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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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INTERNATIONAL NEWS

WTO pares down projected merchandise trade volume growth to 2.6% for FY24

Global goods trade is expected to pick up gradually this year following a contraction in 2023, the World Trade Organization (WTO) said in a forecast Wednesday.

The volume of world merchandise trade should increase by 2.6% in 2024 and 3.3% in 2025 after falling 1.2% in 2023, it said but cautioned that regional conflicts, geopolitical tensions and economic policy uncertainty pose substantial downside risks to the forecast.

It also said that India's merchandise exports for 2023 was $432 billion, 5% lower than the previous year while imports fell 7% at $673 billion.

India clocked $451 billion goods export in FY 23 and $394.99 billion in April-February FY24.

In its latest Global Trade Outlook and Statistics report, India's share of global goods exports was 1.8% in 2023 and imports was 2.8%.

In digitally delivered services, India's share rose to 6% in 2023 from 4.4% in 2019, it said.

In global commercial services, India's share in exports is seen 4.4% in 2023 at $344 billion, up 11% on-year whereas imports were flat at $247 billion.

"Global goods trade is expected to pick up gradually this year following a contraction in 2023 that was driven by the lingering effects of high energy prices and inflation," WTO economists said.

As per the report, signs of fragmentation may also be emerging in services trade: US imports of information, computer, and telecommunications (ICT) services from North American trading partners (mostly Canada) increased to 23% in 2023 from 15.7% of total ICT imports in 2018 while US imports of the same from Asian trading partners (mostly India) fell to 32.6%. from 45.1%

Between 2019 and 2023, the rise in the share of "Other Asia" (Asian countries except China) was driven mainly by increased trade with Viet Nam, Thailand, Taiwan, and India. In 2023, the dollar value of bilateral trade with these economies was up 136%, 103%, 82%, and 76%, respectively, compared to pre- pandemic levels, according to the report.

The decline in merchandise exports in 2023 was partly due to falling prices for commodities, such as oil and gas.

"In 2024 and 2025, inflation is expected to gradually abate, allowing real incomes to grow again in advanced economies, boosting consumption of manufactured goods. A recovery of demand for tradable goods in 2024 is already evident.

"This is related to an increase in household consumption linked to improved income prospects," it added.

It also said conflict in the Middle East has diverted sea shipments between Europe and Asia while tensions elsewhere could lead to trade fragmentation.

Rising protectionism is another risk that could undermine the recovery of trade in 2024 and 2025, the WTO said.

WTO Director-General Ngozi Okonjo-Iweala said: "We are making progress towards global trade recovery, thanks to resilient supply chains and a solid multilateral trading framework, which are vital for improving livelihoods and welfare" adding that it is imperative that risks like geopolitical strife and trade fragmentation are mitigated to maintain economic growth and stability.

Source: economictimes.com– Apr 10, 2024

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Global air cargo market sees 11% YoY demand growth in March

Global air cargo market demand rose by 11 per cent year on year (YoY) for a third consecutive month in March as buoyant e-commerce volumes and concerns over the impact of conflict in the Red Sea region on ocean freight services delivered an unexpected first quarter (Q1) bonus for forwarders and airlines, according to the latest market data from Xeneta.

In what are typically weaker months of the year for the airfreight industry, these higher volumes outpaced growth in capacity supply in Q1, which increased by 8 per cent YoY, The Norway-based ocean and air freight rate benchmarking and market analytics platform said.

In turn, this produced a jump in the global dynamic load factor, which is Xeneta's measurement of cargo capacity utilisation based on volume and weight of cargo flown alongside capacity available.

Load factor in Q1 2024 rose by 2 percentage points YoY to 59 per cent, and March performance has shown similar growth, edging up to 61 per cent.

"While this latest monthly data should be balanced against the lower base recorded in the corresponding month of 2023, when we saw weakened global manufacturing activities, Q1 2024 has still seen a surprisingly busy airfreight market. The level of demand in the first quarter doesn't indicate a market which is running out of steam so far," said Niall van de Wouw, Xeneta's chief airfreight officer, in a company release.

"The question is, should we be surprised by it, or should we get used to it? Although the market didn't benefit immediately, the Red Sea disruption was clearly a factor in these latest figures.

Airfreight growth was primarily driven by increased volumes from the Middle East and South Asia as shippers shifted services from ocean to air to avoid Red Sea delays. We also cannot underestimate the importance of e-commerce growth, which shows no sign of abating on its most prominent lanes," he added.

Subsequently, the average global airfreight spot rate in March increased by 7 per cent from the previous month to $2.43 per kg.

On the corridor level, the Middle East and South Asia to Europe market continued to lead the growth of air cargo rates in March as the influx of air cargo demand caused by Red Sea concerns squeezed capacity on these lanes. The average spot rate on this corridor jumped by 46 per cent over February's level to $2.82 per kg—up by 71 per cent YoY.

This was especially seen for the India outbound market, where the India-to-Europe air cargo spot rate in March rose by 68 per cent month on month (MoM) to $3.38 per kg.

In contrast, the average ocean containerised spot rate on the India West Coast to North Europe lanes experienced a 9-per cent decline in March after its peak in February, although this remained 340 per cent above the level in December, prior to the Red Sea disturbance.

The Middle East- and South Asia-to-US air cargo market followed suit. Its average spot rate of $4.03 per kg in March was up by 35 per cent MoM and by 51 per cent YoY.

The air cargo spot rate from Europe to US increased only marginally by 3 per cent MoM to $2.12 per kg due to this corridor being less affected by the Red Sea.

The China outbound market experienced a decline in its spot rate versus February 2024 as the market cooled down after the Lunar New Year. The China to Europe spot rate decreased by 3 per cent MoM to $3.64 per kg. However, it increased by 5 per cent YoY, boosted primarily by e-commerce demand and the modal shift away from the Red Sea.

Similarly, the China-to-US market spot rate of $4.06 per kg slipped down by 2 per cent MoM, although growing e-commerce demand and delayed recovery of belly capacity contributed to a noticeable 15 per cent average jump YoY in spot freight rates.

Source: fibre2fashion.com– Apr 10, 2024

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USDA weekly report: US cotton export sales down

Net cotton export sales of Upland this week totalled 81,500 RB (running bales of 226.8 kg or 500 pound) for season 2023-24, which were 4 per cent down from the previous week and 10 per cent from the prior 4-week average. Although, decline in US cotton exports remained restricted in the week (29 March- 04 April), continued slowdown in export sale is a negative factor for the market.

According to weekly export sales report released on Thursday by USDA, the exports increased primarily for China (50,200 RB, including decreases of 11,000 RB), Pakistan (23,900 RB, including decreases of 2,600 RB), Peru (7,800 RB), Vietnam (5,200 RB, including 1,500 RB switched from Japan and decreases of 4,400 RB), and Nicaragua (2,700 RB). The higher exports were offset by reductions for Turkiye (13,900 RB), Indonesia (2,500 RB), and South Korea (400 RB).

The net sales of 35,700 RB were reported for next season 2024-25, with Turkiye (24,400 RB), Vietnam (4,400 RB), Indonesia (4,400 RB), Honduras (2,100 RB), and Peru (400 RB). Exports of 274,100 RB were down 25 per cent from the previous week and 23 per cent from the prior 4-week average. The destinations were primarily to China (120,700 RB), Turkiye (39,300 RB), Vietnam (34,700 RB), Pakistan (25,700 RB), and Mexico (11,900 RB).

Net sales of Pima cotton totalling 8,000 RB for 2023-24 were up noticeably from the previous week and up 34 per cent from the prior 4-week average. Increases reported for Pakistan (3,400 RB), China (2,400 RB), and India (2,400 RB, including decreases of 300 RB), were offset by reductions for Bangladesh (200 RB). Exports of 15,900 RB were up noticeably from the previous week and from the prior 4-week average. The destinations were primarily to India (6,000 RB), China (5,200 RB), Peru (1,300 RB), Pakistan (1,100 RB), and Costa Rica (900 RB).

Source: fibre2fashion.com– Apr 11, 2024

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Innovation Amidst Crisis: Textile Recycling's Wake-Up Call

The UK's Textile Recycling Association (TRA) shocked the industry last week with an alarmist claim that the country's textile recycling sector is on the brink of collapse due to global market challenges.

Juxtaposing the downfall of Renewcell with the $600 million investment in Syre, the state of the industry is challenging, at best, and baffling at worst—even innovators who have escaped the "valley of death" are struggling while capital continues to flow into new ideas.

Sourcing Journal spoke to global leaders to weigh in on the situation.

"The TRA's warning underscores a serious problem the UK's textile recycling sector is facing, exacerbated by fast fashion and a lack of supply chain integration for textile recycling capabilities," Sam Scoten, CEO of CheckSammy, told Sourcing Journal. "But this problem is not unique to the UK—not at all."

The Dallas-based waste management company believes point-of-source diversion—capturing materials before they're discarded—to be the most important factor in reducing waste.

"The convergence of extremely wasteful industries, like fast fashion, combined with a serious global environmental crisis is coming to a head," Scoten said. "And while these regulatory shifts present a complex challenge, they are creating pressure for the immediate action and attention needed to prevent further, far-reaching consequences."

As such, Scoten believes the TRA was correct in sounding the alarms. However, there is an opportunity for first movers to "capitalize" on waste-to-product solutions that further their bottom line and help to reduce costs.

Simply put, "the industry is going through changes," Karla Magruder, president and founder of Accelerating Circularity, said. "It may not look the same, but it certainly won't 'go away' because we will continue to wear and discard clothing."

The British waste management firm MyGroup, for one, said it "recognizes" the urgency of the TRA's alert on the textile recycling sector's crisis and is in "full agreement" with the call for immediate action and the implementation of an extended producer responsibility (EPR) scheme to foster sustainable textile production and recycling.

Martin Stenfors, the former head of strategy and sustainability at Renewcell, also agreed that a number of problematic factors conspire to create a "tough market situation." When transportation drives down profits, costs increase. Also, considering that the increased influx of fast fashion reduces the value of the reuse/resale fraction, the situation can become "critical."

"The short-term situation will most likely continue to be rough," Stenfors said. "But I always think you need to look at a problem from the perspective [of] what you can impact and what is out of your control."

The supply chain crisis, "obviously being something that cannot be impacted by the market," will "blow over sooner or later." Another thing out of the TRA's control, Stenfors said, is the share of fast fashion in collection bins, which will increase over the years.

"One way to manage this fact could be to separate collection for recycling from collection for reuse to increase the percentage of higher valued items and, in the longer run, obviously have a EPR scheme funding some of the collection and sorting activities," Stenfors said. "In my mind, 100 percent of the EPR funding should go to collection and sorting for reuse and sorting for resale. Recyclers will still benefit from the EPR funds through lower feedstock cost."

Magruder agreed that EPR schemes have the potential to support collectors and sorters, but "developing them so that the funds go toward supporting the correct segment of the system is going to be critical to their success," she said. She noted that landfill bans for textiles are "critically important" to obtain the volume of feedstocks necessary to reduce the industry's reliance on virgin materials.

But, as Constanza Gomez, co-founder and CEO of Sortile, pointed out, the rising popularity of secondhand platforms—the likes of ThredUp and Poshmark, for example—means higher value items are increasingly taken out of the feedstock, further squeezing resale margins. "Add to this that fiber-to-fiber recycling markets are still in a nascent stage; many of these companies have seen their businesses suffer.”

Furthermore, policies that limit or make sending materials to certain markets more expensive “definitely make this even more complicated,” Gomez said, especially considering the lack of infrastructure in most of these countries to deal with all those textiles responsibly.

While “everyone” should embrace any ban on the export of textile waste to countries where that waste isn’t properly managed, Stenfors said he believes banning the export of resale and reuse fractions is a “huge mistake” as it can be handled by duties in those countries that want to minimize the import of used textiles into their markets. However, changing conditions for global trade, such as increased duties, are also “out of control” and can only be mitigated by finding new markets or adapting to a lower export volume.

“I do think that the UK government should follow the EU on a number of proposed legislations related to textiles such as the EPR that would help fund the collection and sorting of textile waste,” Stenfors said. “Also to support the scale-up of recycling capacities to manage a larger flow of the non-rewearable recycling fraction.”

And it seems that the UK is trying to follow in the EU’s footsteps.

Last summer, the UK’s Department for Environment, Food & Rural Affairs (DEFRA) laid out a roadmap outlining its ambitions to minimize textile waste—titled “Maximizing Resources, Minimizing Waste”—to be enacted over the next few years.

The organization said it will consult on several policy proposals and “remains open” to other suggestions from the industry on the most effective interventions.

Those proposals include requiring retailers of a certain size to provide a service for consumers to return their unwanted textiles to, such as an in-store take-back facility; banning separately collected textiles from being sent to landfills and energy from waste without prior sorting; and requiring non-domestic settings (like businesses) to separate their textile waste from other types of waste so that it can be collected for reuse and recycling.

Since the roadmap's publication, DEFRA has been developing consultations on these policy proposals and engaging with stakeholders—including TRA—to "understand the challenges being faced by industry and how these will be impacted by the proposed policies."

"We are aware of the global challenges facing the textile recycling industry and have been engaging with stakeholders across the supply chain to understand the pressures they face," a DEFRA spokesperson told Sourcing Journal. "We will be consulting on several policy proposals set in our 'Maximizing Resources, Minimizing Waste' program, and we are open to the industry's views about how to best achieve these aims, including their suggestion of an EPR scheme for textiles."

Overall, in the coming years, the entire system—collecting, sorting, reuse, resale and recycling—will need to "find a balance," Stenfors said, where low-quality items in the collection bins continues to increase, funding partially by EPR schemes.

"Who will be the winners in this new landscape? It's too early to tell, but all the pieces of the puzzle will be needed," he continued. "It's crucial that all parts of this sector have a pathway to become profitable to create a robust system to manage the ever-growing problem of end-of-life textiles." And this doesn't mean the UK's textile recycling sector will "cease to exist," Gomez said. Rather, "this is an opportune time for innovation and change in the space to incentivize collection, make sortation more efficient, and develop recycling infrastructure further."

Source: sourcingjournal.com– Apr 11, 2024

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European Central Bank keeps interest rates unchanged

The Governing Council of the European Central Bank (ECB) has decided to keep the three key interest rates unchanged. The interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 4.50 per cent, 4.75 per cent and 4.00 per cent respectively.

This is broadly in confirmation with the Governing Council's previous assessment of the medium-term inflation outlook. "Inflation has continued to fall, led by lower food and goods price inflation.

Most measures of underlying inflation are easing, wage growth is gradually moderating, and firms are absorbing part of the rise in labour costs in their profits. Financing conditions remain restrictive and the past interest rate increases continue to weigh on demand, which is helping to push down inflation. But domestic price pressures are strong and are keeping services price inflation high," an ECB press release said.

"The Governing Council is determined to ensure that inflation returns to its 2 per cent medium-term target in a timely manner. It considers that the key ECB interest rates are at levels that are making a substantial contribution to the ongoing disinflation process," the release added.

The Governing Council's future decisions will ensure that its policy rates will stay sufficiently restrictive for as long as necessary. If the Governing Council's updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission were to further increase its confidence that inflation is converging to the target in a sustained manner, it would be appropriate to reduce the current level of monetary policy restriction.

In any event, the Governing Council will continue to follow a data-dependent and meeting-by-meeting approach to determining the appropriate level and duration of restriction, and it is not pre-committing to a particular rate path, the ECB said.

Source: fibre2fashion.com– Apr 12, 2024

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Australian business confidence sees modest rise in March

In March 2024, Australia's business confidence experienced a slight increase, according to the latest findings from the NAB Monthly Business Survey. The confidence index nudged up by one point to stand at 1, indicating a cautious optimism among businesses though still trailing behind the historical average.

The retail sector saw a modest improvement in sentiment, climbing out of deeper negative territory to minus 8 index points on a trend basis. However, this was counterbalanced by declines in the manufacturing sector.

Business conditions dipped slightly by one point, settling at 9 index points. This reflects a mix of steady trading conditions and employment levels, juxtaposed against a 4-point drop in profitability, as per the survey.

A closer look at the industry breakdown reveals a varied picture. Retail businesses reported a significant uptick in conditions, up by 8 points, marking a rare bright spot. Conversely, manufacturing and wholesale sectors witnessed declines, each dropping by 5 points, which offset the gains elsewhere. Despite the uptick, retail conditions remained negative on a trend basis, highlighting the persistent hurdles in the sector.

The survey also shed light on regional disparities. Tasmania and Western Australia led the way with considerable improvements in conditions, up by 15 and 9 points respectively. Victoria and Queensland also saw gains, albeit more modest.

In stark contrast, South Australia experienced a sharp 17-point fall, with New South Wales registering a slight decrease. Western Australia and Tasmania now exhibit the strongest condition levels in trend terms, although all states reported maintaining reasonable condition levels overall.

Forward orders, a key indicator of future activity, improved by 3 points to minus 1 index point, with retail showing some signs of recovery despite remaining at minus 19 index points in trend terms. Capital expenditure (capex) held steady at 7 index points, while capacity utilisation saw a slight decrease to 83.2 per cent.

In terms of costs, the survey highlighted a deceleration in labour cost growth, which eased to 1.6 per cent on a quarterly equivalent basis, down from 2 per cent. Purchase cost growth also slowed to 1.4 per cent from 1.8 per cent, indicating some relief in input cost pressures. Meanwhile, product price growth softened to 0.7 per cent, from 1.2 per cent, with retail price growth marginally reducing to 1.3 per cent from 1.4 per cent.

"We've now seen conditions running a little above average and confidence a little below average for the better part of a year, which is a fairly unusual result in the history of the survey," said NAB chief economist Alan Oster. "Fundamentally, it tells us that firms have continued to be a bit concerned about the outlook even as the economy has remained resilient."

Source: fibre2fashion.com– Apr 11, 2024

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Late Lunar New Year Boosts February Cargo Volume at US Ports

U.S. ports handled 1.96 million 20-foot equivalent units (TEUs) of inbound cargo volume in February, up 26.4 percent from 2023 TEUs of 1.55 million and flat to January totals.

The numbers were largely aided by the later Lunar New Year in 2024, which started Feb. 10 compared to Jan. 22 in the year prior. With the later start, more product had likely already reached the U.S. by the time China's two-week factory break began.

The February results, which were included in the monthly Global Port Tracker report compiled by the National Retail Federation (NRF) and Hackett Associates, were slightly ahead of initial expectations of 1.9 million TEUs.

Lunar New Year is expected to have the inverse impact on March numbers, with projected TEUs coming in at 1.8 million. While this would still mark an 11 percent year-over-year bump above the year-ago period, total inbound cargo volume at U.S. ports would be down 7.8 percent from February.

Ports have not yet officially reported March's numbers, but Descartes Systems Group's import estimates indicate a largely flat month-over-month total in March, increasing 0.4 percent to 2.1 million TEUs. But from an annual standpoint, the firm said TEU volume at U.S. ports jumped 15.7 percent year over year.

"U.S. imports are continuing to increase despite another disruption impacting U.S. ports," said Jonathan Gold, vice president for supply chain and customs policy at NRF. "As retailers have adjusted to limits on the use of the Panama Canal and the Red Sea, we now face the shutdown of the Port of Baltimore to vessel traffic."

The Port of Baltimore has been closed to vessel traffic since a container ship struck the Francis Scott Key Bridge on March 26, collapsing the overpass and blocking the only shipping channel in the harbor.

The port is not included in the Global Port Tracker's national totals because its data is reported later than other gateways, but its shutdown is having a regional impact as cargo that would normally go there is being diverted to other East Coast ports like the Port of New York & New Jersey, the Port of Virginia and the Port of Philadelphia, among others.

According to Descartes, Baltimore had the largest month-over-month decrease in import volume at 15.7 percent, or 6,829 TEUs, influenced partially by the bridge's collapse.

"While it is not expected to have a national impact, the tragic collapse of the Francis Scott Key Bridge shows the ongoing need for flexibility and resiliency in every company's supply chain," said Gold in a statement. "We are monitoring the situation closely as retailers who are affected adjust their shipping plans to ensure cargo is getting to where it needs to be."

The summer is when U.S. ports may surpass the projected 2-million-TEU mark for the first time in 2024.

Inbound cargo volume in April is forecast at 1.93 million TEUs, up 8.4 percent year over year, and May at 2.04 million TEUs, up 5.5 percent and the highest level since 2.06 million TEUs last October. Ports are anticipated to handle 2 million TEUs in June, up 8.9 percent from last year's totals. July totals come in at 2.04 million TEUs, up 6.6 percent, and August at 2.09 million TEU, up 6.9 percent.

The first half of 2024 is expected to total 11.7 million TEUs of inbound cargo volume, up 11 percent from the same period last year. This represents a slight jump over the 11.5 million TEUs that were projected for the first six months as of last month, and an even larger increase from initial expectations of 11.1 million TEUs made in February.

The inbound volume projections are improving even with an unfavorable maritime shipping environment in the Red Sea, as ongoing Houthi attacks are forcing major container shipping liners to avoid the waterway entirely, instead opting to travel around southern Africa.

Another factor contributing to the anticipated cargo uptick is the addition of new vessels to container shipping fleets, as well as an increase in vessel speed to make up for longer voyages.

“Doing so has resulted in relatively stable supply chains within a short period of time,” Hackett Associates founder Ben Hackett said. “A word of caution, however, is that any further pressures on capacity could seriously impact the market.”

Source: sourcingjournal.com– Apr 10, 2024

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USA: Retailers Expected to Cut Back on Store Openings in 2024

Retailers are opening fewer stores in 2024.

That shouldn't be a surprise given how brands seem to be hunkering down and putting strategies into place to meet goals over the long-term horizon. For many, the first priority at the start of 2024 was right-sizing staffing needs as retailers ponder consumer spending amid a backdrop of ongoing inflation and recession risks. Macy's disclosed its "A Bold New Chapter" strategy to create long-term shareholder value, even as it closes 150 locations and remains in the midst of fighting off activist investors. And then there's Dollar Tree Inc., which is going deep on the store-cuts front as it disclosed the shuttering of 970 Family Dollar banner locations. It also is planning to close 30 Dollar Tree doors as leases expire over the next several years. While it did open 641 stores in 2023, that number is nowhere near the number Dollar Tree is closing as it looks to a smaller store network in 2024.

So far, there are at least 2,773 announced store openings since the start of 2024. Coresight Research is predicting store openings this year across the U.S. and U.K. to total 5,500. That estimate is down from the 5,645 doors that opened in 2023, according to Coresight's proprietary database.
Below are the disclosed store openings to date:

Abercrombie & Fitch Co.: 45
The specialty chain said during its fourth-quarter conference call that it also plans on closing 30 locations.

Academy Sports + Outdoors: up to 17 in 2024, and between 120 to 140 new locations by 2027

The sporting goods retailer is expected to open its Greenwood, Ind., store later this month. The retailer opened its Knightdale community store, near

Raleigh, N.C., last month.

Eric Friederich, the retailer's senior vice president of retail operations, said each door carries an assortment mix that's localized to meet the needs of the community where the store is located. The retailer sells apparel and footwear, as well as sports equipment and outdoor gear.

Over the long term, the company plans to open between 120 to 140 locations by 2027. Those plans will bring it closer to its long-range target of a store network in the 800-door range.

American Eagle Outfitters Inc.: 100 Aerie and Offline stores over the next three years.

The teen retailer also plans to "upgrade and modernize" its core American Eagle store fleet, targeting 300 remodels over the next three to five years. The remodels will range from full upgrades to "simpler refreshes," Michael A. Mathias, the retailer's executive vice president and CFO said during the company's fourth-quarter earnings call.

BJ's Wholesale Club: 12
New stores already opened in North Jacksonville, Fla.; Johnson City, N.Y., and Goodlettsville, Tenn. In March, the warehouse club disclosed the locations of five stores slated to open later this year: Maryville, Tenn.;, Myrtle Beach, S.C.; Palm Coast, Fla; West Palm Beach, Fla., and Carmel, Ind. And it already identified Louisville, Ky., as the location for a store that will open in 2025.

"Our real estate pipeline is the strongest it's been in 20 years," Bill Werner, BJ's executive vice president, strategy and development, said in a statement last month. The company each new location is expected to create 150 jobs.

Bloomingdale's: 15 smaller Bloomies's stores and outlets
The new stores are part of Macy's "A Bold New Chapter" strategy.

Bluemercury: at least 30 new locations
Macy's new going-forward strategy includes a greater focus on luxury.

Boot Barn: 52
The Western-styled and work-related apparel and footwear retailer is adding new stores this year that would bring its total store count to 423. That move will bring it closer to its overall target of 900 stores over the longer-term horizon.

Burlington Stores: 140
The off-pricer's existing target is 100 net-new stores each year, although it only opened 80 in 2023.

In 2024, it plans to open 140 new stores, with about one-third slated to open this spring and the balance in the back half of the year. Factoring in some store closures, the company believes it can hit its target of 100 net-new stores this year.

Costco Corp.: 30 warehouse locations, including two that are relocated doors from existing stores.

Some of the new sites are overseas in China and Japan, but the bulk of the new doors are in the U.S. One location in Natomas, Calif., opened last month, and the others—such as in Loomis, Calif.; North Port, Fla.;, Mount Juliet, Tenn.; Riverbank, Calif., and Richmond, Tex.—are expected to open later this year.

Dick's Sporting Goods: at least 10 experiential House of Sport locations

The new doors will contribute to Dick's plan to open between 75 to 100 experiential concept locations

Dollar General: 800

Dollar General remains the fast growing dollar-store chain. It opened store number 20,000 last month in Alice, Tex. It also plans to remodel 1,500 locations and relocate 85 existing doors. The new locations will also include is Pop Shelf doors.

Five Below: at least 225 to 235

The extreme value tween and teen favorite has a long-term goal of 3,500 doors by 2030. It opened 205 new stores in 2023, and ended the fiscal year with over half of its comparable doors in the Five Beyond format, which includes some higher price points at $10 and below. For this year, the retailer is planning on 200 store conversions to its Five Beyond format. It currently operates nearly 1,600 locations across 43 states.

Frasers Group: 1

Frasers is phasing out its traditional House of Fraser department store format. Instead, the company is continuing with the rollout of its new Frasers department store concept, with the next one slated to open this summer in Sheffield.

The 120,000 square foot 2-level store in Meadowhall is expected to feature a 60,000 square foot Frasers on the lower floor and a 60,000 square foot Sports Direct on upper floor.

Gymshark: 1

The activewear brand is planning to open its second store in Westfield Stratford City this summer. The new store follows the opening of its flagship on London's Regent Street in October 2022.

H&M: 100

The fast-fashion chain opened a new "fashion-forward" concept store on King's Road in London's Chelsea neighborhood last month. The format, which features curated products and experiences, was also conceived as a community meeting place, emphasizing H&M's move into localization.
H&M opened its first "fashion-forward" concept store in Manhattan's SoHo neighborhood in February. The SoHo store also featured the retailer's first "pre-loved" shop-in-shop in North America. The store also uses radio frequency identification (RFID) enabled systems to better track inventory levels, as well as other high-tech features that include smart mirrors that allow customers to see other color and size options and request items to be brought into the fitting rooms.

The 100 store openings featuring its new concept will be located primarily in emerging markets globally. H&M also plans to shutter 160 underperforming locations in established markets.

Ikea: 4 small-footprint locations and 1 flagship in the U.K.

The global home furnishings banner plans to open four smaller Plan & Order Point concept stores this year. The locations are in Austin, Tex., the Atlanta metro area and two in the greater Los Angeles market. The concept's first door was opened in November in Dallas. The smaller format locations have less square footage than Ikea's traditional brick-and-mortar stores, and it features both design consultants in the stores that also serve as customer pickup centers.

Other smaller format locations are slated to open in Maryland in Annapolis and Gaithersburg, as well as Katy, Tex., in 2025, Ikea disclosed. Its U.K. flagship at 214 Oxford Street, the former home of TopShop's flagship store, is slated to open this fall.

Macy's Inc.: up to 30 small-format locations through 2025

As part of Macy's new store strategy, it is shrinking the number of its full-size department stores and focusing more on smaller, off-mall locations.
Nordstrom Rack: 26 through Spring 2025

The off-price nameplate will open 11 new Rack locations in spring 2024, followed by another 11 in fall 2024. It also disclosed on its website the planned opening of four locations in Spring 2025.

On: 100 locations over the next few years

The Swiss running brand said last month that it plans to expand its global presence by adding new stores in China and Latin America. Germany's first One Store opened last month in Berlin Mitte.

A post on the company's website said the sportswear stores of the future—the brand sells footwear and apparel—will be "about more than sales. With the right design, and the right people, they can connect communities through movement." On expects that by 2026, almost a quarter of all retail sales will likely occur online, meaning that stores need to be more than just for transactions. Some locations also host the community's weekly run club.

Ross Dress for Less: 90

The off-price retailer plans to open 75 Ross Dress for Less stores in 2024 and 15 DD's discount doors. Separately, it also plans to close or relocate between 10 to 15 older locations.

CEO Barbara Rentler said during the company's fourth quarter earnings conference call that the performance of DD's in some of its newer markets were disappointing, and that the company over the near-term was moderating its DD's store growth while it takes a closer look at how to better address the needs of that customer base outside its "current existing geographies."

REI: 10

The specialty outdoor retailer said spring openings are slated for Beavercreek, Ohio, and in Beaverton, Oregon. Summer store openings include one each in Glendale, Ariz.; Ithaca, N.Y., and Rancho Mirage, Calif. For this fall, REI is planning on store openings in Albany, N.Y., and in Tulsa, Okla. The remaining locations for 2024 have not been disclosed as the retailer is still finalizing contract terms.

REI also noted it will open a store in Durango, Colo., in Spring 2025, and in St. George, Utah, in Fall 2025.

Rothy's: at least 10 in the U.S.

The new locations will bring its store total to 28 at the end of 2024. The footwear brand best known for its machine-washable flats opened a store at Tyson's Corner Center in D.C. at the end of January. Another store at the Woodbury Common outlet is slated to open next month at the Outlet's Hudson Valley District Suite 236.

Another location slated to open later this year will be at the Westfield Galleria at Roseville Shopping Center in Roseville, Calif.

Sam's Club: more than 30.

The Walmart warehouse division plans to open at least 30 locations over the next few years, with the first slated to open in Florida this year.

Target: 300 over the next 10 years

The mass discounter said most new locations will feature its larger-size format. Target expects that once all the openings are completed, the stores could generate an additional $15 billion in annual sales. The locations of 39 of the new openings are posted on its website, with the stores focused along the East Coast. Other locations down the road include a handful in California and one in Hawaii.

Target also is planning nearly 2,000 remodels for existing doors, although the extent of the changes could vary store-to-sore from select upgrades to full-door renovations.

Uniqlo: 20 across U.S. and Canada

North America is a key player in Fast Retailing's expansion of its Uniqlo nameplate, as well as the brand's main Western market.

One source told Sourcing Journal in December that the company's thinking is that it needs to be "number one in North America" before it can think about succeeding globally in the West.

Untuckit: 14
The company said last month that the stores will be open by the end of this year. The first seven doors are slated for California, Georgia, Florida, New Jersey and New York and are expected to open in May. The remaining 7 locations were not disclosed, pending finalization of advanced lease negotiations, the company said.

The new stores will house the brand's men's collection, and average between 1,400 and 2,500 square feet. At the end of the year when all locations are open, the company will have a total store count of just under 100 locations. The company is also eyeing expansion opportunities in North America and Europe.

VF Corp.: 300 overseas

The American apparel giant, which has expanded its partnership with its overseas retail operator GMG, will expand its market presence across Southeast Asia, Middle East and North Africa. The plan is to open 300 new stores over the next five years for its Vans, The North Face and Timberland brands. That would increase its current presence of 90 locations across the three markets, although the new expansion will see The North Face enter North Africa for the first time.

Walmart: 150 new or converted stores over the next 5 years

The stores will house Supercenters and the smaller-format Neighborhood markets. The mass discounter is also planning to remodel 650 locations this year. All of the brand new and remodeled stores will feature its new "Store of the Future" concept, with improved layouts and new technology.
WHSmith: 110 across North America

The U.K.-based travel retailer's core Marshall Retail Group operation currently generates 50 percent of its revenue in North America. Most of the new airport stores are expected to open in the back-half of 2024.

Source: sourcingjournal.com– Apr 10, 2024

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Developing APAC's economy to grow 4.9 per cent in 2024, forecasts ADB

Developing economies in Asia and the Pacific (APAC) are projected to expand by 4.9 per cent on an average this year as the region continues its resilient growth amid robust domestic demand, according to the Asian Development Outlook (ADO) April 2024, released today by the Asian Development Bank (ADB).

Growth in these economics will continue at the same rate next year and inflation is expected to moderate in 2024 and 2025, after being pushed up by higher food prices in many economies over the past two years, the ADB report said.

Inflation in developing APAC is expected to decline to 3.2 per cent this year and 3.0 per cent next year, as global price pressures ease and as monetary policy remains tight in many economies. However, for the region excluding China, inflation is still higher than before the COVID-19 pandemic. Stronger growth in South and Southeast Asia—fueled by both domestic demand and exports—is offsetting a slowdown in China caused by weakness in the property market and subdued consumption.

India is expected to remain a major growth engine in APAC, with a 7-per cent expansion this year and 7.2 per cent next year. China's growth is forecast to slow to 4.8 per cent this year and 4.5 per cent next year, from 5.2 per cent last year.

"Consumer confidence is improving, and investment is resilient overall. External demand also appears to be turning a corner, particularly with regard to semiconductors," said ADB chief economist Albert Park in an official release.

For policymakers, the report highlighted a number of risks, which include supply chain disruptions, uncertainty about US monetary policy, the effects of extreme weather and further property market weakness in China.

Source: fibre2fashion.com– Apr 11, 2024

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Global athleisure market to grow to $3.2 billion by 2032: Report

Valued at $2 billion in 2022, the global athleisure market is projected to grow at a CAGR of 5.2 per cent to reach $3.2 billion by 2032.

As per a report titled, ‘Athlesiure Market,’ by Allied Market Research, the female segment dominated the global athlesiure market in 2023 with their frequent purchases and adoration of athleisure wear.

According to the US Census Bureau, millennials, particularly in regions like Asia-Pacific, will soon outnumber baby boomers in the country. Similar trends will be seen throughout Asia-Pacific, particularly in nations like China, India, and Australia.

However, the industry continues to be threatened by counterfeit athleisure brands, especially in price-sensitive markets, hindering the growth of original brands.

To combat this, the industry employs innovative marketing strategies, leveraging celebrity endorsements and social media to boost market penetration. Gaining popularity amongst male consumers, key items like bomber jackets and hoodies are expected to drive market growth.

The hoodies category is expected to register highest growth during the forecast period. Online sales channels will drive forth due to convenience and product variety they offer. North America will lead in sales revenue while Asia-Pacific is expected to witness rapid growth with the rise in consumer adoption.

Key players like Adidas, Nike, and Lululemon are employing various strategies to enhance market share and profitability. Their success is fueled by the athleisure trend's integration of fashion-forward designs, celebrity endorsements, and technological innovations in materials and manufacturing processes.

Source: fashionatingworld.com– Apr 11, 2024

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Vietnam: Textile industry in sustainability push to meet stringent requirements

Textile and garment businesses are making a green push with development of eco-friendly products adapted to global fashion trends and by meeting the stringent requirements under free trade agreements the country has signed, according to industry insiders.

Fashion Link JSC (Faslink), a pioneer in supplying green materials to the fashion industry since 2008, constantly researches to come up with a variety of sustainable materials for the fashion industry, including yarns made from bamboo, lotus, seashell, coconut, mint, and coffee grounds.

Trần Hoàng Phú Xuân, its CEO, said the company has partnered with Singtex, one of the leading providers of eco-friendly functional textiles in Taiwan (China), to produce yarns and fabrics from coffee grounds.

Faslink is the first company in the world to commercialise shirts made from coffee yarns and sells them in the domestic market.

She said this high-tech yarn, made from used plastic bottles and coffee grounds, is environmentally friendly, deodorising, fast drying, and UV-resistant and has many different applications.

She added that more than 40 fashion brands in the domestic market have used this sustainable material to produce millions of products.

Her company has a project in collaboration with Singtex to collect coffee grounds in Việt Nam, she said, pointing out that since Việt Nam is the world's second largest coffee exporter it could supply a huge amount of this raw material.

Nguyễn Thị Tuyết Mai, general secretary of the Việt Nam Textile and Apparel Association, said: "Green transformation in the garment and textile industry is mandatory to catch up with commitments under new generation FTAs.

"Việt Nam's textile industry has embarked on a transformation since 2018 with the 'Greening Việt Nam's Textile Sector' programme. In this ... journey, many businesses, including Faslink, have researched and launched environment-friendly fabrics made from lotus, mint, pineapple, and, especially, coffee grounds."

Huge potential market

Xuân cited a recent report by Coherent Market Insights as saying the global sustainable fashion market was worth US$7.8 billion in 2023 and is projected to reach $33.05 billion by 2030, a compounded annual growth rate of 22.9 per cent.

Sustainable fashion encompasses various practices aimed at reducing environmental and social impacts, such as excessive water consumption, pollution, unethical labour practices, and the production of vast amounts of waste.

Rising consumer awareness of environmental sustainability and social responsibility has caused a surge in demand for sustainable fashion alternatives.

Simultaneously, stringent governmental regulations mandating sustainable practices further foster market expansion, according to the report. While many countries around the world have gone a long way in sustainable fashion, it is still in its infancy in Việt Nam, according to experts.

Traditional clothing production is resource-intensive and contributes to pollution and greenhouse gas emissions. Sustainable fashion brands focus on minimising these impacts by using eco-friendly materials, reducing waste and adopting responsible manufacturing practices, they said.

Phạm Chí Nhu, CEO of Coolmate, a Vietnamese menswear brand, said: “Sustainable fashion is an inevitable trend. The new generation of consumers, especially Gen Z ones, not only pays attention to design and material when choosing a fashion item but also cares a lot about the product’s story, especially its sustainability aspect.”

He said coffee fabric has the advantages of cooling, quick drying, UV protection, and odor control. It is suitable for making men's clothing and is widely accepted among eco-conscious consumers.

But the prices of sustainable clothing products are admittedly relatively high, making them less accessible to the masses, he said.

He added that coffee grounds fibre is mainly used to make fabrics for formal clothing and not sportswear, reducing customers' choices.

Mai said: "This is the time for businesses to go green and make the digital transformation. Fashion products nowadays must not only cater to the needs of customers to dress well, but also be close to nature, protect the environment and be safe to users' health."

To enable businesses to overcome cost barriers and promote sustainable fashion, she said policymakers need to consider tax incentives for firms involved in collecting and producing recycled and environment-friendly products.

Source: vietnamnews.vn– Apr 12, 2024

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Vietnam top choice for Taiwanese investments, minister claims

Deputy minister of Planning and Investment Tran Duy Dong claimed in 2023, investment capital from Taiwan into Vietnam marked four time increase compared to 2022 even as Taiwan currently ranks fourth out of 105 countries in terms of investing in Vietnam.

He maintained this at the commencement of the Vietnam-Taiwan Business Forum and the Vietnam-Taiwan Trade and Investment Promotion 2024 International Exhibition held recently at the National Convention Center.

Organised by DVL IPT Investment and Trade Promotion Joint Stock Company in collaboration with the World Taiwan Trade Council (WTCC), the event attracted leaders from ministries, branches, experts, and businesses involved in industrial park infrastructure, logistics, production facilities, distributors, and export businesses nationwide.

Notable participants included Deep C Industrial Park, Green Ipark Industrial Park, Bao Minh Industrial Park, Hoa Phat Industrial Park, Vigracera, BIDV Bank Tay Ho branch, Hop Luc Construction Company, and DVL Ventures ecosystem.

Tran Duy Dong emphasised the positive and deepening economic cooperation between Vietnam and Taiwan, highlighting Vietnam's emergence as a leading investment destination for Taiwanese businesses.

With nearly 3,200 projects and total registered capital exceeding $39.5 billion, Taiwan ranks fifth in bilateral trade, showcasing its significant investment presence in Vietnam.

Source: fibre2fashion.com– Apr 11, 2024

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Vietnam: International textile, garment expo attracts over 1,000 exhibitors

The annual Vietnam Saigon Textile & Garment Industry – Fabric & Garment Accessories Expo opened in HCM City on April 10, enabling local and foreign producers to explore each other's requirements and possibilities for tie-ups.

Saigontex - Saigonfabric 2024, held on an area of over 30,000sq.m in one outdoor and two indoor halls, has attracted over 1,000 exhibitors from over 20 countries and territories, including Belgium, China, Germany, Hong Kong, India, Italy, and Japan besides Việt Nam.

On display include textile and garment machinery and parts, fabrics and non-woven fabrics, dyes and chemicals, and accessories.

There will be seminars on eco-friendly conversion, sustainable solutions and innovative textiles, digital transformation, yarn to fashion; product presentation programmes; business matching sessions; and fashion parades.

Speaking at the opening ceremony, Vũ Đức Giang, chairman of the Việt Nam Textile and Apparel Association (Vitas), said the country's textile and garment exports were worth US$10 billion in the first quarter, a year-on-year increase of nearly 10 per cent, and are expected to top $44 billion this year.

The expo has gathered big brand names from major textile and garment manufacturing and supplying countries, offering a very good opportunity for Việt Nam's textile industry to integrate deeper into the global supply chain, he said.

Cao Hữu Hiếu, general director of the Việt Nam National Textile and Garment Group (Vinatex), said the event is one of the largest trade events in the textile, garment, fabric and raw material industries in Việt Nam.

"Saigontex – Saigonfabric 2024 will be a good opportunity for Vietnamese textile and garment enterprises to find reputable partners to learn and select new materials and accessories that are suitable for their development orientation, and keep up with global textile and garment trends, especially meeting requirements related to transparency of origin and greening of raw materials," he added.

Organised by the Vietnam Chamber of Commerce and Industry, Vitas, Vinatex, the Association of Garments, Textiles, Embroidery and Knitting of HCM City, CP Exhibition LTD (Hong Kong), and CP Vietnam Exhibition Organising Co., Ltd, the expo being held at the Saigon Exhibition and Convention Centre will go on until April 13.

Source: vietnamnews.vn– Apr 10, 2024

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Bangladesh: Govt seeks duty-free access to Brazil

Bangladesh has sought duty-free access for its products shipped to Brazil to reduce the bilateral trade gap.

Government and businesses representatives made the call at a seminar and a business-to-business matchmaking event at InterContinental Dhaka yesterday, where Brazilian Foreign Affairs Minister Mauro Vieira was present as the guest of honour.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Brazil-Bangladesh Chamber of Commerce and Industry (BBCCI) jointly organised the programme.

Addressing the event, FBCCI leaders said Bangladesh's exports to Brazil in fiscal year 2022-23 amounted to $0.17 billion while imports $2.59 billion.

The tariff on Bangladeshi products in the Brazilian market is 35 percent, which is a major barrier to reducing the bilateral trade gap, they said.

Speaking as the special guest, State Minister for Commerce Ahasanul Islam Titu sought support from the Brazilian government, saying Bangladesh needs to diversify its trade portfolio.

"We will import more from Brazil and we will export more to the country. This should be the priorities in maintaining the relationship," he said.

"We allow Brazilian cotton, sugar and other products, at the same time we will have an easy market access to Brazil," he added.

Bangladesh is now considered a role model for its socioeconomic development, sustainable growth, women empowerment, poverty reduction, climate change mitigation, ICT and e-governance, Titu said.

Brazil, being the most influential country of South America and a rising economic power of the BRICS (Brazil, Russia, India, China and South Africa) countries, could be a new front for trade and investment from Bangladesh, he added.

Bangladesh also has geographical advantages, being the gateway of South Asia and the Association of Southeast Asian Nations and with very close connectivity with India especially with its northeast and China through Kunming.

"Considering the development as a business hub, Brazil can choose Bangladesh as their next destination for trade and investment. It is high time we take necessary steps to enhance our trade and investment by tapping into each other's strengths," Titu said.

In his speech, FBCCI President Mahbubul Alam said Brazil and Bangladesh have shared more than 50 years of outstanding bilateral relations, a testament to shared values, mutual respect and common development goals.

Urging the Brazilian government to provide free access to Bangladeshi products, he said Bangladesh has robust growth, strategic geographic location, and globally competitive sectors such as textiles, pharmaceuticals and technology, and is emerging as a global economic powerhouse.

Bangladesh has achieved remarkable progress over the last couple of years and the trade and investment scenario of the country proved to be very promising, said Mauro Vieira.

There is a lot of scope to enhance benefits through bilateral trade. Brazil is eager to export meat, wheat and agricultural products and looking forward to strengthen the trade ties.

Besides, there has been a lot of development in logistics, transport and communication and infrastructure sectors of Bangladesh, which opened up opportunities for business, trade and industrial expansion, he added.

Source: thedailystar.net– Apr 09, 2024

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Bangladesh Bank returns to stricter loan standards

The Bangladesh Bank has reenacted its 2012 loan classification rule, aligning term loan overdue time with international standards, a prerequisite for a $4.7 billion IMF loan package.

As per reports, under the revised rule, term loans become overdue after three months, down from six, from the fixed expiry date. Subsequently, loans default after six months instead of nine.

This initial phase takes effect from September 30, 2024, with a subsequent phase starting March 31, 2025, tightening overdue criteria further.

Additionally, banks are barred from increasing borrowers' instalment sizes to alleviate rising loan costs even as they are urged to extend tenure for pre-July 2023 loans, offsetting increased costs due to rising lending rates.

Mustafa K Mujeri of the Bangladesh Institute of Development Studies meanwhile applauded the move by the central bank of Bangladesh, suggesting it incentivises timely payments.

However, he advocated for bank-client discretion in determining instalment amounts.

Dhaka Bank's MD and CEO Emranul Huq on his part supported shorter loan durations, emphasising quicker recovery, and reduced non-performing loans (NPLs).

He advocated for unchanged instalment amounts, prioritising manageable payments aligned with clients' financial stability.

The lending rate, previously capped at 9 per cent soared to 13.55 per cent post-introduction of the SMART lending rate formula.

The Bangladesh Bank, however, apprehends the stricter loan classification rule could inflate non-performing loans significantly.

Source: fibre2fashion.com– Apr 11, 2024

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ADB ups India GDP forecast to 7% for FY25 on investments, consumer demand

The Asian Development Bank (ADB) on Thursday upgraded India's gross domestic product growth forecast for Financial Year 2024-25 (FY25) to 7 per cent from 6.7 per cent earlier, citing robust public and private investments and strong services sector.

However, it said unanticipated global events such as supply line disruptions to crude oil markets and weather shocks to agriculture are key risks to India's economic outlook.

The forecast is part of the lender's flagship economic publication, 'Asian Development Outlook (ADO) April 2024'. "The triggers for growth in FY25 will come from higher capital expenditure on infrastructure development both by central and state governments, rise in private corporate investment, strong service sector performance and improved consumer confidence.

Growth momentum will pick up in FY26, backed by improved goods exports and an increase in manufacturing productivity and agricultural output," ADB said.

Mio Oka, ADB Country Director for India, said notwithstanding global headwinds, the country remains the fastest growing major economy on the strength of its strong domestic demand and supportive policies.

"The Government of India's efforts to boost infrastructure development while undertaking fiscal consolidation and provide an enabling business environment will help in increased manufacturing competitiveness to augment exports and drive future growth."

ADB said a 17 per cent rise in central government capital expenditure in FY25, compared to the previous financial year, together with transfers to state governments will boost infrastructure investment. "A new government initiative to support urban housing for middle-income households is expected to further spur housing growth.

Private corporate investment is expected to get a boost with stable interest rates. With inflation moderating to 4.6 per cent in FY25 and easing further to 4.5 per cent in FY26, monetary policy may become less restrictive, which will facilitate rapid offtake of bank credit.

Demand for financial, real estate and professional services will grow while manufacturing will benefit from muted input cost pressures that will boost industry sentiment. Expectations of a normal monsoon will help boost growth of the agriculture sector."

The report said foreign direct investment will be affected in the near term due to tight global financial conditions but will pick up in FY26 with higher industry and infrastructure investment. "Goods exports will also be affected by lower growth in advanced economies but pick up in FY26 as global growth improves."

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

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7th round of the India-Peru Trade Agreement Negotiations concludes in New Delhi

The seventh round of negotiations for the India-Peru Trade Agreement took place in New Delhi, India from April 8 to April 11, 2024. The discussions involved understanding priorities and concerns of each other and ensuring that the negotiations are rooted in mutual respect and benefit.

At the start of the seventh-round negotiations, Mr. Sunil Barthwal, Commerce Secretary, Department of Commerce, Ministry of Commerce & Industry, said that the history of India-Peru diplomatic relations dates back to the 1960s. He referred to the visit of H.E. Ms. Teresa Stella Mera Gomez, Vice Minister of Foreign Trade, Peru to India and the bilateral discussions held during the sidelines of the 9th CII India-LAC Conclave in August, 2023, which played a key role in resuming of the negotiations.

Mr. Barthwal stated that the basic principle of negotiations should be understanding strengths and respecting sensitivities of each other. The modalities of negotiation may emerge from appropriate stakeholder consultations, feedback from the industry and the negotiating teams should engage in gainful and explorative approach.

Mr. Rajesh Agrawal, Chief Negotiator & Additional Secretary, Department of Commerce, said that holding two rounds of negotiation within two months is itself a testimony to the willingness between both the countries to have a deeper economic cooperation. He emphasized the need for effective and fast track negotiations.

Ambassador of Peru in India HE Mr. Javier Manuel Paulinich Velarde mentioned that the recent negotiations have laid down the ground work for a substantial foundation and exhibited confidence on the outcomes of negotiations towards fostering partnership.

Additional Secretary, Ministry of External Affairs, Republic of India, Mr. G. V. Srinivas appreciated the idea of lessening the negotiation period.

Peruvian Chief Negotiator, Mr. Gerardo Antonio Meza Grillo, Director for Asia, Oceania and Africa, Ministry of Foreign Trade and Tourism, Republic of Peru mentioned that resuming of negotiations after 2019 is significant and reflects commitment and interest of both the parties. He emphasized that the negotiating teams may show flexibility and pragmatism to reach mutual solutions.

In this round of negotiations, discussions encompassed across the chapters which included Trade in Goods, Trade in Services, Movement of Natural Persons, Rules of Origin, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Custom Procedures and Trade Facilitation, Initial Provisions and General Definitions, Legal and Institutional Provisions, Final Provisions, Trade Remedies, General and Security Exceptions, Dispute Settlement and Cooperation.

Around sixty delegates together from both sides participated in the negotiations. The Peruvian delegation comprised of representatives from the Ministry of Foreign Trade and Tourism and the Ministry of Foreign Affairs of Peru. The Indian delegates comprised the officials from the Department of Commerce, Directorate General of Foreign Trade, Department of Revenue, Department for Promotion of Industry and Internal Trade and the legal and economic resource persons. Substantial convergence in the text of the agreement was achieved during the round and detailed discussions were held on the aspirations and sensitivities between both parties.

Peru has emerged as the third-largest trading partner of India in Latin American & Caribbean Region. In the last two decades, the trade between India and Peru has increased from US$ 66 million in 2003 to around US$ 3.68 billion in 2023.The trade agreement under negotiations shall play a pivotal role in future collaboration in various sectors, creating avenues for mutual benefit and advancement.

The next round expected in June, 2024 will be preceded by intersessional negotiations over VC to ensure that outstanding issues are resolved before the two parties meet again.

Source: pib.gov.in– Apr 11, 2024

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Commerce Ministry may seek five-year extension of interest equalisation scheme for exporters

The scheme will end on June 30 this year

The Commerce Ministry is likely to seek further extension of the interest equalisation scheme on pre- and post-shipment rupee export credit for another five years to promote the country's outbound shipments, an official has said.

The scheme will end on June 30 this year.

"The Ministry will do revamping of some schemes like interest equalisation scheme. We would propose an extension of the scheme for five years.

"The scheme is doing good and it is helping the exporters," the official said. On December 8, 2023, the Union Cabinet approved an additional allocation of ₹2,500 crore for the continuation of the scheme up to June 30.

The scheme was started on April 1, 2015 and was initially valid for five years up to March 31, 2020.

Source: thehindubusinessline.com– Apr 12, 2024

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India reviewing Asean trade pact with an eye to boost domestic manufacturing

New Delhi: India has begun looking at several products where taxes on input items are higher compared to the finished goods as part of a comprehensive review of its trade pact with the 10-member Asean to correct several anomalies that have undermined domestic manufacturing.

Imbalances in import duties, rules of origin, and non-tariff barriers will come in for a closer look, people familiar with the details told ET. The commerce and industry ministry has asked the industry for inputs to identify products where an inverted duty structure is causing a disadvantage to local manufacturers.

The ongoing review of the pact, which came into effect in 2010, is slated to conclude next year.

"One round of physical negotiations has happened, and we have agreed on modalities of the overall review process of the pact. Both sides have different sets of expectations but at the end of it, we want deeper trade," said an official.

India has rolled out several measures such as production-linked incentive (PLI) schemes, higher import tariffs, and import monitoring to encourage local manufacturing, but several trade agreements negotiated earlier are seen as stumbling blocks.

Data Being Collated

India's trade deficit with Asean surged to $43.6 billion in FY23 from $25.8 billion in 2021-22 and $5 billion in 2010-11. New Delhi is concerned that third countries are routing their exports through Asean members to take advantage of duty benefits available under the agreement.

Officials said data is being collated on the inverted duty structure. One round of consultations with the industry has taken place on various issues.

"It is an offensive interest of India to correct the anomalies and gauge the challenges on duty, rules of origin and non-tariff issues. How much we will be able to correct, the contours of that would be decided," the official added.

Certain ferro alloys, aluminium, copper pipes and tubes, textile staple fibres and some chemical preparations are the products where Indian industry faces a disadvantage due to inverted duty structure.

The 10 members of the Asean are Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

As per Ajay Sahai, director general of Federation of Indian Export Organisations, it is important to look at inverted duty structures in free-trade agreements, especially if the FTA sources account for a predominant share of the overall imports.

Under the pact, the two sides agreed to progressively eliminate duties on about 75% of goods and reduce tariffs on around 15% goods, but the 10 Asean countries made different tariff elimination commitments. While Singapore offered almost 100% tariff elimination, Vietnam committed to much less leading to a varied duty structure in the agreement.

Experts said that it was easier to correct such anomalies during annual budget exercises for imports under the Most Favoured Nation (MFN) principle.

“However, with the increase in FTAs, which typically remove import tariffs on most finished products, correcting this imbalance has become nearly impossible. The Asean India FTA is no exception. Tariffs are already zero on most industrial products,” said Ajay Srivastava, co-founder of economic think tank Global Trade Research Initiative.

At present, major raw materials may have to be imported from non-FTA countries at higher MFN duties, while the final product could be available for imports duty-free under an FTA.

Source: economictimes.com– Apr 12, 2024

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India wraps up FTA negotiations with Oman, signing post-elections

India and Oman have finalized negotiations for a Comprehensive Economic Partnership Agreement (CEPA), signaling a significant advancement in their trade relations. The deal, set to be inked post the formation of a new Indian central government, aims at bolstering Indian exports to Oman by abolishing tariffs on various products including petroleum, textiles, electronics, pharmaceuticals, machinery, iron, and steel.

Sources close to the negotiations revealed that all outstanding issues have been resolved, with a focus on reaping benefits in services. The agreement holds promise for fostering a green, energy-efficient manufacturing base, enabling Indian firms to establish production facilities in Oman for exporting eco-friendly goods. This initiative resonates with India's commitment to sustainable manufacturing practices.

The strategic timing of the agreement, just ahead of India's general elections, underscores its political significance. Oman stands as India's third-largest export destination within the Gulf Cooperation Council (GCC), with bilateral trade reaching $12.39 billion in fiscal year 2023, marking a notable surge from $5 billion in fiscal year 2019.

Despite the burgeoning trade volume, a substantial portion of Indian exports to Oman currently incur an average import duty of 5 per cent. Oman's import tariff regime spans from 0 per cent to 100 per cent, with certain items such as meats, wines, and tobacco attracting a hefty 100 per cent duty.

The impending CEPA holds the promise of unlocking further growth potential in the bilateral trade relationship, fostering mutual economic benefits for both nations while facilitating the expansion of their respective manufacturing sectors.

Source: fashionatingworld.com– Apr 10, 2024

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Multinationals in India start offloading cotton as global prices decline on weak demand

As the cotton futures on ICE ease on muted global demand and prospects of a better crop in countries such as Australia, the multinational traders in the Indian market have started off-loading their stocks, trade sources said.

The May cotton futures contract on ICE, which touched a high of 103.80 cents on February 28 has eased to a level of 85.89 cents on April 10. The December 2024 contract on ICE is hovering around 82 cents. Trade sources said the international prices have eased by around 17-18 per cent from the high it achieved recently, on weak global demand led by countries like China, while the domestic prices are also down by 8-9 per cent from their recent highs.

"There are not many buyers in the market. Demand is there but the movement is very slow. Multinationals have started selling for the April, May, June and July delivery. This is mainly on decline in ICE futures and low demand," said Ramanuj Das Boob, a Raichur based sourcing agent for domestic mills and multinationals and vice president of All India Cotton Brokers Association.

Cotton prices are hovering in the range of ₹60,000-₹62,000 per candy, about 3 per cent lower than the prices, a month earlier. Cotton sold by multinationals such as Viterra, COFCO International and Louis Dreyfus Company among others is being bought by traders and mills, Boob said.

There are enough stocks with the Cotton Corporation of India, ginners and traders, even as the market arrivals of the raw cotton has slowed down in states such as Maharashtra and Gujarat.

Daily arrivals across various states are around 50,000-60,000 bales of 170 kg each. In Maharashtra, the arrivals are 25,000 bales, while in Gujarat it is around 20,000 bales and in Karnataka around 3,000 bales.

CCI, which has procured 32.84 lakh bales of 170 kg each at minimum support price for the 2023-24 crop season has so far, sold some 5.12 lakh bales. The stocks with CCI are at 27.72 lakh bales.

Pradeep Jain, President, Khandesh Gin Press Factory Owners Association in Jalagon, said the arrivals are negligible and the demand is poor. Farmers may not have cotton left to sell or they could be holding back expecting better prices.

"Farmers and ginners are not happy this year as prices have not been lucrative," he said.

The Khandesh region, accounts for about a fifth of Maharashtra's total production of about 1 crore bales, Jain said adding that farmers in the region could be having some 10-15 per cent of the stocks left.

Boob said most of the North Indian cotton mills have covered for the next six months. Mills are also buying need based because there is no bulk movement of yarn. "Buyers are very cautious because not much demand for yarn at higher prices. They are covering whatever is required keeping minimum stock of one or two months. Also there is no price parity for exports, while lot of international sellers mainly from West African region are keen to sell for the Indian market," he said.

According to Sushil Phutela, Director, Indian Cotton Association Ltd in Punjab, though the domestic prices are down, there's some shortfall in supplies in the North Indian market.

The Committee on Cotton Production and Consumption (COCPC), an apex body set up by the government comprising cotton textile mills, growers, traders and officials, has recently raised upwards its crop production estimates for the 2023-24 season to 323.11 lakh bales of 170 kg each from its earlier projection of 316.57 lakh bales.

Source: thehindubusinessline.com– Apr 11, 2024

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FTAs and farm exports: A mixed bag

Negotiating trade deals and concluding them with developed nations is challenging due to numerous complex clauses, conditions, and terms that need to be met and agreed upon. The government's efforts in finalising these agreements are commendable.

It has been over five years since the agri export policy was introduced with the aim to diversify our export basket destinations, boost high value- and value-added agricultural exports, and to strive to double India's share in the world's agri exports by integrating with global value chains. Surely, the route of trade agreements specially with developed nations will espouse the intentions of policy makers.

India's total merchandise exports to EFTA states for FY 2023 was $1.9 billion out of which 70 per cent is shipped to Switzerland, followed by 25 per cent to Norway. Over the decade, the growth rate was near about 4 per cent per year including the peak pandemic years.

Top products exported by India to EFTA includes organic chemicals, value added gems and jewellery, electrical related appliances, flour of dried leguminous vegetables, and medical instruments.

India's agri exports in FY 23 stood at $0.13 billion, which is just less than 7 per cent of India's total merchandise exports to EFTA. EFTA's imports of agriculture products from world are also quite substantial.

To highlight, their agri imports are around $29 billion, growing by 10 per cent CAGR over last three years. EFTA's top agriculture imports include spirited beverages (mainly wines), food residual for animal feed, coffee, fresh fruits and vegetables, edible oil and fats, and wafers, snacks, and biscuits. Indian agri products do not feature significantly, with only modest visibility for flour of dried leguminous vegetables.

With the trade agreement coming into existence, will the tariff reduction, if any, by EFTA provide hope for Indian agri exporters in the coming time frame? Interestingly, Switzerland allows tariff-free entry for all industrial goods including chemicals, consumer goods, vehicles, clothing coming from all countries. This policy came into effect from January 1, 2024 and will anyway make the utilisation of India-EFTA trade agreement insignificant.

For agricultural goods (AG), tariff commitments of EFTA nations are not that lenient. We can understand this better by creating three categories.

Three categories

One, for which no commitment have been made in the trade agreement and have been excluded (there are roughly 40 per cent of the tariff lines within agri chapters).

Second, these are a set of agri commodities with higher tariff rate commitments (from dairy, meat and vegetable chapters to list a few).

Third, with either zero or low import tariffs — these are the products for which the domestic production capacity in EFTA is not robust and demand has to be met by imports. For e.g. beer made from malt, sweet wine, miscellaneous edible preparations.

For first and second category, this FTA offers minuscule relief, if any, in making Indian agri products competitive in their market. For the third category, where there is some relief , complementarity between Indian agri products with competitiveness and imported agri products by EFTA is limited. In this set, products such as coffee, cereals, sweet biscuits, residual/waste grains do feature.

The congruency is not comprehensive, thus limiting the scope of leveraging the opportunity for Indian agricultural exporters. In previous years, the story of import tariffs was similar.

The simple average most-favoured nation (MFN) rate was 5.6 per cent in 2022 applied by the regional bloc. While non-agricultural goods from MFN countries only faced a simple average tariff rate of 1.3 per cent, duties of 32.4 per cent were applied to agricultural goods on average, and these rose to 137.7 per cent for dairy products.

Furthermore, the determination of product's competitiveness is not solely dependent on import tariff rates. Numerous non-tariff measures including sanitary and phytosanitary and technical barriers to trade, also influence exporters' abilities and capacities. Fulfilling the requirements of these measures, which are often intricate and challenging, significantly impacts market participation.

While trade agreements typically include provisions addressing trade facilitation aimed at streamlining the implementation of non-tariff measures, it remains uncertain whether these measures have been beneficial for Indian exporters, particularly those in the agricultural sector.

A comparison

Now, let's compare some post-trade agreement figures for India-Australia and India-UAE. Both FTAs were signed in 2022. Encouragingly, in both trade agreements, Indian agricultural exports have surged compared to the period before the agreements were signed. In the case of India-Australia, where the FTA took effect in December 2022, our agricultural exports increased by 23 per cent from April 2023 to January 2024 compared to the preceding period.

This growth is higher than the overall merchandise exports of India which grew by 16 per cent for the said period. Interestingly, our agriculture imports from Australia jumped by nearly 50 per cent during the same period. This includes massive boosts in products like sheep meat, seafood, broad beans, citrus and almonds.

For India-UAE as well, there has been a notable increase in India's agricultural and overall exports during the first year after signing the FTA in 2022-23. Now, the question arises: is this increase in agricultural exports solely attributable to the reduction in tariffs, or does it also reflect a positive impact from the facilitation of non-tariff measures?

If the rise in agricultural exports is solely due to lower tariff rates resulting from the FTA, then this growth may not be sustainable and could diminish once the benefits are exhausted. However, if exports are supported by both the reduction of tariffs and the streamlining of non-tariff measures, along with enhanced technical capacity to produce quality products, then the growth trajectory could be sustainable.

The government needs to evaluate whether the streamlining of non-tariff measures is effectively happening on the ground to facilitate agricultural exports or if it remains merely a provision in the text of the FTAs.

Source: thehindubusinessline.com– Apr 11, 2024

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Majority of commodities exported to China record positive growth in 2023

As many as 90 principal commodities like iron ore, telecom instruments and electronic components exported to China have recorded a positive growth in 2023 out of the total 161 such goods shipped to the neighbouring country, according to commerce ministry data.

These 90 commodities account for 67.7 per cent of India's export basket to China, while 71 products that have registered a negative export growth in 2023 constitute 32.3 per cent, the data showed.

There are four commodities level where India has improved its export to China by more than USD 100 million in 2023. They are iron ore (216.8 per cent to USD 3.33 billion in 2023), cotton yarn (542.6 per cent to USD 611.17 million in 2023), spices (19.4 per cent to USD 132.26 million in 2023), and processed minerals (174.19 per cent to USD 129 million in 2023).

For another fifteen products, the improvement in exports is in the bracket of USD 10 -100 billion.

These goods include marine products, iron and steel, telecom instruments, vegetable oils, agrochemicals, paper, paper board, drug formulations, biologicals, AC, refrigeration machinery, paint, bulk minerals and ores, and processed vegetables.

India's exports of telecom instruments and electronic components to China rose by 46.45 per cent and 6.75 per cent to USD 247.54 million and USD 156.55 million, respectively, in 2023, the data showed.

"Indian goods have recorded strong exports to China in 2023 in spite of a significant decline in China's imports," an official said.

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

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India-Chile free-trade agreement talks may begin after Lok Sabha polls

India and Chile are expected to start discussions on a free trade agreement (FTA) to boost bilateral economic ties after the Lok Sabha election, said people aware of the matter. Currently, both countries have a limited trade agreement, also known as a preferential trade agreement (PTA), in place.

The discussions are expected to start after the polls, said one of the persons cited above. A trade deal with Chile will help India get greater access to the Latin American region. “Demand from India’s key export markets is saturated and that’s why there is a need to focus on new markets, such as Latin American as well as the African market,” the person told Business Standard.

“Under the existing limited trade deal with Chile, (over) 2,000 product lines are covered (to get duty concessions). We need to see how many more product lines can be covered under the FTA,” the person said. The limited trade deal between the two nations started in 2007 and India got tariff concessions on 296 product lines. Thereafter, the PTA was expanded in 2016, after which the duty was reduced on 1,798 products of Chilean lines.

Among the Latin American countries, Chile was the second largest export market for India during the financial year 2022-23 (FY23). India‘s bilateral trade with Chile stood at $2.6 billion, with exports at $1.16 billion and imports at $1.43 billion during FY23.

Indian exports to Chile comprise transport equipment, drugs and pharmaceuticals, yarn of polyester fibres, tyres and tubes, manufacture of metals, articles of apparel, organic, inorganic and agrochemicals, textiles, readymade garments, plastic goods, leather products, engineering goods, imitation jewellery, sports goods and handicrafts.

India imports items such as copper ore, iodine, copper anodes, copper cathodes, molybdenum ores and concentrates, lithium carbonates and oxide, metal scrap, inorganic chemicals, pulp and waste paper, fruits and nuts, barring cashews, fertilisers and machinery.

Source: business-standard.com– Apr 09, 2024

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FY25 outlook brightens for Indian textiles sector: Systematix

In a recent panel discussion organized by Crisil, titled 'Upstream textiles sector: Threads of promise', industry experts provided insights into the outlook for the cotton yarn and polyester yarn segments of the upstream textiles industry for the fiscal year 2025 (FY25). Crisil anticipates moderate revenue growth of 4-6 per cent year-on-year (YoY) for the cotton yarn segment, attributed to expected improvements in downstream demand, stable yarn prices, and enhanced availability of cotton.

Meanwhile, the polyester yarn segment is forecasted to achieve 2-4 per cent YoY growth, despite an export slowdown, thanks to the introduction of a quality control order (QCO) aimed at curbing the influx of cheap polyester yarn into India.

Profitability to witness improvement

Profitability in both segments is expected to see an uptick, with cotton yarn projected to reach 10-10.5 per cent and polyester yarn to achieve 6.5-7.5 per cent margins, respectively. This improvement is attributed to lower raw material prices, which are anticipated to bolster spreads in both sectors.

Moderate capex is expected in the cotton yarn industry for FY25, following a major halt in the previous fiscal year. Conversely, no significant capex plans are on the horizon for the polyester yarn industry as it focuses on ramping up existing capacities. Despite the moderate capex, the credit outlook remains stable across both segments.

The discussion also addressed key risks, including adverse movements between domestic and international cotton prices, volatility in crude oil and raw material prices affecting polyester yarn imports, and the potential increase in the dumping of cheap polyester fabric in Indian markets.

Outlook for cotton yarn industry

The panel highlighted expectations of a decline in cotton production in the upcoming Cotton Season (CS) 2024, which could impact acreage due to recent declines in cotton prices. Despite stable consumption projections, improved cotton-yarn spreads are anticipated, driven by benign raw material prices. Capacity utilization levels are also expected to improve, particularly in downstream industries such as knitwear and home textiles.

Outlook for polyester yarn industry

The polyester yarn industry dynamics were analyzed, with China's dominance in global trade highlighted. The implementation of the QCO, aimed at curbing the dumping of cheap polyester yarn, is expected to benefit Indian manufacturers. Despite challenges such as inventory buildup and the delayed implementation of QCOs, moderate revenue growth is expected in FY25, supported by government regulations and gradual improvements in volumes.

Operating margins for both segments are anticipated to recover gradually, with cotton yarn margins expected to rebound from decadal lows. Limited capex plans are foreseen for both industries, with the cotton yarn sector awaiting major export demand for a potential revival.

Export growth prospects are limited, particularly for polyester yarn, due to challenges such as continued dumping by China and currency devaluations in key export markets. Despite these challenges, credit profiles for both segments are expected to remain stable, backed by deleveraged balance sheets and improved cash accruals.

Working capital outlook

Crisil expects working capital to normalize in the near-medium term for the cotton yarn segment, supported by a regular supply of cotton and lower cotton prices. Conversely, no significant movements are anticipated in working capital requirements for the polyester yarn segment.

In conclusion, while challenges and risks persist, the Crisil panel remains cautiously optimistic about the outlook for the upstream textiles sector, foreseeing steady growth and stable credit profiles in FY25.

Source: fashionatingworld.com– Apr 10, 2024

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India's textile industry takes bold steps towards environmental sustainability

India's textile industry is at the forefront of a transformative movement towards environmental sustainability, as demonstrated by a recent gathering in Tirupur. Organized jointly by the Tirupur Exporters Association and Dyers Association of Tirupur, the event marked a pivotal moment in the industry's quest to address the widespread use of hazardous chemicals.

Supported by influential bodies including the Global Environment Facility (GEF), United Nations Industrial Development Organization (UNIDO), and Ministry of Textiles (MoT), this initiative signals a collective determination to usher in a greener era for textile manufacturing in India.

Central to the initiative is a comprehensive project led by UNIDO, GEF, and MoT, focusing on overhauling Tirupur's textile landscape. With a primary emphasis on environmental sustainability, the project encompasses a range of initiatives, from minimizing hazardous chemicals to implementing energy-saving measures.

The recent meeting, held on April 4, 2024, served as a dynamic platform for stakeholders to deliberate on various aspects of the project. Discussions revolved around innovative strategies such as circular business models, cleaner production methods, and sustainable practices aimed at reducing energy consumption, water usage, and pollution within the sector.

Notable figures in attendance included K M Subramanian, President of Tirupur Exporters Association, and Pankaj Kumar, National Project Coordinator of UNIDO. The project, currently in its preparatory phase, is scheduled to commence by the end of 2024 or early 2025, with a focus on supporting all identified clusters under the UNIDO-GEF initiative for MoT.

The collaborative efforts of stakeholders, backed by international organizations and governmental bodies, signify a significant stride towards a more sustainable future for India's textile industry. By prioritizing cleaner production methods and reducing hazardous chemicals, this initiative marks a transformative shift towards environmentally responsible manufacturing practices.

Source: fashionatingworld.com– Apr 10, 2024

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India is one of the best markets for Italian manufacturers: ACIMIT

At present, India is one of the best markets for Italian manufacturers, according to Marco Salvadè, president, ACIMIT (the Italian textile machinery association), which represents more than 80 per cent of Italian textile machinery production.

"In 2023, India represented the third largest foreign market for the Italian textile machinery industry. The country imported Italian textile machines for a total value of €154 million," Salvadè told Fibre2Fashion on the sidelines of an event in New Delhi yesterday.

As a way forward for a stronger Indo-Italian business cooperation, a workshop on Italian textile technologies with B2B meetings on "Latest Italian Technology of Entire Value Chain from Spinning, Knitting, Weaving, Nonwovens, Dyeing and Finishing" was held at At Hyatt Regency Hotel, New Delhi.

The workshop was organised by the Italian Trade Agency (ITA – the Trade Promotion Section of the Italian Embassy), in collaboration with ACIMIT, which is supporting a delegation visit of 11 well-known textile machinery manufacturers to India from April 9 to 12, 2024.

The next technology showcase event is scheduled in Mumbai on April 11, 2024, at Hyatt Centric Juhu Hotel. The event presents a chance to decision-makers and experts from the textile and nonwovens industry in India to inform themselves about the latest textile machinery solutions to make their textile business and products more sustainable and efficient, according to the ITA.

"The Indian economy is performing very well, so we expect that these technology workshops, organised by ACIMIT and ITA in the country can be an additional business opportunity," said Salvadè. "Also, thanks to these two events, placed in New Delhi and in Mumbai, I am confident that Indian textile operators will have a complete overview of the latest innovations carried out by the Italian manufacturers and shown during the last ITMA in Milan. Mainly in the area of sustainability, Italian companies propose technological solutions that can reduce energy consumption and pollution in the textile production processes. These are goals pursued by all textile companies that want to be competitive in the world scenario."

Speaking to Fibre2Fashion, Antonietta Baccanari, Trade Commissioner, Italian Trade Agency (ITA), said, "As we delve into discussions regarding the digitalisation of the Italian machinery sector and its potential collaboration with our Indian counterparts, it is worth noting that we are already beginning to integrate AI into our working strategies and production systems, marking a significant step forward in our approach to innovation.

"The enthusiasm displayed by India towards adopting new technological solutions, particularly AI, underscores the immense opportunities that lie ahead in this vibrant market. This initiative is specifically tailored for our ACIMIT members, providing them with a platform to showcase their innovative offerings. Reflecting on today's discussions, it becomes evident that fostering collaboration between India and Italy in the technological advancements is paramount."

Highlighting the significance of this collaboration, it is noteworthy that according to the trade data from the Ministry of Commerce, Government of India, Italy accounts for 7 per cent of the total textile machine imports by India, and machine imports from Italy have surged by over 228 per cent from 2020 to 2023, indicating a deepening commitment and partnership with Italian companies.

"The textile machinery sector holds a pivotal role in shaping India's economic landscape and influencing global trade dynamics. Therefore, our dedication to fostering closer collaboration between our two nations remains steadfast," added Baccanari.

Source: fibre2fashion.com– Apr 10, 2024

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