumulative basis, during the April-February 2023-24 period, merchandise exports stood at $395 billion, which is 3.5 per cent lower than during the same period a year earlier. During the 11 months – April to February – six months saw contraction and exports largely hovered around $33-$34 billion. The sustained uptick started only in December onwards.

India's merchandise exports grew at the fastest pace in 20 months at 11.9 per cent in February, despite the disruption due to the Red Sea crisis. Goods worth $41.4 billion were exported. The momentum is expected to continue in March, said the person cited above.

"...We have surpassed all predictions. March figures should also be very good. It shows resilience in the export sector. The 2024-25 financial year will also be very good," commerce secretary Sunil Barthwal told reporters in a briefing last month.

A 1-1.5 per cent contraction in merchandise exports will mean that outbound shipments will hover around $50 billion in March, surpassing the FY22 figure of nearly $45 billion. If overall exports – goods and services – are taken into account for FY23, the growth is expected to be positive. During the April-February period, services exports stood at

$314.82 billion, as compared to $294.89 billion during the same period a year earlier.

Last week, commerce and industry minister Piyush Goyal said in FY24, India's exports are expected to be 'flat or a little bit on the positive side', despite the Israel-Hamas war and the Red Sea-related disruptions.

"Goods and services together will continue to be positive despite two wars and the Red Sea crisis. We will be doing $2 trillion of exports by 2030 and I have no doubt in my mind," Goyal said at the Business Standard Manthan event.

According to the United Nations Conference on Trade and Development (Unctad), international trade is expected to rebound in the calendar year 2024, reversing last year's downturn, amid lingering geopolitical uncertainties.

However, it warned that the logistical challenges such as 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.

Source: business-standard.com– Apr 04, 2024

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How can Indian textile sector get back on top? A climate conscious world holds the key

The country has ceded some ground in the textiles export market to smaller economies. But it can become an undisputed leader again by just leveraging a traditional approach that the world has an appetite for now.

In the 1980s, when virgin wool became unaffordable in India, textile players in Panipat started using wool waste to make clothes. It paved the way for the region to become the world's textile recycling hub. Today, an estimated 1 lakh tonnes of discarded textile is recycled here a year.

Such ingenious practices had made India an undisputed leader in textiles. But several factors have lately given countries like Vietnam and Bangladesh enough foothold to give India a challenge in this area. Exports from these countries have been getting higher global market share. But now, with sustainability becoming the buzzword in manufacturing and exports, it is time to use India’s proven track record in textile recycling to become a leader and also help the world reduce carbon emission in this industry.

India is already a global leader in mechanical recycling of textile. According to a 2023 study by global innovation platform Fashion For Good, about 7,793 kilo tonnes, or 8.5% of global textile waste, is accumulated in India every year. From this, 59% is recycled and reused. Of the rest, 19% is downcycled, 5% incinerated and 17% goes into landfills.

Chandrima Chatterjee, Secretary General of the Confederation of Indian Textile Industry (CITI), says our traditional approach of up-cycling and recycling has helped the textile sector with its sustainable development goals.

This gives India textiles a global unique selling proposition in an era where customers are becoming increasingly conscious of what they wear and consume, and how the products they use are made. “Consumers want affordable clothing, but they also demand information on the goods they are purchasing; they don’t want these to harm the environment or be made by exploiting workers on the factory floor,” says N Chandran, Chairman of Tirupur-based Eastman Exports. “What is promising is that the Indian industry has been listening.”

Traditional USPs

Moreover, several countries are looking to slap a tax on imports of products that are not made sustainably. The European Union's Carbon Border Adjustment Mechanism (CBAM), for example, is on its way to impose an import tax on the carbon emitted during the production of certain goods. Though textiles is not on this list for now, Chairman of Apparel Export Promotion Council (AEPC) Mithilesh Thakur says it would be in a few years. "It should not be taken as a compliance burden but should be looked at as a way to improve your product profile and branding," Thakur says.

About 7,793 kilo tonnes, or 8.5% of global textile waste, is accumulated in India every year. From this, 59% is recycled and reused. Of the rest, 19% is downcycled, 5% incinerated and 17% goes into landfills.

The good news is that Indian textile players have enough room to prepare themselves for such a rule, especially as traditional methods of recycling are still in vogue: it is just a question of branding and marketing such textiles globally.

Chatterjee points out that the sustainability factor gives the benefits of building a strong long-term brand reputation and creating market differentiation, which can motivate global brands and domestic players to invest more.

Thakur points out the domestic apparel sector is already aligning itself with global environmental, social and governance (ESG) standards faster than other sectors. "We observe that Indian textiles' ESG standards are in line with the UN SDG (Sustainable Development Goals) goals — particularly the goals around clean water, sanitation, affordable and clean energy, sustainable economic growth, responsible manufacturing and climate action," he says.

Some 80% of key stakeholders in the textile industry have adopted some form of sustainability manufacturing practice, he explains. Many units have deployed zero liquid discharge (ZLD) mechanisms to reuse contaminated water for dyeing and other processes, instead of letting it flow into a water body. Nearly 1,200 textile players have been certified by Zero Discharge of Hazardous Chemicals — a Netherlands-based organisation that supports companies using chemical and wastewater management. Similarly, he says, some 2,633 textile units have Global

Organic Textile Standards (GOTS) certification — a textile processing standard for organic fibres. “India has historically been promoting organic raw materials,” says the AEPC chairman.

These global certifications give manufacturers better branding prospects and makes it easier for them to sell in global markets.

According to the trade show platform Gartex Texprocess India, the country has 1,400 large textile players and about 1.5 million SMEs in textiles.

Benefits of certifications

Chatterjee, too, agrees that textile manufacturers are implementing several large-scale sustainable efforts and practices. Some are increasingly using organic cotton, bamboo, hemp and other sustainable fibres that require fewer pesticides, fertilisers and water during cultivation. “Many are also investing in energy-efficient machinery and technologies to reduce electricity consumption and minimise greenhouse gas emissions during production. There is supply chain transparency and ethical sourcing. Companies are working towards greater transparency in their supply chains, ensuring fair wages, safe working conditions, and compliance with labour and environmental regulations throughout the production process,” she says.

Noida-based apparel manufacturer CTA Apparels, for example, recently installed a 1 MW rooftop solar power plant at its fabric mill, and plans to add 500 KW of solar power to its unit in Pilkhuwa Mill in 2024. The company aims to achieve net zero emissions target by 2030.

CTA also recycles and disposes of waste fabric responsibly. Hazardous waste is disposed of through authorised dealers.

To reduce greenhouse gas emissions, it has started using fuels like biomass and piped natural gas. It is transitioning towards GreenScreen — a globally accepted transparent system of assessing chemicals being used — for a safer and less hazardous environment.

Similarly, Tirupur-based Eastman Exports have recycled at least 90% of industrial wastewater from its dyeing facilities using the ZLD method, says Chandran, the chairman. “Over the years, we have diligently worked towards reducing or replacing high-intensity chemicals with greener alternatives to minimise our ecological footprint. Additionally, Eastman thoroughly tests the raw materials to identify and eliminate impurities at the primary level itself, to ensure the manufacturing processes are more sustainable. Even the salt produced during the process is reused. Our policies and strategies are aligned to be water positive by 2030," he says.

N Chandran, Chairman, Eastman Exports.

The company is working to source approximately 80% of its electrical energy needs from renewable sources, which will directly contribute to a 44% reduction in its greenhouse gas emissions. "In 2022 alone, we replaced 41% of our coal requirements with biomass," he says.

Eastman Exports is certified by the Better Cotton Initiative (BCI), Fairtrade and GOTS. These certifications require companies to go through rigorous audits and are often sought by global importers as part of their compliance.

Intent versus action

While the textile sector is not shying away from water and energy management, some issues need to be addressed for a sustainable agenda.

Venkat Kotamaraju, Partner and Director, Circular Apparel Innovation Factory, Intellecap, says there is a significant opportunity to bridge the gap between intent and action — between knowing and doing. "Closing the materials loop (sourcing sustainable raw materials) remains a major opportunity and will be the game changer. Many brands are proactively supporting their supply chain partners to transition to a low-carbon future. But then again, intent is prime. That means brands will have to clearly articulate time-bound goals, and more importantly act. Else the pursuit of 'gathering enough evidence' before acting will be costly," he says.

The awareness of the technologies and solutions for a circular economy in textiles is low. So is the awareness about low-cost capital and climate finance to fund low-carbon transition, says Kotamaraju. While energy and water tend to be the low-hanging fruit in sustainability, the sector's significant greenhouse gases' footprint can be addressed only through a circular economy, he adds.

Cost is a major issue in the sustainability agenda for Indian textile players. Sustainable practices often require big investments in new technologies, equipment, and processes. Testing, certification, and compliance can be expensive. Thakur of AEPC points out that while bigger units do not have an issue, the compliance burden is definitely higher on smaller players. So, more efforts have to be taken to ensure the stakeholders have access to climate finance. That is a challenge, as awareness about such function options is still low.

Textile players, particularly small and medium-sized enterprises (SMEs), are also wary of embracing sustainability practices as it can push up the price of their products. That can make them less competitive in global markets. “This worry can be offset if the government offers some kind of tax break to units undertaking sustainability practices. We are working on engaging with brands to see how the cost can be shared,” Thakur says.

Sustainability trumps cost

Chandran of Eastman Exports says importers’ willingness to pay a premium for such textiles depends on factors such as market demand, consumer preferences and the perceived value of sustainability. “Global brands often lead the way in demanding sustainable products from their suppliers, driven by consumer expectations and corporate social responsibility commitments. These brands may be willing to pay more for sustainably produced textiles to align with their values and meet the demands of environmentally conscious consumers,” he says, adding that given the rising demand for responsibly manufactured clothing, especially from the US and European consumers, some Indian manufacturers believe that they can offset this cost increase in the long run.

Venkat Kotamaraju, Partner and Director, Circular Apparel Innovation Factory.

Besides, even domestic consumers are prioritising sustainability in their purchasing decisions. Some push from the government can help.

“For example, subsidies or incentives for sustainable production, as well as regulations promoting environmental and social standards, can create market incentives for importers to prioritise sustainability. Increasing demand for sustainability, the potential benefits of long-term brand reputation and market differentiation can motivate global brands and domestic players,” says Chandran.

Chatterjee, too, points out that many textile players may not fully understand the benefits of sustainable practices or how to integrate them into their operations. There is a need for greater awareness and education on these subjects.

“Addressing these challenges requires a concerted effort from industry stakeholders, government agencies, non-governmental organisations, and other actors to provide support, incentives and resources for the adoption of sustainable practices in India's textile industry,” she adds.

Source: economictimes.com– Apr 04, 2024

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India's $3.7-trillion economy can absorb capital inflows comfortably, but needs reforms: CEA

India's $3.7 trillion economy is well-positioned to absorb (the expected flood of) capital inflows than ever before, but reforms are necessary, says V Anantha Nageswaran, the Chief Economic Advisor to the Government of India.

Nageswaran credits India's growing absorptive capacity, at least in part, to the production-linked incentive (PLI) scheme for which 14 sectors, including the capital intensive 'semiconductors', are eligible.

However, the economist underscores that to be able to take in capital inflows and not end up with a problem of plenty, India should undertake "granular reforms", particularly in land and labour, which calls for cooperation of both the Centre and State governments.

Nageswaran was answering questions posed by businessline's Editor Raghuvir Srinivasan, at a breakfast with businessline meet —a gathering of Chennai's business community organised by businessline and the event was at ITC Grand Chola hotel.

"Today there are many areas where the capital can be productively absorbed," Nageswaran said, responding to a question on how prepared India is to take incoming capital, which would happen especially if the US started lowering its interest rates.

India is estimated to have received $40 billion of foreign portfolio investments in 2023-24, a trend that is likely to sustain.

The CEA cautioned that unabsorbed capital could create problems by leading to credit allocation to non-productive areas.

Asked if the Viksit Bharat target of $30 trillion (GDP) by 2047 is realistic, he said, "Is it realistic? Yes; Is it achievable? Yes; Is it easy? No". He further said that the "global backdrop" now is very different than when China was growing between 1980 and 2010.

China had it favourable in terms of globalization, opening-up of markets and the narrative on climate change not being there. But the $30 trillion target is not unachievable and the target factors in the inevitability of growth rate coming down due to base effect. "It is possible for us to grow 9-10 per cent in the next 8-10 years. That will take us to $7 trillion by about 2031," he said.

But the large base could also work in India's favour as "size gives heft, and more trade will happen". However, it is important to bring about "factor market reforms" (land, labour, etc.) which are under the ambit of both the Centre and State governments, he added.

Source: thehindubusinessline.com– Apr 03, 2024

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ICRA predicts modest recovery for Indian apparel exporters in FY25

Following the tepid demand environment in financial year 2024 (FY24), ICRA expects a muted 8-9 per cent recovery in revenues of its sample Indian apparel-exporting companies to ₹281.5 billion (approximately $3.37 billion) in FY25 from ₹260 billion (approximately $3.11 billion) for FY24, benefitting from the low base and with replenishment of stock in the US and the EU regions, according to ICRA's recent research note on the Indian apparel export industry.

The retail apparel brands in the US and the EU, which together account for close to 55 per cent of global apparel trade, are expected to liquidate the high inventory build-up and book their orders for the summer 2024 season in the first half (H1) of FY25. ICRA's outlook for the apparel industry remains stable.

Despite the ongoing Red Sea conflict, no immediate cost implication is being felt by apparel exporters operating on a free on board (FOB) basis, except for their shipments getting delayed by approximately 15 days from its original transit time. Any sustained continuance of this face-off would have a direct impact on apparel export volumes and their realisations due to higher costs for the customers, as per ICRA.

"After a nominal decline in revenues in FY24, ICRA expects the apparel-exporting companies to report a recovery in FY25 on a lower base, with replenishment of stock in the US and the EU regions. Despite a rationalisation in raw material costs in FY2024, the benefit is expected to be passed on to the end-users, considering a weak operating environment at present.

The long-term growth prospects look encouraging, with the government of India's various promotional steps, including the PLI schemes, the PM Mitra parks, the proposed FTAs with the UK and the EU, and the longer-term benefit of China Plus One shift in apparel sourcing," said Priyesh Ruparelia, vice president and co-group head, corporate sector ratings, ICRA. A difficult operating environment had pushed back large capex investments for most players. However, based on an expectation of demand revival in FY25 and the industry players' strategies to take advantage of the China Plus One movement, ICRA expects a pick-up in capex spending in FY25.

Out of the approved 64 applicants for the PLI 1 scheme in April 2022, 56 completed the mandatory criteria for formation of a new company and approval letters have been issued. Twelve more applications are under evaluation at present, for selection of investors under the scheme. Investment of approximately ₹21.19 billion by 30 selected applicants has been made till September 2023.

In addition to the fresh capacity additions under the PLI, the PM Mega Integrated Textile Region and Apparel (MITRA) schemes will strengthen India's presence in the global apparel trade, by providing scale benefits and strengthening the country's presence in the MMF value chain. ICRA anticipates the culmination of these schemes to enable the Indian apparel exporters to capture a greater share of the Chinese apparel export market.

The rating agency estimates its sample companies to report a mild 5-6 per cent YoY dip in revenues to ₹260 billion for FY24. Despite US apparel imports declining by approximately 22 per cent in calendar year 2-23 (CY23), their retail clothing store sales had remained resilient registering a 4 per cent YoY growth, with retailers unwinding their excess inventory position. Amidst no major debt addition, the coverage ratios of the sample set are expected to marginally moderate as earnings weaken.

ICRA's sample set of apparel-exporting companies is likely to report an interest cover of approximately 5.6-5.8 times and total debt/OPBDITA of approximately 1.8-1.9 times in FY24 and FY25, respectively (compared to approximately 6.3 times and 1.5 time respectively, in FY23).

The operating margins of apparel exporters may moderate to 9.8-10 per cent in FY24 (11.3 per cent in FY23), on relatively weaker operating performance in the first nine months (9M) of FY24 and contraction in volumes leading to decline in operational efficiencies. Indian cotton yarn prices had averaged approximately 23 per cent lower in 9M FY24 compared to FY23 and 1 per cent lower than the past five-year average. Despite moderation in cotton yarn prices, the same is getting passed on to the customers owing to a weak demand environment. Nevertheless, the stability of export incentives, together with the benefits of higher scale, should help the companies cushion the impact on profitability in FY25.

Source: fibre2fashion.com– Apr 03, 2024

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India needs to address shortcomings to be Asia' top manufacturing hub

Amid a global shift away from China, India is positioning itself as a top manufacturing destination in Asia. However, the country needs to address certain challenges like high taxes and supply chain inefficiencies to surpass Vietnam and attract foreign investment.

To diversify its supply chain away from China, the US is increasingly focusing on countries like India and Vietnam. India offers low labor costs and a warming relationship with the US. However, its complex regulatory landscape with 29 states having different policies, poses challenges compared to Vietnam's streamlined processes.

Vietnam also leads in exports due to its established electronics manufacturing prowess.

Although US tech giants like Apple and Google are expanding operations in India, import duties on information and communication technologies hinder India's competitiveness. Prime Minister Modi's government aims to gradually reduce tariffs to attract foreign investment, particularly in electronics manufacturing.

Despite India's ambitions to become a developed economy by 2047, infrastructure shortcomings, including lengthy shipment delays, remain a concern. The government has allocated significant funds to modernize logistics systems, emphasising the importance of improving transportation networks.

While Vietnam enjoys a close relationship with China, India's potential lies in its strategic advantage as a non-China alternative for supply chain resilience.

However, India must demonstrate its ability to compete effectively in electronics manufacturing to sway global corporations from Vietnam.

Source: fashionatingworld.com– Apr 03, 2024

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Dedicated freight corridor: Over 90% operational, 138 km to be added by April-end

Indian Railways has operationalised over 90 per cent of its 2,843 km long Dedicated Freight Corridor - covering 100 per cent of the eastern arm and 85 per cent of the western one - with over 300 trains running across the network daily, sources tell businessline.

The estimated cost of operationalising the network currently stands at ₹1,24,000 crore.

Plans are afoot to take up the operational route kilometres to over 95 per cent by April-end.

Trains have achieved an average speed of 50-60 km per hr (and can be increased upto 100 km per hour) on these dedicated tracks, at least thrice the speed of goods trains that run on regular tracks of Indian Railways where average speed is in the 20-25 km per hour range.
"95 per cent of route commissioning across the dedicated freight corridor is through, and work on some 110 km route in the western arm - which is around 5 per cent of the total project - remains to be completed. Some inspection and trials are pending along a recently commissioned 138 km leg. So by April-end 95 per cent of the corridor will be operational," an official of the Dedicated Freight Corridor Corporation of India Ltd (DFCCIL) said, requesting anonymity.

The 138 km stretch is about to be operationalised between Sanand and Makarpura.

Western Dedicated Freight Corridor

The Western Dedicated Freight Corridor (WDFC) covers 1,506 km and connects the JNPT port (in Mumbai) to Dadri in Uttar Pradesh. States covered include Maharashtra, Gujarat, Rajasthan, Haryana, and UP.

The operational routes cover 938 km of Dadri—Sanand, 244 km of Makarpura—Gholvad, and 77 km of Gholvad—Vaitarna. The 138 km stretch of Sanand—Makarpur is about to be operational.

Work is pending along the 110 km - -odd route between Vaitarna and JNPT port due to weather conditions, the subsequent reduction in the work period, and trouble with the contractor.

“The completion of work along this route is expected in the next one year after which the entire stretch of the WDFC will be operational,” the official said.

At present, 100 trains are running along the WDFC.

Eastern Corridor ready

On the other hand, the entire 1,337 km Eastern Dedicated Freight Corridor (EDFC) is operational.

The route covers Sahnewal—Khurja, 401 km; Khurja—Bhaupur, 351 km; Bhaupur—DDU (Deen Dayal Upadhyay junction formerly called Mughalsarai), 402 km; DDU—Sonnagar, 137 km; and the Khurja—Dadri section, 46 km.

The network traverses Punjab, Haryana, Uttar Pradesh, Jharkhand and Bihar, and 200 trains run daily.

A 538 km route between Sonnagar and West Bengal, originally proposed to be part of the EDFC but subsequently removed from the project, will now be developed directly by the Ministry of Railways.

Source: thehindubusinessline.com– Apr 04, 2024

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Textile hub misses poll buzz, few orders for t-shirts, shawls

T– shirts printed with the images of political leaders, caps with symbols of political parties and shawls with signature shades of various parties are common during polls. Textile units in the garment hub Tirupur would usually be abuzz with activity, churning out thousands of pieces of merchandise during election season. But this time, the throb is missing.

"Election orders are very low this time," says a garment unit owner.

There were very few orders, almost negligible compared to the orders in the past.

"In the past, candi dates would place orders as soon as their names were an nounced. However, this time, most of them have not come forward to place orders. Even those who used to order 10,000 to 20,000 t-shirts in the past, have not placed orders for even one tenth of that number," the manufacturer added. In the past, DMK, AIADMK as well as other TN parties would place orders for the merchandise with specific slogans. This time only BJP has placed orders and still it is far less compared to the past elections.

Textile industrialists attribute this to several reasons. One of the reasons was a shorter time for cam paigning. There was hardly one month from the date of poll announcement and the date of polling. "Stringent vehicle check-ups by the election commission is also another reason. There is a fear that consignments would be seized. Previously, we could send small orders via bus parcel services, but they no longer accept parcels," said another manufacturer.

He said that during 2019 polls, he delivered 30,000 t-shirts to a political party. "This time we did not even receive enough inquiries, let alone orders," he said.

Manufacturers pointed out that usually the ruling party functionaries would place more orders. " But now the DMK seems to believe they won't face tough competition, so they are reluctant to spend money," said a manufacturer.

MP Muthurathinam, president of the Tiruppur Exporters and Manufacturers Association (TEAMA), said that in the past, political parties from various parts of the country would come to Tiruppur to place orders. “Now Ludhiana and Mumbai garment units have captured the market, as prices in Tiruppur are slightly higher,” he said.

Stringent election expenditure norms and strict enforcement also play spoilsport for us, he says. In addition, there is a waning interest among cadres and the public to wear tshirts with party logos, he said.

Source: timesofindia.com– Apr 04, 2024

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