एक कदम स्वच्छता की ओर

TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com ID 9105079408

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

IBTEX No. 77 of 2024 May 16, 2024

Currency Watch			
USD	EUR	GBP	JPY
83.48	90.83	105.88	0.54

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	Merchandise exports grow by 1.08% at USD 34.99 Billion in April 2024 as compared to USD 34.62 Billion in April 2023
2	3rd Session of India-Zimbabwe Joint Trade Committee held in New Delhi
3	Exports up 1% to $35 billion in April; Trade deficit widens to 4-month high at $19.1 billion
4	Plan to put in place SOP for negotiations on trade pacts
5	India-UK FTA: Work in progress to resolve issues, says commerce ministry
6	Global cotton prices headed lower on hopes of higher US crop
7	Tiruppur garment manufacturers demand measures to control cotton prices

SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

US small business owners highlight pricing as top concern: Report

Pricing and price hikes (44 per cent) and cash flow forecasting (35 per cent) are the top concerns among US small business owners, according to the third edition of the Amex Trendex: Small Business report by American Express. This finding is consistent with previous Amex Trendex reports over the past year.

Additionally, nearly 7-in-10 (68 per cent) small business owners wish they had more time to focus on their product or service rather than managing their business finances. Despite these challenges, 95 per cent of surveyed owners are happy with their decision to start their own company.

The report underscores that small business owners are driven by their long-term ambitions. Six-in-ten respondents (60 per cent) expect their business to operate for more than five years. Longevity emerged as the primary long-term goal for 49 per cent of respondents, followed by becoming an established industry leader (32 per cent) and expanding their employee base (24 per cent).

Technology plays a crucial role for Millennial and Gen-Z small business owners, who rely heavily on it to run their businesses. One-third (33 per cent) of Millennials and Gen-Zers cited technology solutions as a key factor in navigating the past few years, compared to 18 per cent of Gen-Xers and Boomers, as per the report.

Source: fibre2fashion.com– May 16, 2024

HOME

****

Global supply chains now in Goldilocks Zone: GEP Consulting tracker

The GEP global supply chain volatility index, which tracks demand conditions, shortages, transportation costs, inventories and backlogs based on a monthly survey of 27,000 businesses, rose in April to minus 0.18 from minus 0.32 in March, indicating global supply chains are operating at close to full capacity.

GEP Consulting is a procurement and supply chain transformation company headquartered in Clark, New Jersey, US. Improving activity across global supply chains are a direct result of healthier demand, which has picked up consistently in the year-to-date after considerable weakness last year, S&P Global, which compiled the index, said in a release.

The Asian market is at the forefront of this trend, with input demand at the region's factories remaining strong. Major goods-producing nations like China, India and South Korea recorded growth. Procurement managers in South Korea, Vietnam, India and China reported greater purchasing activity during April.

The North American market is showing more evidence of tightening capacity, with backlogged work reported by manufacturers, particularly in Mexico. Demand for raw materials, commodities and components, while still subdued, also improved slightly.

Demand conditions were less robust in Europe, with the region's manufacturing sector continuing to underperform and lag other parts of the globe. Positively, however, the industrial recession across the continent has eased considerably since late last year.

Inventory drawdowns persisted into April, albeit cooling in strength compared to March. Reports from global businesses of stockpiles rising because of price or supply concerns were among the lowest seen in over four years.

After rising for the past three months, global reports of backlogged orders rising because of staff shortages fell in April this year and were broadly aligned with historically typical levels. Regional differences persisted, however, with North America seeing greater labour shortages than elsewhere.

Following recent increases in oil prices, global transportation costs rose for the first time this year in April.

The index remained broadly unchanged for North America at minus 0.30, versus minus 0.31 previously. Although indicative of spare capacity, the input demand trend ticked higher in April, while increased backlogs of work were also reported.

In Europe, the index fell to minus 0.55 from minus 0.62. April's increase suggests the continent's industrial downturn continued to ease.

The index decreased to minus 0.47 in the United Kingdom from minus 0.17 as UK manufacturers destock sharply instead of ordering from suppliers.

In Asia, the index rose to 0.07 from minus 0.07, signaling the first month of stretched supplier capacity since January.

"After four years of supply shocks, inflation, stockpiling, and uncertainty, global supply chains are now operating in a Goldilocks zone, a steady state of full capacity, not expanding or contracting too quickly, which is excellent news for global suppliers and business," explained Mike Seitz, vice president, GEP Consulting.

"In China, we're seeing a steady pick-up in manufacturing activity, which will encourage Chinese Premier Li Qiang to accelerate efforts to remove barriers imposed by European markets and foster more FDI, especially as the potential for tougher US tariffs and trade policies loom," he noted.

Source: fibre2fashion.com– May 16, 2024

HOME

****

Outlet malls sees resurgence in the age of inflation and value-conscious consumers

The world of luxury fashion has long held a complex relationship with outlet stores and malls. While some high-end brands like Louis Vuitton, Hermès, Chanel remain fiercely independent, others have embraced the outlet model with varying degrees of success. Coach and Ralph Lauren serve as cautionary tales, their over-reliance on outlet discounts tarnishing their brand image.

However, the tides are turning. The pandemic, coupled with growing inflation and supply chain disruptions, has forced a re-evaluation. Luxury brands, both established and emerging, are finding a renewed purpose for outlets within the luxury retail landscape.

Outlet sales surge, bright spot in luxury retail

Bain & Company data shows since 2021, luxury outlet sales have skyrocketed 35 per cent, reaching a staggering $50 billion. This meteoric rise makes it the fastest-growing segment within the $387 billion global personal luxury goods market.

While outlets still represent a smaller slice of the pie compared to dominant channels like monobrand stores and online sales (13 per cent vs. 56 per cent combined), their growth trajectory is undeniable. Notably, monobrand/online channels, though significant, grew at a slower pace (27).However, outlet malls have emerged as a solution, allowing budget-conscious consumers to access coveted brands at discounted prices.

Meanwhile, outlet mall traffic has grown steadily, rising 11 per cent year-on-year in March 2023 reveals Placer.ai. Notably, this outpaces the growth observed in traditional indoor malls (10 per cent) and open-air shopping centers (10 per cent). Interestingly, outlet malls attract a broader audience, including "Promising Families" - young couples with rising incomes - according to Placer.ai.

A Bank of America survey highlights Gen Z's (aged 18-26) growing budget consciousness due to inflation. This generation prioritizes value without compromising on quality, making outlet malls a compelling destination for acquiring coveted brands at discounted prices.

The driving force behind this resurgence lies in changing consumer behavior. Today's shoppers crave the thrill of a luxury purchase, but with a healthy dose of financial prudence. Inflation has pushed prices upwards by 15 per cent since 2021, prompting a strategic shift. The Wall Street Journal even suggests luxury goods have witnessed price hikes far exceeding average inflation rates.

While outlet malls traditionally attracted lower-income shoppers compared to traditional malls, Placer.ai identifies a new demographic driving the trend: ‘Promising Families’. These young couples, on the cusp of higher earning potential, are strategically utilizing outlets to access quality brands at a discount.

Adapting to the evolving retail landscape

"Coming out of Covid, the customer shops completely different than they did before," observes Stephen Yalof, CEO of Tanger Outlets, a leading player in the premium outlet mall space. Yalof recognizes the need for a holistic shopping experience. He acknowledges the drawbacks of traditional outlet locations and the importance of catering to the entire family.

Tanger's solution, Introducing experiential amenities typically found in open-air shopping centers, like restaurants and cafes. Their newly opened Nashville outlet in the US boasts of a Shake Shack, a brewery, and a coffee shop, alongside the usual shopping options. This strategy goes beyond mere discounts, creating a destination experience that attracts a wider audience.

The jury is still out on whether this is a permanent trend. However, data suggests a clear opportunity for luxury brands to reach new customers and boost sales through strategic outlet partnerships. As the retail landscape continues to evolve, outlet malls could become a more prominent fixture in the luxury fashion ecosystem, offering a unique blend of affordability and brand aspiration.

Source: fashionatingworld.com– May 15, 2024

HOME

****

UK employment rate estimated 74.5% in Q1 2024, unemployment rate 4.3%

The number of payrolled employees in the United Kingdom fell by 5,000 between February and March this year, but rose by 288,000 between March 2023 and March 2024, according to the Office of National Statistics (ONS).

The early provisional estimate of payrolled employees for April this year decreased by 85,000 (0.3 per cent) month on month (MoM), but increased by 129,000 (0.4 per cent) year on year (YoY) to 30.2 million.

The UK employment rate (for people aged 16 to 64) was estimated at 74.5 per cent in Q1 2024—below estimates of a year ago, and decreased in the latest quarter.

The country's unemployment rate was estimated at 4.3 per cent in the quarter—above estimates of a year ago, and increased in the latest quarter.

The economic inactivity rate for people aged 16-64 was estimated at 22.1 per cent in the quarter—above estimates of a year ago, and increased in the latest quarter, an ONS release said.

Between February and April this year, the estimated number of vacancies in the country decreased by 26,000 quarter on quarter (QoQ) to 898,000. Vacancies decreased QoQ for the 22nd consecutive period, but are still above pre- COVID-19 pandemic levels.

Annual growth in employees' average regular earnings (excluding bonuses) in Great Britain was 6 per cent in the quarter, and annual growth in total earnings (including bonuses) was 5.7 per cent.

An estimated 22,000 working days were lost due to labour disputes across the country in March this year.

Source: fibre2fashion.com– May 15, 2024

HOME

****

China, India & Dubai poised for luxury retail growth: Savills

In 2023, luxury store openings worldwide experienced a slowdown, dropping by 13 percent says a report by Savills, a global estate agency. However, prospects for 2025 appear promising as more properties become available and consumer spending rebounds. The report advises luxury brands to explore beyond traditional locations like capital cities and leisure destinations, suggesting opportunities in affluent regions like China, India, and Dubai.

Anthony Selwyn, Co-head of Global Retail at Savills, emphasized the potential for growth, urging brands to seize opportunities in an expanding luxury landscape. Despite the overall decline, certain regions saw increased activity. The Asia-Pacific region witnessed a notable 31 percent rise in luxury store openings, with China dominating despite a slowdown in activity.

North America also experienced growth, particularly in cities like New York and Los Angeles. However, Europe lagged behind with a 17 percent decline, attributed to limited availability in prime luxury locations following an 83 percent surge in openings in 2022. Marie Hickey, director of Commercial Research at Savills, attributed the slowdown to the normalization of markets following the pandemic-induced surge in store expansions, especially in China.

Despite short-term challenges, Hickey noted an enduring appetite for luxury brands to optimize their real estate portfolios, especially in emerging markets like Asia and the Middle East. The report identified cities such as Shenzhen, Hangzhou, and Wuhan in China, along with Mumbai, Delhi, Jakarta, Bangkok, and Dubai, as underserved markets ripe for luxury store openings due to their size, growing affluence, and relative lack of luxury brand presence.

Overall, the report underscores the resilience of the luxury retail sector and the importance for brands to strategically expand into emerging markets to capitalize on future growth opportunities.

Source: fashionatingworld.com– May 15, 2024

HOME

****

Global athleisure market to grow to $3.2 billion by 2032

Currently worth $2 billion, the global athleisure market is projected to reach $3.2 billion by 2032 growing at a CAGR of 5.2 per cent from 2023-32. According to a new report by the Allied Market Research, with the largest market share, the female segment dominated the global athleisure market in 2023.

The US Census Bureau predicts, millennials will soon outnumber baby boomers in the global athleisure market. This trend is also evident in the Asia-Pacific region, where millennials constitute a larger proportion of the population, particularly in countries like China, India, and Australia. This demographic is highly active and health-conscious, significantly influencing product and service developments across various global sectors. Millennials are known for trying new products to meet their needs and are the primary consumers in the global athleisure market due to their active lifestyles.

The high cost and popularity of authentic athleisure brands have led to the emergence of knockoff businesses. Counterfeit brands are prevalent in price-sensitive markets, particularly in poorer countries, limiting the sales of genuine athleisure brands. These counterfeit goods are typically of low quality, leading to customer dissatisfaction and safety concerns. Online distribution channels often conceal the sale of counterfeit products, posing a challenge to the expansion of the athleisure market.

Innovative marketing strategies are driving global market penetration for athleisure products, with rising demand. Key tactics include advertising campaigns, sponsoring sporting events, and athlete endorsements. Social media, with its extensive user base, is shifting athleisure marketing away from traditional methods like television toward online advertising, boosting sales through social media promotions.

In 2022, the female segment dominated the market, while the male segment is expected to grow with the highest CAGR during the forecast period. Products such as bomber jackets, casual trousers, crew-neck sweaters, and polo shirts are gaining traction among men. The sneakers segment held the highest market share in 2022, while hoodies are expected to see the highest growth, driven by a wide variety of options available. Offline channels were the most popular purchase mode in 2022, but online sales are expected to grow significantly due to ease of purchase and product variety.

In 2022, North America accounted for the largest market share by revenue, and Asia-Pacific is expected to experience the fastest growth from 2022 to 2031, driven by increasing adoption of various athleisure products.

Offline channels accounted for the highest share of the market in 2022 with North America holding a significant market share and expected to grow at a CAGR of 6.2 per cent during the forecast period.

Key players in the athleisure market include Adidas AG, ASICS Corporation, Columbia Sportswear Company, PVH Corp., Puma SE, VF Corporation, The Gap, Inc., Nike, Inc., Under Armour, Inc., and Lululemon Athletica Inc.

Source: fashionatingworld.com– May 15, 2024

HOME

****

ICE cotton prices fall amid strong crop forecasts, speculative trading

ICE cotton experienced a steep decline following indications of a strong crop in the US and Brazil. Speculative trading in response to the WASDE report and US sanctions on Chinese products also contributed to the heavy sell-off. US cotton dropped by up to 300 points in the previous trading session.

According to trade analysts, the US cotton July contract settled 300 points higher at 74.63 cents per pound (0.453 kg). The December contract settled at 74.18 cents, down 148 points on Tuesday.

Yesterday, external factors had less impact on the market. The dollar index eased and settled below 105. Crude oil put pressure on cotton as it declined by more than 1.5 per cent.

However, a good cotton crop in the US and Brazil was the key reason for the decline. Weather conditions are favourable in US growing areas, with only 8 per cent of the crop under drought conditions. The Brazilian national agency CONAB released a cotton production report showing higher output than last year. Brazil is emerging as a major world cotton supplier, thus affecting US' cotton markets.

Yesterday, speculators added more pressure by building their positions. The trading volume was 52,995 contracts, with 33,236 contracts cleared the previous day. Open interest has been consistently increasing for six consecutive sessions. It started at 221,251 contracts, up 3,609 contracts from the previous day, and has added 13,075 contracts over six sessions. Yesterday, certified stocks began at 165,265 bales, down 1,046 bales due to decerts. This is still a huge quantity, pressurising the buyers.

On Tuesday, ICE cotton for July 2024 was traded 0.76 cents lower at 73.87 cents per pound. Cash cotton was traded at 70.38 cents (down 3.00 cents), the October (new crop) contract at 75.58 cents (down 1.48 cents), the December 2024 contract at 73.84 cents (down 0.34 cents), the March 2025 contract at 75.36 cents per pound (down 0.34 cents), and the May 2025 contract at 76.59 cents (down 0.34 cents).

Source: fibre2fashion.com– May 15, 2024

HOME

****

Mexico imposes temporary tariffs on textiles, apparel, and footwear

In a move aimed at bolstering domestic industries, the Mexican President signed a decree on April 22, 2024, establishing temporary import tariffs on textiles, apparel, and footwear.

These tariffs, ranging from 5per cent to 35per cent, are intended to level the playing field for Mexican manufacturers facing competition from cheaper imports. This decision comes after the Mexican government expressed concerns about unfair competition faced by domestic manufacturers in these sectors.

The decree applies to a total of 544 tariff item. The specific tariff rates vary depending on the product category. For textiles, apparel and footwear 35per cent tariff have been imposed. Other products (including wood, plastics, steel, aluminum) it varies between 5per cent and 50per cent.

The temporary tariffs will be in effect for two years, expiring on April 22, 2026. This timeframe aims to provide domestic producers with a window of opportunity to strengthen their competitive edge. The new tariffs are essential to create a level playing field for our textile, apparel, and footwear industries, say industry experts.

Impact on consumers and trade relations

The increased tariffs are likely to lead to higher prices for consumers who purchase imported textiles, apparel, and footwear. Additionally, this move could strain trade relations with countries that export these goods to Mexico, particularly those without existing free trade agreements.

The decree also offers some exemptions. Goods imported from countries with free trade agreements with Mexico, such as the US and Canada, will not be subject to the new tariffs provided they meet the agreements' stipulations.

Proponents of the tariffs believe they will stimulate domestic production, create jobs, and foster the growth of the targeted industries. However, critics argue that the tariffs could ultimately harm consumers and lead to higher inflation.

Table: Tariff rates

Industry	Tariff rate	Valid until
Textiles	35%	April 22, 2026
Apparel	35%	April 22, 2026
Footwear	35%	April 22, 2026

Mexican textile, apparel, and footwear manufacturers have welcomed the move. “This is a positive step towards protecting Mexican jobs and revitalizing our domestic industries,” says Gabriela Martinez, President of the Mexican Textile and Apparel Association.

“The temporary tariffs will provide us with the breathing room we need to invest in innovation and improve our competitiveness.” However, concerns have been raised by importers and foreign businesses. They argue that the tariffs will ultimately lead to higher prices for consumers and potentially disrupt established supply chains.

“These tariffs will create uncertainty and make it more difficult for businesses to plan,” said David Hernandez, a spokesperson for the National Chamber of Importers. “The increased costs will likely be passed on to consumers, putting a strain on household budgets.”

The Mexican government maintains that the tariffs are a necessary measure to protect strategic domestic industries and create a fairer trade environment. The two-year timeframe is intended to provide a temporary boost while allowing domestic producers to invest in long-term competitiveness. The ultimate impact of the tariffs on the Mexican economy and its trading partners remains to be seen.

Source: fashionatingworld.com– May 15, 2024

HOME

****

Turkiye introduces new measures to tackle inflation: Finance minister

Turkiye is introducing several initiatives to regulate public spending in a more effective manner to tackle persistent inflation, treasury and finance minister Mehmet Simsek recently said.

The measures will raise efficiency in the public sector, offer savings, implement a strong monitoring, auditing, reporting and sanction model, and cover the entire public, he said. Public savings, spending discipline in the budget and efficiency in public investments are the three main axes of spending measures, he asserted.

Reducing high cost of living and inflation to single digits are priorities, Simsek told a press conference, stressing that price stability is the most important component of prosperity and sustainable high growth.

Latest TurkStat data show the country's annual inflation rate rose to 69.8 per cent in April from 68.5 per cent in March.

The government's medium-term economic programme released last September projected the year-end inflation rate to come in at 33 per cent this year, 15.2 per cent in 2025 and 8.5 per cent in 2026.

"With fiscal discipline, we will allocate more resources to natural disasters, green and digital transformation. We will ensure that our country borrows at more reasonable costs by reducing the country risk premium, and we will improve intergenerational justice by borrowing less," he was quoted as saying by domestic media outlets.

"We will focus on eight priority areas in public spending such as vehicles, buildings, public employment, efficiency in administrative structuring, overseas temporary assignment expenses, energy and waste management, communication expenses, and other current expenses," he said.

The government will cut 10 per cent in goods and services purchase appropriations and 15 per cent in investment appropriations in the budget, excluding earthquakes and compulsory expenditures, he added.

Source: fibre2fashion.com– May 15, 2024

HOME

****

Shein Says Its Getting Better, But Where's the Data?

"I work every day from 8 in the morning to 10.30 at night and take one day off each month. I can't afford any more days off because it costs too much." Those are the translated words of a veteran sewing machine operator who has been stitching turn-up seams for Shein products on a piece-rate, that is, item-by-item, basis.

Toiling at a production facility west of a hub in Nancun, Guangzhou, known colloquially as "Shein village," the man is one of 13 textile workers that Swiss watchdog group Public Eye interviewed last summer, two years after it found widespread evidence of excessive overtime, poverty wages and unsafe conditions at the e-tail Goliath's Chinese suppliers, often in violation of local labor strictures.

In the time since, there are few signs that anything has changed, said David Hachfeld, Public Eye's textiles expert. Certainly, his organization's report appeared to barely move the needle, since Shein failed to follow up after it said it would investigate the allegations, Hachfeld said.

An October 2022 exposé by Britain's Channel 4 claiming that workers in China were making Shein products for pennies per garment, however, was more promising. While the Singapore-headquartered company said that an independent review conducted by Intertek and TÜV Rheinland "refuted" most of the accusations, they did reveal an issue with excessive overtime, albeit less acute than the 18-hour days suggested by the documentary.

That December, Shein announced that it would be shelling out $15 million, then later $70 million, over the next few years in factory improvements, including a multichannel feedback system for workers to submit complaints and suggestions via email, phone or WeChat.

TikTok's "hauliest" brand also said that it would be doubling the $2 million it currently invests in its Shein Responsible Sourcing program—a decision wholly unrelated to Channel 4's viral program, it said—and ramping up the frequency of independent factory audits, including unannounced spot-checks, and training sessions about its code of conduct.

Piqued by Shein's insistence that "wages are so good," as Hachfeld described it, Public Eye decided to revisit its 2021 investigation. Shein doesn't publish a supplier list, which means that the nonprofit was only able to identify six Guangzhou-area factories as exclusive or semi-exclusive Shein contractors based on the workers' responses and products that were visible on the production floors. And though the factories were different, workers still reported an average 12-hour workday, minus lunch and dinner breaks, that repeated six or seven times a week. In other words, the 75-hour workweeks that the original investigation uncovered are not only "still the norm," he said, but they also continue to flout Shein's stipulation that employees must work less than 60 hours a week, including overtime, with at least one day off every seven days.

In the factories that Public Eye visited, investigators encountered workers with lit cigarettes in stairwells and the entrances of fabric warehouses. Most of the products and fabrics were found stacked on the floor, increasing fire risk.

Wages hardly budged either, Public Eye found. Interviewees gave similar numbers to those in the 2021 report, or somewhere between 6,000 and 10,000 yuan ($829 and $1,382) per month, depending on the number of pieces produced and the level of seasonal demand.

A wage of 6,000 yuan might seem generous, Hachfeld said, but once broken down to a "normal" 40 hours and divested of overtime pay, the basic wage amounts to only 2,400 yuan ($332), slightly better than Guangzhou's 2,300 yuan ($318) minimum wage but just one-third of the 6,512 yuan ($900) that the Asia Floor Wage Alliance estimates would cover a family's basic needs.

Workers can also be punished if their sewing quality doesn't meet "seemingly rigid quality controls," which the report said was surprising for a low-cost brand not particularly known for unrelentingly high standards. One 50-year-old supervisor said that "whoever makes the mistake is responsible for putting it right…in your own working time."

Another worker said that quality controllers could be fined between 300 and 1,000 yuan ($41 and $138) if the batches they oversaw were deemed sub-par. For a workforce that is paid by the number of items produced, this practice is likely to generate even more pressure on employees, Public Eye said.

Hachfeld said that his organization tried to find factories that were covered under Shein's overhaul, but it didn't have any luck and the Forever 21 stakeholder wasn't forthcoming with names. Neither was it able to view any of the audit reports that concluded that Shein suppliers in southern China offered above-average salaries. Any "online summaries" that are on the company's website appear to cherry-pick data, he said, for instance trumping up the highest wage but not mentioning the lowest or even the average, which would provide a clearer picture of any potential rights violations. There's also a tendency for information to appear and disappear on Shein's corporate homepage, Hachfeld said, though the firm says that this is inadvertent due to revisions of its website.

Shein cast doubts on Public Eye's findings, suggesting that a sample of 13 workers is too small to judge the "comprehensive ongoing" work it does with "thousands of suppliers and workers within the supply chain." The Temu rival said that it's investing tens of millions of dollars in bolstering governance and compliance in its operations, as well as "empowering" suppliers to build more successful and responsible businesses—efforts that are "already delivering results," according to its regular supplier audits.

"While we do not recognize many of the allegations in this report, the discussion on working hours and wages raised by Public Eye is important to us, and we have made significant progress on enhancing conditions across our ecosystem," a spokesperson said. "This includes improvements in ensuring that workers are compensated fairly for what they do."

Even so, Hachfeld wants to see more encompassing proof, not just individual data points that look good from a PR perspective. Public Eye also has questions about Shein's opaque governance. Roadget Business in Singapore, taking over from Zoetop Business Company in Hong Kong, now seems to serve as its global headquarters. It, in turn, is owned by Beauty of Fashion Investment, which is based in the British Virgin Islands.

While Sky Xu, Shein's enigmatic founder and CEO, holds a 37 percent stake in Roadget Business, according to Shein's U.S. lobbying disclosure, who runs Beauty of Fashion Investment is unknown, and Shein did not provide any clarity in its response about the report. Adding another layer of mystery is the fact that Xu, who moved to Singapore from China, stepped down from Roadget's board of directors last March, per documentation from the Singapore Commercial Register.

Other subsidiaries also keep “popping up” all the time, such as Fashion Choice, which was founded in October 2021 and also manages sales in Switzerland.

This, plus an annual report for its 2022 financials that’s more than six months overdue, leaves room for a “lot of question marks,” though that hasn’t deterred venture capitalists who continue to pump billions into the company, Hachfeld said. Citibank, Barclays, and BNP Paribas have also recently granted Roadget loans for an “undisclosed amount,” according to Public Eye. The lack of transparency will have to change if Shein achieves its sought-after IPO, most likely in London as backlash from China hawks on Capitol Hill grows.

The bottom line? “So far we have no evidence that Shein is using their power to really do better in the supply chain,” Hachfeld said. But neither is it getting worse, he said, adding that “our evidence is more it seems like business as usual.” As large of a target as the ultra-fast-fashion purveyor is, it’s also not unique as an operator in China. Shein told Public Eye that overtime is an issue nationwide “which is not an excuse for not taking responsibility for it,” Hachfeld said. “But it’s still true.”

One thing that’s clear from his vantage point is that intensifying scrutiny from legislators in the United States and, more recently, France, is “incentivizing” Shein to pull more lobbyists into its corner. It hired its sixth firm—Ballard Partners—this week, according to Politico. The Romwe parent is also a member of the American Apparel & Footwear Association, though not the National Retail Federation, which has rejected its application several times, per a CNBC report on Monday. (Both the NRF and Shein declined to comment on the latter revelation.)

“If you look into the lobby disclosure reports and so on, you see that they have hired new staff doing lobby work for Shein, which indicates that they know they have to do something about it,” Hachfeld said, “it” referring to the company’s social and environmental impact.

But if Shein is making improvements as a riposte to its critics, it’s hard to say because “transparency would be required,” Hacheld said. The company is also built on driving overconsumption and overproduction, which he doesn’t see changing “any time soon.”

"They say they invest in new printing techniques that are water-saving. They say that they are investing in new materials which are more sustainable. And they have this factory improvement program which they say is having good results," he said.

"But they never present anything that would give us a chance to really make an assessment of how it really is. And if you are just making claims without being transparent, the risk that it's greenwashing is quite high."

Source: sourcingjournal.com– May 15, 2024

HOME

****

Bangladesh: Govt sets $110 billion export earnings for FY27

The cabinet committee on economic affairs approved the draft Export Policy prepared for 2023-24 to FY27 today.

"It will now be placed at the cabinet for approval," said Mahmudul Hossain Khan, secretary for coordination and reforms at the Cabinet division.

Bangladesh's export earnings stood at $55 billion in 2022-23.

Khan said that the draft policy highlighted the challenges that Bangladesh is expected to face once it graduates from the group of least-developed countries in 2026.

The policy focuses on alternatives to cash incentives to encourage exporters since the country will not be able to offer direct financial support once it becomes a developing country.

The government's export target for FY24 stands at $62 billion. Exporters shipped goods worth $47.47 billion in July-April of the fiscal year.

Source: thedailystar.net– May 15, 2024

HOME

****

NATIONAL NEWS

Merchandise exports grow by 1.08% at USD 34.99 Billion in April 2024 as compared to USD 34.62 Billion in April 2023

India's total exports (Merchandise and Services combined) in April 2024* is estimated to be USD 64.56 Billion, exhibiting a positive growth of 6.88 per cent over April 2023. Total imports (Merchandise and Services combined) in April 2024* is estimated to be USD 71.07 Billion, exhibiting a positive growth of 12.78 per cent over April 2023.

In merchandise exports, 13 of the 30 key sectors exhibited positive growth in April 2024 as compared to same period last year (April 2023). These include Electronic Goods (25.8%), Tea (25.74%), Organic & Inorganic Chemicals (16.75%), Coffee (15.87%), Tobacco (13.22%), Spices (12.27%), Drugs & Pharmaceuticals (7.36%), Cotton Yarn/Fabs./Made-Ups, Handloom Products etc. (6.65%), Carpet (5.64%), Cereal Preparations & Miscellaneous Processed Items (5.33%), Petroleum Products (3.1%), Plastic & Linoleum (2.99%) and Handicrafts Excl. Hand Made Carpet (2.36%).

In merchandise imports, 14 out of 30 key sectors exhibited negative growth in April 2024. These include Sulphur & Unroasted Iron Pyrites (-71.75%), Pearls, Precious & Semi-Precious Stones (-21.12%), Cotton Raw & Waste (-16.31%), Wood & Wood Products (-14.11%), Coal, Coke & Briquettes, etc. (-11.71%), Artificial Resins, Plastic Materials, etc. (-10.26%), Fertilisers, Crude & Manufactured (-8.3%), Iron & Steel (-8.28%), Chemical Material & Products (-7.69%), Organic & Inorganic Chemicals (-5.19%), Machinery, Electrical & Non-Electrical (-3.54%), Dyeing/Tanning/Colouring Materials (-2.63%), Pulp and Waste Paper (-2.2%) and Transport Equipment (-0.22%).

Services exports is projected to grow by 14.68 percent during April 2024 over April 2023.

Click here for more details

Source: pib.gov.in– May 15, 2024

HOME

****

3rd Session of India-Zimbabwe Joint Trade Committee held in New Delhi

Third Session of India-Zimbabwe Joint Trade Committee (JTC) was held in New Delhi from 13.05.2024 to 14.05.2024 under the co-chairpersonship of Economic Adviser, Department of Commerce, Ministry of Commerce and Industry, Government of India, Ms. Priya P. Nair and Chief Director, Economic Cooperation, International Trade and Diaspora, Ministry of Foreign Affairs and International Trade, Government of the Republic of Zimbabwe, Ms. Rudo. M. Faranisi. Charge d'Affaires, Embassy of Zimbabwe, Mr. Peter Hobwani along with over 15 delegates from relevant Ministries accompanied the Zimbabwean delegation. The discussions were held in a cordial and friendly atmosphere. There was enthusiastic response towards greater cooperation, addressing pending issues, boosting trade and investment and greater people to people contacts.

Both sides reviewed the bilateral trade and noted the vast potential that exists between the two countries. Both sides agreed to make concerted efforts towards enhancing bilateral trade. Both sides agreed to explore signing of Memorandum of Understanding (MoUs) for regulatory cooperation in Digital transformation solutions, Tele-medicines, Rough diamonds, fast payments system and traditional medicine among others.

Both sides identified several areas of focus for enhancing bilateral cooperation in pharmaceuticals, Geospatial Sector, healthcare, machinery and mechanical appliances, vehicles, electrical machinery, mineral fuels, mineral oils and products of distillation, plastics and articles, iron and steel, agriculture and food processing, engineering sector, renewable energy, digital economy, textiles, capacity building etc.

Both sides also agreed on closer collaboration between the Investment Promotion Agencies and Chambers of Commerce of both sides. The deliberations of the 3rd Session of India-Zimbabwe JTC were cordial and forward-looking, indicative of the amicable and special relations between the two countries.

Source: pib.gov.in – May 15, 2024

HOME

****

Exports up 1% to $35 billion in April; Trade deficit widens to 4-month high at $19.1 billion

India's merchandise exports rose by 1 per cent to USD 34.99 billion in April even as the trade deficit widened to a four-month high of USD 19.1 billion during the month, according to government data. Healthy growth in sectors such as electronics, chemicals, petroleum products and pharmaceuticals has helped in registering positive growth in exports despite global economic uncertainties.

Imports also increased by 10.25 per cent to $54.09 billion in the month under review from USD 49.06 billion in April 2023 due to a significant jump in gold imports. The imports of precious metals more than doubled to $3.11 billion in April this year. Crude oil imports rose by 20.22 per cent to $16.5 billion.

Trade deficit, or the gap between imports and exports, in April 2023 stood at $14.44 billion. The previous high in the deficit was recorded in December 2023 at $19.8 billion. In March 2024, the outbound shipments dipped to $41.68 billion from $41.96 billion a year ago.

Briefing media on the data, Commerce Secretary Sunil Barthwal said the figures show that the new fiscal year started on a good note and hoped that it would continue. He informed that the data for the country's total exports in goods and services for 2023-24 has been revised to $778.21 billion, which is the "highest" so far. Merchandise exports in the last fiscal was aggregated at $437.1 billion, while services exports stood at $341.1 billion.

In merchandise exports, 13 of the 30 key sectors exhibited positive growth in April as compared to same period last year. These include coffee, tobacco, spices, plastic and handicrafts.

According to the commerce ministry data, released on Wednesday, the estimated value of services exports for April is $29.57 billion compared to $25.78 billion in April 2023. Imports of services are estimated to be increased to $16.97 billion during the month as compared to $13.96 billion in April 2023.

Source: thehindubusinessline.com– May 15, 2024

HOME

****

Plan to put in place SOP for negotiations on trade pacts

New Delhi: India plans to put in place a standard operating procedure (SOP) for negotiating its free trade agreements and address new disciplines such as labour, environment, gender and indigenous peoples.

The commerce and industry ministry will meet former negotiators and experts over a two-day Chintan Shivir to discuss India's strategy and SOPs on its FTAs and address measures such as the Carbon Border Adjustment Mechanism, critical minerals and Artificial Intelligence in trade negotiations.

"We are doing many FTAs and need SOPs on how to go about them. Technical issues such as capacity building, how to approach different countries and how to do an economic analysis would be discussed," said an official.

To be held on May 16-17, the discussions will focus on India's FTA strategy, and economic assessment and modelling. "It is important to know about the utilisation of the various FTAs," said another official. Government think-tanks will also participate in the consultations. India's goods and services exports in FY24 were at an all-time high of $778.2 billion, up 0.23% from $776.4 billion in 2022-23.

The country has inked trade pacts with Mauritius, the UAE, Australia and European Free Trade Association since 2021.

The discussions scheduled this week assume significance as India is negotiating trade pacts with the UK, the EU, Peru, and a comprehensive trade deal with Australia. It is also in talks with the Eurasian Economic Union for a trade agreement.

Earlier this week, external affairs minister S Jaishankar said that the FTA with the EU is a difficult one because there are a lot of non-trade issues involved in it.

Source: economictimes.com– May 16, 2024

HOME

****

India-UK FTA: Work in progress to resolve issues, says commerce ministry

Senior officials of India and the UK held negotiations last month on the outstanding issues of the proposed free trade agreement (FTA) and the work is in progress to iron out the differences.

According to the commerce ministry, the Indian team visited London from April 16-19 for negotiations.

"The teams have made good progress and work is in progress in resolving pending issues. Chapter-wise textual negotiations are nearly closed and schedules on goods and services are at an advanced stage of negotiations," the ministry said.

The ministry, however, did not disclose further details.

So far, 13 rounds of talks have been completed. The 14th round started in January.

There are 26 chapters in the agreement, including goods, services, investments, and intellectual property rights.

The Indian industry is demanding greater access for its skilled professionals from sectors like IT and healthcare in the UK market, besides market access for several goods at nil customs duty.

On the other hand, the UK is seeking a significant cut in import duties on goods such as scotch whiskey, electric vehicles, lamb meat, chocolates, and certain confectionary items.

Britain is also looking for more opportunities for UK services in Indian markets in segments like telecommunications, legal and financial services (banking and insurance).

The bilateral trade between India and the UK increased to $20.36 billion in 2022-23 from $17.5 billion in 2021-22. On the India-European Union (EU) trade pact, the ministry said the eighth round of talks is scheduled from June 24-28 in Brussels.

On May 7, the stocktaking meeting on the agreement between the Indian commerce secretary and EU director general was held.

The last round of talks were completed in February.

Further, the chief negotiators of India and South American nation Peru are likely to hold the next rounds of talks for a proposed FTA in July.

Seven rounds of talks have been completed so far.

Source: business-standard.com– May 15, 2024

HOME

****

Global cotton prices headed lower on hopes of higher US crop

Global cotton prices are headed lower on expectations that the crop in the US in the 2024-25 season beginning August 1 will likely be higher along with Brazil and Turkey, traders and analysts have said.

"A bearish sentiment in the (global cotton) market has largely been driven by improved expectations for output in 2024-25, particularly in the US," said research agency BMI, a unit of Fitch Solutions.

According to the US Department of Agriculture (USDA), cotton production in the US is projected to increase to 16 million bales (20.49 million bales of 170 kg) in 2024-25 season. It has pegged global production next season at 119.05 million US bales (of 217.72 kg each) against 113.57 million bales estimated for the current season.

Higher ending stocks

The USDA expects larger crops in the US, Brazil and Turkey to offset lower crops in China and India. Ending stocks are estimated higher at 80.48 million US bales this season against 80.42 million bales last season. Next season, it is projected to drop to 83.01 million bales as demand is seen rising.

An international trading source said cotton prices have been driven lower since February on the prospects of a huge US crop. In India, this will result in cotton prices ruling stable below ₹60,000 a candy (356 kg), trade sources said.

"Prices are ruling stable in the ₹57,500-59,000/candy range. The decline in prices on the InterContinental Exchange, New York, had helped this trend here," said Ramanuj Das Boob, a Raichur-based sourcing agent for domestic mills and multinationals and vice-president of All India Cotton Brokers Association.

Price forecast lowered

On ICE, cotton prices had surged to near 101.8 cents a pound (₹69,000/candy) on February 28. Currently, July cotton contracts on ICE are quoting at 75.55 cents (₹51,175).

At Rajkot, prices of Shankar-6, a benchmark for exports, are quoted at ₹57,100 a candy. At the Rajkot agricultural produce market committee yard, the modal price or the rate at which most trades took place for kapas or unprocessed cotton ruled at ₹7,600 a quintal against the minimum support price of ₹6,620. On MCX, July cotton futures were quoted at ₹57,460 a candy.

BMI said it was revising its 2024 average price forecast for second-month ICE-listed cotton futures from 88 cents to 82 cents a pound.

“In the main, cotton prices have come under significant pressure as a result of rising stocks. ICE-certified cotton stocks have risen from 67,576 bales on April 1 to 176,977 bales on April 24, their highest level since February 2017,” the research agency said.

Other bearish signals

Beyond this, the Commitments of Traders report reflects bearish sentiment in the market, showing that the net long position in cotton futures and options dropped to 36,142 contracts on April 16, 2024, down by 24,890 contracts from the 62,032 held on April 9.

“This was the smallest net long position in 11 weeks while the number of standalone short positions were the highest in 12 weeks,” BMI said.

However, Anand Popat, a Rajkot-based trader in cotton, yarn and cotton waste, said there was too much speculation on ICE with strong attempts being made to beat down the prices. “The attempts include increasing certified stocks,” he said.

CCI strategy

One of the reasons for Indian prices to stabilise is that the Cotton Corporation of India (CCI), which procured over 30 lakh bales to ensure prices did not go below the MSP, decided to sell only to spinning mills and not traders.

“This has helped to keep prices on leash here. On their part, multinational trading houses which purchased around 20 lakh bales have offloaded some 15 lakh bales,” Popat said.

Das Boob said domestic prices will likely be stable since arrivals continue to be good even in May, when they are down to a trickle.

Popat said arrivals are currently between 30,000-40,000 bales. “Farmers are still holding stocks,” he said, adding that next season, the Brazil crop could be under threat due to La Nina.

BMI said renewed strength of the dollar has also put pressure on cotton prices and the performance of the global economy will be a significant determinant of demand going forward.

However, some reports said there were signs of demand recovery with USDA weekly export sales rising from the last four-week average to 253,700 US bales.

BMI said Chinese customs data for the first three months of the year shows that increasing imports continue, well above the 2018-22 average and above 2023 values.

Source: thehindubusinessline.com– May 15, 2024

HOME

****

Tiruppur garment manufacturers demand measures to control cotton prices

The South India Hosiery Manufacturers Association in Tiruppur, representing domestic garment manufacturers, has urged the Ministry of Textiles to take necessary measures to keep cotton prices stable.

The Association's president, A.C. Eswaran, in a press release, said that the Cotton Corporation of India (CCI), which is opening godowns in Tamil Nadu to sell cotton, should keep the prices stable and should not change the cotton prices based on global trends.

This is to ensure that downstream textile units such as the spinners and weavers are not affected by fluctuating cotton prices. The garment manufacturers can benefit from competitive cotton prices only if the entire supply chain gets cotton at low prices.

Further, the CCI has decided to sell cotton only to end consumers directly, and not to traders. The government should monitor the purchase of cotton by traders from ginners. Cotton stocks with traders should be permitted for exports only after meeting the domestic requirements, he said.

Source: thehindu.com– May 15, 2024

HOME

****