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USD	EUR	GBP	JPY
83.44	90.86	106.69	0.54

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INTERNATIONAL NEWS

Global manufacturing PMI reaches 22-month high in May 2024

The global manufacturing purchasing managers' index (PMI), a composite index developed by JP Morgan and S&P Global Market Intelligence in collaboration with ISM and IFPSM, reached a 22-month high of 50.9 in May. This marks the fourth consecutive month it has remained above the neutral 50 mark. Three out of the five PMI sub-indices—output, new orders, and employment—indicated improved operating conditions.

Manufacturing production increased at the quickest pace in May since December 2021. Output has now expanded for five consecutive months. Growth accelerated to a near three-year high in the intermediate goods industry. Consumer goods remained the best performing category overall despite seeing growth ease slightly over the month.

The latest expansion of worldwide manufacturing output was underpinned by rising intakes of new business, completion of backlogs of work and improved international trade flows, as per S&P Global.

New business rose for the fourth month running and to the greatest extent since March 2022. Concurrent growth was registered across the consumer and intermediate goods industries for the first time in over two years. Levels of outstanding business were reduced for the twenty-third successive month, albeit at one of the weakest rates during that sequence.

Recent months have seen a tentative return to growth in new export business. International trade volumes rose for the second month running in May, following a prolonged sequence of contraction.

Increase was seen in the consumer goods sector, which more than offset a slight decrease in the intermediate goods category. China, the US, India and Brazil were among the larger nations to benefit from improved global trade flows.

The recent improvement in current conditions filtered through to the labour market and business confidence. May saw job creation recorded for the second time in the past three months and, although only marginal, the rate of growth was the best since August 2023.

The US, Japan, India and Brazil were some of the nations to raise staffing, while cuts were signalled in China, the euro area and UK (among others). Business optimism in the global manufacturing sector rose from April's four-month low, to one of its highest levels during the past year. Developed nations were (on average) more optimistic about the future than emerging markets.

Price pressures continued to rise in May, with rates of inflation accelerating for both input costs (15-month high) and output charges (14-month high). For both price measures, rates of increase were (on average) steeper in developed nations compared to emerging markets.

"The May global manufacturing output PMI rose 1.2 points to 52.6 in May, its highest level since December 2021. Gains in the new orders and employment PMIs point to an upturn moving ahead. The base of the revival is broadening, with the survey improving across most of the major economies," said Bennett Parrish, global economist at JP Morgan.

Source: fibre2fashion.com– June 06, 2024

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The future of recycled cotton, a circular and sustainable textile industry

The global textile industry is undergoing a significant shift towards sustainable practices. One key area of focus is recycled cotton fiber, a market poised for significant growth in the coming years.

The global recycled cotton fiber market is estimated to have reached a value of $1.2 billion in 2023 as per industry reports. It's projected to move ahead at a CAGR of over 15 per cent from 2023-28 period, reaching $2.5 billion by 2028. This exponential growth reflects the increasing adoption of sustainable practices by textile manufacturers and growing consumer awareness about the environmental impact of the fashion industry.
Production and consumption trends

Data suggests a positive trend in both production and consumption of recycled cotton fiber. Global production of recycled cotton fibers is steadily increasing, albeit lagging slightly behind consumption. This indicates a growing demand that the market is striving to meet.

Table: Global production and consumption of recycled cotton fibers

Year	Production (mn tons)	Consumption (mn tons)
2020	0.35	0.28
2021	0.42	0.34
2022 (Est.)	0.51	0.4

Asia Pacific leads the pack, accounting for over 60 per cent of global production. China is the undisputed leader in production. India too has emerged as a major player.

China boasts of a robust infrastructure for textile waste collection and processing, making it the world's largest producer of recycled cotton fibers.

Meanwhile, countries like Italy, Germany, and Spain are actively investing in innovative recycling technologies, propelling them to the forefront of European production. The US is witnessing significant growth in the recycled cotton fiber sector, driven by rising consumer eco-consciousness and government support for sustainable initiatives.

On the consumption side, the story unfolds differently. Europe is the frontrunner, driven by stringent environmental regulations and a high level of consumer awareness regarding sustainability. Brands across the continent are actively incorporating recycled cotton into their product lines.

North America displays a growing appetite for recycled cotton, with major fashion retailers and brands embracing eco-conscious practices. Asia Pacific, meanwhile a production powerhouse, has room for growth in terms of consumption as consumer education on sustainable fashion picks up pace. In fact, this region is expected to witness the fastest growth in recycled cotton consumption in the coming years, with a growing middle class and rising awareness about environmental issues.

The growing demand has seen several companies now moving in to manufacture recycled cotton. For example, Recover, has emerged as a leading manufacturer of recycled cotton fibers. They exemplify the industry's commitment to sustainability. Their innovative technology transforms pre-consumer and post-consumer textile waste into high-quality recycled cotton, minimizing environmental impact.

Recover's success story underscores the immense potential of this sector. Similarly, Everlane, this US-based clothing brand champions transparency and sustainability. Their transparency in sourcing and production processes resonates with environmentally conscious consumers. Their ReCotton collection utilizes pre-consumer waste to create high-quality garments.

Challenges and opportunities

However despite its growing popularity recycled cotton manufacturers face several challenges.

Limited supply: Currently, the supply of recycled cotton fiber lags behind demand. This presents an opportunity for companies to invest in infrastructure and innovation to increase recycling capacity.

Sorting and contamination: Effectively sorting different fiber types and minimizing contamination in recycled cotton streams are crucial for maintaining fiber quality. New technologies like near-infrared spectroscopy offer promising solutions.

Quality concerns: Maintaining consistent fiber quality across batches remains a challenge.

Consumer awareness: While awareness of recycled cotton is growing, there's a need for further education on its benefits and quality. Collaboration between brands and retailers can bridge this gap.

Moving ahead, investing in innovative mechanical and chemical recycling technologies will be key to scaling up production and improving fiber quality. Also, developing efficient systems for sorting and collecting pre- and post-consumer textile waste is essential to ensure a steady supply of high-quality feedstock. Collaboration between brands, retailers, recyclers, and policymakers is crucial to build a robust and sustainable recycled cotton ecosystem.

The recycled cotton fiber market is on an exciting path. By addressing the challenges and capitalizing on the opportunities, the industry can play a significant role in creating a more sustainable and circular textile industry. As consumer demand for eco-friendly products continues to rise, recycled cotton fiber is poised to become a mainstream material in the years to come.

Source: fashionatingworld.com– June 06, 2024

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Texworld Paris: Global fashion hub

From July 1 to 3, 2024, the Paris Expo Porte de Versailles will host the highly anticipated Texworld Apparel Sourcing Paris, Europe's leading platform for textile and apparel sourcing. This three-day event is set to attract over a thousand exhibitors, offering a rich global selection for fashion brands ranging from ready-to-wear to luxury.

A new summer edition in Paris

This summer edition of Texworld Apparel Sourcing Paris consolidates Messe Frankfurt France's entire textile and apparel offerings under one roof. The event includes Texworld for fabrics and trims, Apparel Sourcing for finished apparel and fashion accessories, Avantex for innovative and sustainable fashion solutions, and Leatherworld for the leather industry, covering everything from raw materials to finished products.

Global representation

This year, exhibitors from 26 countries will converge in Paris, showcasing the diversity of the global market. Key sourcing nations such as China, India, Turkey, Korea, Taiwan, Pakistan, and Bangladesh will be represented, alongside other countries like Hong Kong, Thailand, Indonesia, Rwanda, South Africa, Ethiopia, and the Netherlands.

National pavilions will highlight the unique offerings from countries like Turkey, supported by the Istanbul Chamber of Commerce (ITO), and Korea, represented by the National Union of Textile Manufacturers (KOFOTI). Indian manufacturers will also showcase their expertise under Texprocil, reflecting the country's strategic importance in the textile industry.

Highlights and innovations

Taiwanese companies, supported by the Taiwan Textile Federation (TTF), will present sustainable fabrics ideal for activewear. These manufacturers will be featured in the Econogy Finder, Messe Frankfurt's sustainability initiative. The Denim Village, will span nearly 1,000 meter square, featuring 30 international exhibitors. Highlight Denim, curated by artistic directors Louis Gerin and Gregory Lamaud, will showcase standout products.

Leatherworld will feature approximately 20 exhibitors hailing from South Africa, Pakistan, China, Taiwan, and Italy. The new Leather Trend feature will present current leather market trends in partnership with Edizioni AF and the Arsutoria School design center. This area will include mini-conferences on diverse materials used in shoe and bag manufacturing, offering a technical and comprehensive view of the leather industry.

Expanded offerings for Apparel Sourcing

Apparel Sourcing will welcome over 500 manufacturers from traditional sourcing countries and emerging markets like Rwanda, Myanmar, and Ethiopia.

India, making a significant return with over 50 garment manufacturers, underscores its crucial role in global textile sourcing. The Near Sourcing Hub will feature around 50 companies from Portugal, Turkey, Serbia, and Morocco, linking physical samples to detailed digital information via QR codes and the B2B platform Foursource.

Concept store products and the designer hub

This year, Apparel Sourcing is expanding to include new categories like jewelry and bags, reflecting the trend of retailers broadening their brand territories. A 300 meter square "Chinese Brands Gallery" will showcase 30 manufacturers aiming to penetrate the European market directly.

The Avantex sector will feature over 20 suppliers offering innovative solutions for sustainable fashion, with a new Designer Hub to foster creativity and collaboration. This hub will support initiatives by stylists like Jean-Luc François, Maeva Elfassi, and Rozz Connor, aiming to bridge the gap between designers and buyers.

Yarn expo and the Avantex Fashion pitch

A new pavilion dedicated to yarns, organized in partnership with Yarn Expo from Shanghai, will showcase cutting-edge products from China, India, Pakistan, and Taiwan. Visitors can explore innovations like the Greencell yarn range from AceGreen and recycled polyester yarns from Suzhou Make It Fiber.

The Avantex Fashion Pitch competition will highlight innovative fashion and textile projects, with the winner receiving a "Start-Up" booth for the next edition, a €2,000 prize, and a one-year incubation period at the IFA school's Foundry. Last year's winner, AwareTM, will return to exhibit its blockchain-based traceability solution.

Conclusion

Texworld Apparel Sourcing Paris promises a comprehensive and dynamic experience for industry professionals, with a focus on sustainability, innovation, and global collaboration. From exploring the latest trends in fabrics, leather, and yarns to engaging with new concept store products and sustainable solutions, attendees will have the opportunity to discover and connect with key players shaping the future of the fashion industry.

Source: fashionatingworld.com– June 06, 2024

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ILO, Turkmenistan Adopt Roadmap to Eradicate Forced Labor in Cotton Fields

The International Labour Organization and the government of Turkmenistan have adopted a roadmap of cooperation detailing “priority actions” aimed at preventing tens of thousands of public sector employees, such as hospital workers, school staffers and utilities personnel, from being compelled into the severely repressive Central Asian nation’s cotton fields every year.

The issues are large, manifold and structural: Cotton production is wholly controlled by the state, which imposes aggressive quotas on farmers on the threat of penalties such as fines and the loss of their land. Pickers are subject to similar coercion, and anyone unwilling or unable to participate is required to hire replacements or risk pay reductions and unemployment. Officially, the government no longer conscripts minors, yet children as young as 10 are often seen picking cotton to scrounge up money for their families or serve as replacement pickers for relatives. The root causes of forced labor—a dearth of freedom of association, freedom of expression and collective bargaining rights—remain endemic and pervasive, making credible due diligence all but impossible.

It isn’t for nothing, therefore, that the United States has maintained a Withhold Release Order on both Turkmen cotton and products produced in whole or in part with the same since 2018. Nor is it a coincidence that 150 multinational brands and retailers, including Adidas, Amazon, Gap Inc., H&M Group and Calvin Klein owner PVH Corp., have signed a public commitment shunning Turkmen cotton until the ILO determines that forced labor is no longer involved.

But the 2023 cotton harvest offered something new. For the first time in 10 years of consecutive monitoring by Turkmen.News and the Turkmen Initiative for Human Rights, both frontline members of the multi-stakeholder Cotton Campaign, authorities allowed teachers and doctors to leave the fields without paying for replacement pickers. The decision dovetailed with a visit to Turkmenistan by an ILO mission, which the organizations surmised might have been the trigger. Even so, the move had limited impact, with the mission noting in its interim report that it found “direct or indirect evidence of mobilization of public servants in all regions visited.”

That said, the relatively robust nature of the roadmap, which was published last week, paves the way for a "cautious optimism" about engagement between Turkmenistan and the ILO, said Allison Gill, forced labor program director at the Global Labor Justice-International Labor Rights Forum, the Washington, D.C. nonprofit that hosts the Cotton Campaign. "If all of the priority components in the roadmap were implemented, that would go a long way toward beginning to dismantle the system of forced labor."

The document reiterates that forced or compulsory labor and the employment of under-18s are prohibited by the country's constitution. It asks that the government release public statements denouncing forced or compulsory labor in cotton harvests, set "fair and decent" wages for cotton pickers to incentivize voluntary picking, create an "easy and accessible" way for workers to confidentially file grievances and complaints, promote social dialogue among cotton production stakeholders, and step up the prosecution of individuals and public officials found guilty of forced mobilization or extortion.

This is the first time the eradication of forced labor isn't being discussed in nebulous terms, said Ruslan Myatiev, editor of Turkmen.news. " Although the government has not yet publicly acknowledged the problem, such a detailed plan gives hope," he added.

But Gill has a couple of grouses. For one thing, the roadmap doesn't appear to have been formulated with input from independent social partners. "Real" social dialogue, she said, requires involved parties to be independent of one another, yet Turkmenistan's employers' organization and its sole trade union are knotted up with the government.

Another is the lack of commitment to allowing freedom of association and other fundamental labor rights, when the "best way to prevent and resolve forced labor and labor exploitation is when workers have power," she said. Without the right enabling conditions, any progress Turkmenistan may make could go the way of Uzbekistan, where despite "historic success" in ending state-enforced labor through economic reforms is in imminent danger of backsliding because civic freedoms continue to be curtailed. Without independent unions to protect their interests without fear of reprisal, workers are especially vulnerable to exploitative practices such as forced labor.

"It concerns me that in Turkmenistan, where we're at the brink of something really important—because there are not a lot of openings in Turkmenistan and this is an important one—is that this appears to be so far a missing component," Gill said. "I very much hope that it is incorporated and that the ILO is attentive to ensuring independent social partners and an emphasis on fundamental labor rights, including freedom of association, as part of the plan to dismantle state-imposed forced labor."

Source: sourcingjournal.com– June 06, 2024

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More Than 80% of Companies Say They're Not Ready for ESG Regulations

New ESG regulations are taking hold in the EU, but the vast majority of businesses feel underprepared to meet mounting sustainability standards. A new study from global intelligence and cyber security consultancy S-RM revealed that a whopping 84 percent of Europe-based corporations and 82 percent of regional investors don't feel confident in their ability to comply with the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), which was signed into law last week.

In fact, S-RM's survey of 550 senior ESG decision-makers within corporate organizations and 200 senior ESG decision-makers at investment firms showed that the awareness of and capacity to manage ESG issues are "significantly lacking" in businesses across the board. Data showed that 74 percent of companies believe they're not "fully mature" in handling matters concerning the environment, social impact or governance.

"Maturity was defined as having a clear strategy—there's a program, data is being collected and they're reporting on it," S-RM head of ESG and sustainability Natalie Stafford told Sourcing Journal. "There's a sense that they know what their obligations are, they know what they want to do, and they're on the journey towards doing that."

As it turns out, ESG leads feel that their corporate toolboxes and existing skillsets are woefully underdeveloped to take on the heightened standards they'll now have to meet—especially when it comes to issues within the supply chain. Notably, 77 percent of those surveyed don't currently include the concept of responsible supply chains in their ESG strategy.

"This was one of the the big surprises when we gathered the data," given that "supply chain is so pivotal to ESG," Stafford said. The issue may stem from the fractured, siloed functionality that pervades many organizations. Supply chain teams work separately from ESG teams, and both are often disconnected from legal teams tasked with ensuring compliance with laws and regulations. "That kind of organizational structure has pre-existed [the focus on] sustainability," Stafford explained, "and we just don't feel like that is joining up with a wider corporate purpose when it comes to ESG."

With so much opacity internally, it's easier to understand how those tasked with ensuring ESG success might feel like they're in the dark. "Are these teams connecting? Are they actually conveying requirements to each other and passing on risks and making sure value is being added?" These are the questions many are likely beginning to ask themselves, Stafford said.

"I think certainly in some firms, it's becoming clear that the way some responsibility initially fell—which was often on legal teams—just doesn't work because it meant that they were taking very legalistic, very compliance driven approach," she added. "Which is fine if you're just managing risk, but you also need to be looking at generating value from ESG and sustainability."

Many firms rely on their legal arms to ensure that they're compliant with regulations like the Uyghur Forced Labor Prevention Act (UFLPA), Stafford said by way of example. But she believes the only way companies can stop the cycle of playing catch-up when it comes to environmental and social stewardship is to be proactive, and to integrate ESG best practices into their operations as a business imperative.

That evolution will likely start to take shape in the coming years, she said. Today, environmental issues—the "E" in ESG—take precedence over the "S" and "G" by no small margin. SR-G's survey showed that ecological impact continues to be the primary focus for 39 percent of ESG leads at corporations and 42 percent of ESG decision-makers at investment firms. By contrast, about one-quarter of both groups admitted that there was little or no awareness about social issues or challenges within their industries.

"The environment side is the one that everyone we speak to feels is the most developed—that's where these budgets have gone," Stafford said, noting that for some firms, it actually may feel like a lighter lift. "I think the environmental side to some degree is a little bit easier to deal with; you set your targets, and those targets generally are pretty far off. You're not really having your feet held the fire."

"To some degree, you can explain away why you haven't managed to reach your greenhouse gas emission targets as quickly as we wanted to—if there's some bad press about that, you can deal with it," she added. "But if you discover that you've got slave labor within your supply chain… We're talking about really emotional and evocative issues, which is very hard for companies to deal with if they get hit reputationally."

But with the advent of the CRSD and CRDDD, as well as the Global Reporting Initiative (GRI), the focus on social objectives is likely to ramp up. Two-fifths (40 percent) of those surveyed said they plan to up spending on social efforts. "Budget allocation is expected to change over the next five years, and social is going up by 1 or 2 percent, which doesn't look like much, but when you consider the scale of some of the budgets, then it does represent quite a change."

Much of that spend will go toward amassing external expertise, from audits to consultants and accreditations, Stafford believes. "There's a recognition that there may not be that expertise internally, and if an external independent body has come in and done a gap analysis on the human rights policy, for example, or has gone out and done human rights impact assessments at key sites, it gives [companies] that bit of protection."

An outside perspective is often necessary for firms looking to develop long-term ESG strategies. "It's about working out what is proportionate for the size of the company, the scale of the operations, the scale of the risk, and building an approach which suits where they are as a company," Stafford said.

While the research focused heavily on Europe-based ESG decision-makers, U.S. firms and investors are also concerned about EU regulations—moreso than any other ESG action taking place at home, in fact.

Twenty-two percent of American investors and 24 percent of U.S. corporations surveyed said they were most concerned about the CSRD, while 30 percent of stateside investors and 16 percent of corporations said they were most worried about the CSDDD. By contrast, 0 percent investors and just 3 percent of U.S. corporations said they were most concerned about the UFLPA, and 4 percent of investors and 6 percent of corporations said they were most worried about SEC Climate-related disclosures.

"Even for those companies which don't fall directly in scope"—like American ones—"as soon as they fall within the value chain of any company that is in scope, they're going to have to abide by [EU regulations] anyway," Stafford explained. "If they can't do everything that's required, or they don't have the right modern slavery policies or human rights policies, or they don't have the data to provide to the company that they're supplying to, they're just not going to win the business."

In some ways, "regulation isn't even the biggest driver" for companies to make ESG progress—though many firms are certainly worried about it. Stafford believes investor pressure, along with consumer pressure (especially in industries like apparel), is what's really compelling companies to make changes.

"There's a sense that this is just the way things are going—it's like a wave moving through the corporate world," she said. "It's not stopping, so you either get on board now and start to get yourself together, or you get left behind."

Source: sourcingjournal.com– June 06, 2024

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RCEP, China FTA, boost Cambodian exports in Jan-May 2024

Cambodia's foreign trade rose significantly in the first five months this year, growing by 12 per cent year on year (YoY), according to commerce ministry data. The country's total trade volume reached over $21.6 billion, up from $19.2 billion during the same period last year.

It exported goods worth $10.18 billion during the period—a YoY increase of 10.8 per cent, while it imported goods worth $11.4 billion—a 13.6-per cent YoY increase, said a report document by the ministry.

China, Vietnam and the United States were Cambodia's biggest partners during the period, with a trade value of $5.99 billion, $3.55 billion and $3.52 billion respectively.

The United States was the biggest market for Cambodia's exports with a value of $3.42 billion during the period—33.68 per cent of the country's total exports. Vietnam ranked second with imports from Cambodia reaching $1.88 billion.

The country's trade with the member countries of the Regional Comprehensive Economic Partnership (RCEP) rose to $14.17 billion during the period—up by 14.2 per cent YoY. Such trade accounted for 65.6 per cent of its total trade volume during the period.

It exported products worth $3.97 billion to RCEP countries during the period—up by 12.4 per cent YoY, and imported goods worth $10.2 billion from such countries—up by 14.9 per cent YoY, domestic media outlets reported citing the ministry document.

China, Vietnam, Thailand, Japan and Singapore are Cambodia's top five trading partners under the RCEP.

Cambodia's free trade agreement with China and South Korea and the RCEP have contributed to the rise in trade, the ministry noted.

Source: fibre2fashion.com– June 07, 2024

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ITM 2024 to bring together 1,300 companies from 70 countries

Being held from June 04-08, 2024 at the Tuyap Fair and Congress Center in Turkey, the International Textile Machinery Exhibition (ITM) 2024 brings together nearly 1,300 domestic and foreign companies and company representatives from more than 70 countries. It also attracts textile investors from countries such as Pakistan, Uzbekistan, India and Egypt. It provides world-class textile machinery manufacturers and leaders an opportunity to launch their latest products.

Focusing on the motto, 'Discover the Future,' the exhibition provides exhibitors an opportunity to network with diverse visitors and boost their business volume.

Being held in partnership with Tüyap Tüm Fuarcilik Yapim Inc and Teknik Fairs Inc in cooperation with Textile Machinery and Accessories Industrialists Association (TEMSAD), ITM 2024 also facilitates interactions between company owners and experts on new technologies to be used in their factories; develop their products and direct their investments.

Visitors to the ITM 2024 Exhibition will be able to learn about every field of textile from weaving to knitting, from yarn to digital printing, and from finishing to denim will discover innovative, nature-protecting, pioneering technologies in digitalisation for a sustainable future.

One of the focal points of ITM 2023 will be digitalisation, artificial Intelligence, and automation. The exhibition will showcase machines and equipment designed to reduce environmental impact and manufactured from sustainable materials.

ITM 2024 will be held alongside Hightex 2024 International Technical Textiles and Nonwovens Exhibition. This exhibition will accelerate development in the technical textile sector by showcasing nonwoven products and raw materials used in production of technical textiles.

Source: fashionatingworld.com– June 06, 2024

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Clothing and footwear exports to the EU fall since Brexit: Report

Exports of clothing and footwear to the EU have been falling the enforcement of Brexit, says a recent study highlighting the impact of complex regulations and border red tape on businesses. Conducted by Retail Economics and online marketplace Tradebyte, the report reveals that exports of clothing and footwear to EU countries dropped from £7.4 billion in 2019 to £2.7 billion in 2023. This decline led to an 18 per cent overall decrease in sales of non-food goods exports to EU single market countries.

The report indicates, British brands and retailers have experiencing a significant drop in sales to the EU post-Brexit, despite the growth of the European e-commerce market. Particularly hit hard have been small and medium-sized businesses who have been bearing a larger burden from the increased red tape compared to multinational firms. Richard Lim, Head-Retail Economics and one of the report's authors, notes, some of this decline can be attributed to changes in trade routes. UK firms that previously repackaged Asian imports for sale in the EU have restructured their supply chains by establishing offices within the single market to circumvent border regulations.

The increased bureaucracy has also prompted many UK-based apparel manufacturers to relocate production to EU countries, adversely affecting UK jobs and skills. For instance, a long-standing sock manufacturer in Leicester has moved production to Italy, ending over a century of operations in the East Midlands.

The UK has also missed out on the surge in online goods sales in the EU since 2019. The report suggests, while the EU online retail market has added an estimated £323 billion in annual sales, Brexit-related trade complexities have hindered UK brands and retailers from capitalising on this opportunity. Lim describes this as a significant missed opportunity for UK brands.

The decline in trade value with the EU was partially mitigated by last year's inflation spike, which increased export goods' costs. Meanwhile, a separate report by the think tank 'UK in a Changing Europe,' highlights, while goods exports had declined, services exports had surged by nearly 30 per cent since February 2020. This growth has been driven by a boom in business services, making it the UK's largest export sector, surpassing manufacturing and transport equipment. The report notes, UK's services trade has not only recovered swiftly after the pandemic but has also exceeded pre-pandemic levels by late 2022, unlike services exports from France and Germany, which have declined.

The reason behind the resilience and growth of UK services exports, which were largely unaffected by Brexit rule changes, remains unclear, according to the report.

Rain Newton-Smith, Head, CBI, suggested reviewing the UK's trading relationship with the EU as part of the business lobby group's wishlist ahead of the July 4 general election. She called for a 'bold pitch' to international investors and proposed that the 2026 review of the UK-EU trade deal could be an opportunity to reduce trading frictions affecting businesses.

Source: fashionatingworld.com– June 06, 2024

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European Central Bank lowers key interest rates by 25 basis points

The Governing Council of the European Central Bank (ECB) today decided to lower the three key ECB interest rates by 25 basis points. Accordingly, the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will be decreased to 4.25 per cent, 4.50 per cent and 3.75 per cent respectively, with effect from June 12, 2024.

“Based on an updated assessment of the inflation outlook, the dynamics of underlying inflation and the strength of monetary policy transmission, it is now appropriate to moderate the degree of monetary policy restriction after nine months of holding rates steady,” the ECB Governing Council said.

Since the Governing Council meeting in September 2023, inflation has fallen by more than 2.5 percentage points and the inflation outlook has improved markedly. Underlying inflation has also eased, reinforcing the signs that price pressures have weakened, and inflation expectations have declined at all horizons.

At the same time, despite the progress over recent quarters, domestic price pressures remain strong as wage growth is elevated, and inflation is likely to stay above target well into next year.

The latest Eurosystem staff projections for both headline and core inflation have been revised up for 2024 and 2025 compared with the March projections. Staff now see headline inflation averaging 2.5 per cent in 2024, 2.2 per cent in 2025 and 1.9 per cent in 2026.

Economic growth is expected to pick up to 0.9 per cent in 2024, 1.4 per cent in 2025 and 1.6 per cent in 2026.

Source: fibre2fashion.com– June 06, 2024

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Bangladesh's BTMA calls for uninterrupted gas supply to textile mills

Production in more than 1,000 textile mills dropped by 50-65 per cent over the past month due to a severe shortage of gas, according to the Bangladesh Textile Mills Association (BTMA).

Meeting export order deadlines and timely paying bonuses and wages to workers have become tougher as well, BTMA president Mohammad Ali Khoko said in a letter to Bangladesh Oil Gas and Mineral Corporation (Petrobangla) chairman Zanendra Nath Sarkerthe.

Production at mills in Narayanganj, Gazipur, Narsingdi, Savar, Ashulia, Maona and other places had become almost impossible, the textile mill owners lamented.

Reduced gas pressure has led to damage of many advanced machinery units in several factories, they claimed.

Khokon urged Sarkerthe to ensure uninterrupted gas supply on a priority basis to the textile sector.

Mills had only been able to utilise an average of 40-50 per cent of their production capacity in recent months, domestic media outlets reported.

Consequently, fabric processing costs have risen, yarn and fabric production have decreased, and overall production costs have escalated, significantly undermining the sector’s competitiveness, said the letter.

Source: fibre2fashion.com– June 06, 2024

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The Dark Side of Global Sourcing: 'Who Pays for the Crisis?'

Finger-pointing in the fashion supply chain is a constant that has endured for decades. The question of who should pay for the suffering of workers has been volleyed between stakeholders, but the reality is that labor often bears the brunt of decisions made by global brands.

"I think it's very important to talk about this now as the industry has a dark night of the soul and thinks about how it adapts [into a] modern industry that puts rights and the environment at its core," Business & Human Rights Resource Centre (BHRCC) labor rights project manager Natalie Swan told Sourcing Journal.

The launch of BHRCC's digital portal shines a spotlight on how fashion brands' purchasing practices affect workers' rights across the globe, providing information and possible solutions. Titled, "Who Pays for the Crisis?" the portal contains key information and analysis on supply chain shocks, brand responses and the end-of-the-line impacts on workers.

It also features insights into the intersection between supply chain resilience, purchasing practices and worker rights. According to BHRCC, it will be updated regularly to act as a resource for the whole value chain, including brands who wish to understand how their purchasing practices can play a role in preventing worker abuse.
Within the portal, there is also an allegation tracker of labor rights abuses found in the supply chains of global apparel brands.

The portal has been received with mixed reactions, including some displeasure from global brands and retailers who find the spotlight unwelcome. But manufacturers in Bangladesh, Turkey and India said that a tool to promote transparency has been a long time coming.

"It is normal for us to always be on a firing line—that we are not doing enough no matter how much effort we put in, but ultimately the level of stress we're under needs some recognition too," a Bangladesh manufacturer said. "We're squeezed for every cent by the brands and retailers for whom we manufacture, and we have been asking for years for them to take some responsibility in helping us help the labor."

Several labor leaders said they regarded the portal with surprise because they didn't expect global brands to be held accountable for their part in the problem.

"It's a long-standing problem that we have all been facing, how purchasing practice is the dark side of the business model, really implicating workers at the bottom of the supply chain," Bangladesh Centre for Worker Solidarity (BCWS) executive director Kalpona Akhter said. "Manufacturers don't speak about it openly because they are too worried about their business relations."

Akhter said the issue came to the fore during the Covid-19 crisis, "as many businesses canceled orders, not caring if the workers would get paid." According to the labor leader, "Workers needed to hear something different, like, 'Don't worry, we have your back, because we have made profits for a long time.'"

"Instead, global brands and retailers reacted by announcing themselves as 'bankrupt' so they didn't have to pay manufacturers," she added. "More than 300,000 workers lost their jobs, they ended up back in the villages starving with their children."

Labor leaders in Vietnam responded similarly, saying they were forced to make cuts that caused workers and their families to go hungry. They called for the global purchasing practices business model to be "reviewed or upgraded."

Swan said important discussions on due diligence and risk assessment need to be had. Speaking about the influence that brand purchasing practices have on labor rights outcomes, she noted the "alarming disruptions" to purchasing models exacerbated by economic slowdowns, political instability and the impact of the climate emergency in sourcing countries.

"These have led to factory closures, reduced working hours for labor, and the need for practices that safeguard worker livelihoods and workplaces," she said. Swan also said it is "really important that in parallel with the conversation on due diligence we have this conversation about money and about purchasing practices and how these two things are intrinsically interlinked."

"This would help brands think more broadly, more creatively and more concertedly about how they undertake due diligence, engage with stakeholders, workers and their representatives along the supply chain," she said. "You can have the most beautiful risk assessment but if you don't have money to mitigate those risks and allow workers across the supply chain to thrive—from ensuring safe work places and due wages that are actually decent—then we're not going to see a reduction in labor rights abuse."

She noted the urgency of this mission, adding that it is "critical that we have that conversation now."

"As we shift to an ever-increasing climate emergency where we know a just transition is needed to a low-waste, low-carbon industry that has workers and workers' rights at its heart, we need to be negotiating," she said.

Swan referred to international fashion buyers as market leaders with the leverage to determine where and how businesses operate. They can set the standards for the industry, she believes.

BHRCC has added a special focus on Bangladesh within its portal, as the country was under a microscope throughout 2023 for civil unrest related to the debate over the minimum wage. In the end, the settlement on Dec. 1 raised the minimum wage to 12,500 taka ($113.12) per month, an increase of over 56 percent that still falls far short of the estimated 23,000 taka ($208.20) per month needed to constitute a "living wage."

Manufacturers stressed that the jump in pay has been taxing for them, and called for better costing from global players rather than just rhetoric about social impact and sustainability.

Reaching out to the top 15 international buyers, as well as labor rights activists, BHRCC said that several brands have shown commendable responsiveness and robust commitment to addressing the Bangladesh wage crisis.

Nine brands confirmed that they incorporated the new minimum wage into costings, with three—Primark, Bestseller and Next—revising existing orders to reflect the change in pay. Meanwhile, Bestseller, Next, Inditex and H&M have taken significant steps to make wages a clear, itemized cost within their pricing frameworks, applying these changes directly to their operations in Bangladesh.

Seven brands including Bestseller, H&M, Tesco, C&A, Next, Inditex and Primark, as members of the Action, Collaboration, Transformation (ACT) Initiative, are collectively working towards addressing living wages in their supply chains, underscoring a commitment to ethical practices.

A Supply Side map within the portal highlights key statistics on the workforce and industry in sourcing countries, with a frequently updated news feed of publicly available articles related to the impact of purchasing practices on worker rights. Some brands told Sourcing Journal that they were not pleased with the portal's allegations tracker, and questioned where the information was coming from. Swan said BHRCC compiles publicly available information for the tool. "It's not a completely full sample, but a sample of what is available in the public domain to build a picture," she explained.

"Those brands that we have contacted have already provided information in the public domain that allowed us to make these connections," she added, noting that there was a 53-percent response rate to a questionnaire sent out to brands and retailers.

"We welcome those businesses that have been transparent enough and acknowledged that there is public accountability," she said. "We are living in the realm of privacy and anti-trust, and many businesses have utilized this as a way to not as publicly talk about issues around purchasing practices and costs."

Manufacturers in Bangladesh told Sourcing Journal that they've feared raising the issue at the risk of losing business from global brands. That would leave garment workers in an even worse place—without jobs. But labor leader Akhter said she doesn't believe companies will be "shifting their business overnight" if the supply chain speaks out.

"The situation is not about Bangladesh or India or Vietnam, but every country they source from. Traditional workers need to raise their voice to have better living wages, but at the same time the legislation should be for the entire supply chain, not for any specific country," she said. "It is time for brands and retailers to change themselves, so that even if they want to hide they cannot."

Source: sourcingjournal.com– June 06, 2024

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NATIONAL NEWS

India attends Indo-Pacific Economic Framework for Prosperity (IPEF) Ministerial meeting in Singapore

Indian delegation led by Secretary, Department of Commerce, Shri Sunil Barthwal participated in the Indo-Pacific Economic Framework for Prosperity (IPEF) Ministerial meeting held in Singapore on 6 June 2024.

The IPEF Ministerial Statement of 14 November 2023 declared substantial conclusion of negotiations for Clean Economy, Fair Economy, and the overarching Agreement on the Indo-Pacific Economic Framework for Prosperity. Pursuant to this, the IPEF partners completed legal review of the text for these agreements and domestic approval processes.

A group of men in suits standing in front of a black curtainDescription automatically generated

Today, IPEF members signed these agreements which are first-of-their-kind approaches to addressing 21st century challenges and strengthening economic engagement across a critical region.

India actively participated in the signing proceedings and the ministerial deliberations. However, India did not formally sign these agreements as domestic approval processes are still underway and will be completed after formation of the new government. These agreements will enter into force after at least five IPEF partners complete their internal legal procedures for ratification, acceptance or approval.

In his intervention, Shri Barthwal reflected on substantial progress made on the establishment of the three cooperative bodies under the Supply Chain Agreement, the Cooperative Work Programmes under the Clean Economy Agreement, and the cooperative activities under the Fair Economy Agreement.

He also reiterated that India, with its skilled manpower, natural resources, and policy support, aims to become a major player in the global supply chain. Government initiatives are proactive in finding solutions and ensuring India’s participation in diverse and predictable supply chains.

IPEF Clean Economy Agreement

Agreement on Clean Economy intends to accelerate efforts of IPEF partners towards energy security and transition, climate resilience and adaptation, GHG emissions mitigation; find/develop innovative ways of reducing dependence on fossil fuel energy; promote technical cooperation, workforce development, capacity building, and research collaborations; and collaborate to facilitate development, access, and deployment of clean energy and climate-friendly technologies. This agreement will facilitate investments, concessional financing, joint collaborative projects, workforce development and Technical Assistance and Capacity Building for industries, in particular MSMEs, to further integrate the Indian companies in the value chains, particularly in the Indo-Pacific region. These cooperative activities will be undertaken through joint collaborative actions such as Cooperative Work Programmes and the IPEF Catalytic Capital Fund.

Cooperative Work Programme (CWP)

The IPEF partners welcomed the continued efforts to build and sustain longer-term cooperation among various groupings of interested partners on a range of climate solutions through the CWP mechanism, in furtherance of the overarching goals of the IPEF Clean Economy Agreement.

Since the announcement of the CWPs on hydrogen supply chains (in May 2023), and carbon markets, clean electricity, sustainable aviation fuel, and just transition (in March 2024), participating IPEF partners have developed detailed roadmaps for cooperation and highlighted significant progress on a number of CWPs under discussion. Shri Barthwal, in his remarks welcomed CWPs under the Clean Economy Agreement “designed to facilitate objectives of energy transition which will help create a more sustainable and prosperous Indo-Pacific region”.

A new CWP led by India on “e-waste urban mining” was announced by the group today. This CWP will facilitate a more sustainable e-waste management system for IPEF partners, including through the exchange of information on current and emerging technologies, techniques, and activities, as well as the development of solutions for efficient recovery and recycling of materials, particularly critical metals and minerals.

Shri Barthwal noted that "India's focus on transitioning to a circular economy is evident in CWPs addressing e-waste management, aiming for resource efficiency and pollution prevention." Commerce Secretary thanked IPEF partners for their support to India's proposed CWP and conveyed India's intention to work with IPEF partners on other CWPs to facilitate immense gains from such CWPs not only for developmental purposes but also towards their contribution to society.

IPEF Catalytic Capital Fund

The IPEF partners applauded the operational launch of the IPEF Catalytic Capital Fund, which supports the expansion of the pipeline of quality clean economy infrastructure projects in the IPEF emerging and upper-middle income economies under the IPEF Clean Economy Agreement. The Fund's founding supporters – Australia, Japan, Korea, and the United States – have made significant progress in their respective domestic processes to provide US $33 million of initial grant funding to catalyze up to US $3.3 billion in private investment.

The Private Infrastructure Development Group (PIDG), which administers the Fund, provided an update to IPEF partners about several initial projects in the pipeline, and discussed additional opportunities to deploy concessional financing, technical assistance, and capacity-building to catalyze private investment.

Investor Forum

A business delegation led by Invest India also participated in the Forum.

More than 30 Indian companies would be presenting opportunities of investment in renewable energy sector in the presence of top global investors like Blackrock, KKR & Co., JP Morgan etc.

Under Sustainable Infrastructure track, 4 Indian projects pitched their concepts before the global investor community. Similarly, 10 Indian ClimateTech startups also presented their business case before the interested investor community from across the globe at the Forum. The investor Forum provided a unique opportunity for project proponents and startup community to interact and network with more than 100 top global investors.

6 Indian investors including venture capital funds, private equity firms and strategic investors attended the Forum to explore investment opportunities and potential collaboration with the global investors as well as multilateral development banks.

IPEF Fair Economy Agreement

Agreement on Fair Economy intends to create a more transparent and predictable business environment which can spur greater trade and investment in the markets of member countries; promote level playing field for businesses and workers in the economies of the IPEF partners; enhance efforts to prevent and combat corruption by strengthening anti-corruption frameworks, establishing confidential systems, and promote participation of groups outside public sector; support efforts to improve tax transparency and exchange of information for tax purposes between competent authorities, domestic resource mobilization, and tax administration; and support capacity building and to provide technical assistance to the IPEF partners, through sharing of expertise and best practices, development and application of technological innovations, and need-based collaboration with the private sector and other stakeholders.

Shri Barthwal during his remarks welcomed IPEF's focus on Technical Assistance and contribution to Capacity Building for the Fair Economy Agreement, and highlighted training programme in Digital Forensics & System-Driven Risk Analysis under Pillar IV Technical Assistance and Capacity Building catalogue that will be offered by India to other IPEF partners.

The IPEF Upskilling Initiative

The IPEF partners welcomed the substantial progress on the IPEF Upskilling Initiative, which was launched in September 2022 to support sustainable and inclusive economic growth and development by providing primarily women and girls in IPEF emerging and middle-income partner countries with access to digital skills training.

Under the initiative, 14 participating U.S. companies and the Asia Foundation provided 10.9 million upskilling opportunities in IPEF partners, primarily for women and girls, in the last 2 years of which India received 4 million of these opportunities.

Next Steps

Ministerial meeting also decided to encourage holding of first meeting of the three Supply Chain institutional committees virtually in July 2024 and in-person in Washington DC in later half of 2024. It was also decided to hold next ministerial meeting virtually in September 2024 and work towards holding the first meeting of IPEF Council and the Joint Commission in 2025.

About IPEF

IPEF was launched on 23 May 2022 at Tokyo, Japan, comprising of 14 countries – Australia, Brunei, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, Vietnam and USA. The IPEF seeks to strengthen economic engagement and cooperation among partner countries with the goal of advancing growth, economic stability and prosperity in the region.

The framework is structured around four pillars relating to Trade (Pillar I); Supply Chain Resilience (Pillar II); Clean Economy (Pillar III); and Fair Economy (Pillar IV). India had joined Pillars II to IV of IPEF while it has maintained an observer status in Pillar-I.

Source: pib.gov.in– June 06, 2024

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Reserve Bank keeps repo rate unchanged, ups FY25 growth forecast to 7.2%

The Reserve Bank of India's Monetary Policy Committee (MPC) decided on Friday to keep the repo rate unchanged at 6.5 per cent for the eighth consecutive time.

The decision was taken with a 4-2 majority.

To align the inflation with RBI's target, MPC decided to continue the 'withdrawal of accommodation' stance.

The repo rate was last changed in February 2023, when it was hiked from 6.25 per cent to 6.5 per cent. Between May 2022 and February 2023, the repo rate was raised by 250 basis points (bps).

RBI increased GDP growth forecast for FY25

On growth, Das increased the projection of real GDP growth for FY25 from 7 per cent in the April meeting to 7.2 per cent. The quarterwise break ups given are: 7.3 per cent in the first quarter, up from 7.1 per cent earlier; 7.2 per cent in the second quarter from 6.9 per cent; 7.3 per cent in the third quarter from 7 per cent; and 7.2 per cent in the fourth quarter as against 7 per cent projected earlier.

Food inflation remains a worry for RBI

Das stated that food inflation remains a big worry for the RBI. The forecast of an above-normal monsoon augurs well for the Kharif Crop outlook, he said.

The central bank governor informed that while the core CPI inflation continued to soften for the eleventh straight month since June last year, persisting food inflation offset those gains.

However, assuming a normal Monsoon based on the weather department's forecasts, Das said that the CPI for FY25 is projected at 4.5 per cent. The quarter-wise breakups for CPI are 4.9 per cent in the first quarter, 3.9 per cent in the second quarter, 4.6 per cent in the third quarter, and 4.5 per cent in the fourth quarter.

"Uncertainties related to food inflation need to be monitored. Need inflation reduction to 4 per cent level on a durable basis while supporting growth," Das said.

This time, economists expected the MPC to maintain the benchmark repo rate at 6.5 per cent, balancing the need to control inflation with fostering economic growth.

Talking about the health of the Indian banking sector, Das stated that the banking system remains resilient, backed by sound asset quality and rise in profitability. "The NBFCs have displayed strong financials in FY24," he said. The banking sector, NBFCs and overall financial sector remain robust, the governor added.

Source: business-standard.com – June 06, 2024

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India's trade deficit: A comprehensive strategy could boost exports

India’s recently released trade figures have become a subject of intense scrutiny, and rightly so. The line that grabbed attention points to India registering trade deficits with nine of its top 10 trading partners in 2023-24. India’s imports from China, the UAE, Russia, Saudi Arabia, Singapore, Iraq, Indonesia, Hong Kong and South Korea surpassed its exports to these nine nations.

The only exception is India’s trade surplus with the US; our exports to the country exceeded our imports from it by over $36.7 billion in 2023-24. India’s top three trade partners—China, the US and UAE—were in the same position in 2013-14. Given the fact that these top 10 countries together make up about 52% of India’s total trade, this data warrants attention.

However, our scrutiny must go beyond a superficial level. To unearth what ails Indian trade and resolve persisting trade deficits, we must dig deeper. Only a comprehensive analysis of structural, policy and market factors can lead to sustainable solutions that address the problem’s root causes.

A comprehensive assessment requires a multifaceted approach. The trade deficit story often gets oversimplified. The World Economic Forum’s Global Future Council on International Trade and Investment calls an emphasis on trade balances “a poor guide to understanding past sources and implications of trade performance." A deficit can be an effect of various causes.

The country may be importing more raw materials to produce more goods. An increase in imports may point to increase in domestic income or cheaper foreign products, among other reasons. The former indicates increased purchasing power and the latter may point to a competitiveness issue at home.

This is not to present trade deficits as desirable, but to show that it comes with a set of pros and cons, a major con being added pressure on a country’s currency. All in all, the causes and effects of a trade imbalance varies according to the specific circumstances of the economy. Trade deficits also persist for multiple reasons.

For instance, a general assumption associates tariff reductions with increased exports. That is not a direct causation. Factors such as inverted duty structures and asymmetric tariff rates can hinder domestic manufacturing by incentivizing imports.

The conversation needs to move from an overemphasis on one parameter to understanding how India can maximize gains from its trade relations and enhance its overall trade ecosystem.

We must assess our capacities to identify which products can be efficiently produced locally and traded globally. Opportunities can thus be explored with each trade partner. For example, a substantial portion of India's exports to the US in 2023-24 were in the HS2 code category of 'Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts.' We need in-depth trade partner-specific analysis to understand our competitive advantage.

Boosting India's manufacturing capabilities through efficiency and productivity is also critical. In recent years, an emphasis has been evident on boosting manufacturing with the vision of making India self-reliant. Apart from initiatives like the Production-Linked Incentive scheme, the introduction of GST, measures related to the ease of doing business, a reduction in compliance burden and the National Infrastructure Pipeline, among others, have given this sector the right impetus.

Strategic mapping of India's manufacturing capacities at a regional level will be a crucial exercise to attain greater self-reliance. We must ponder: What is the most effective pathway to spur domestic manufacturing? How do we enable small-scale industries to produce at scale?

Thoroughly evaluating import-export figures, mapping our competitive advantage with each trade partner and understanding how boosting manufacturing is a must to make India a global export hub are of huge significance in leveraging trade for overall economic growth.

Our focus should be on policies that make our manufacturing firms globally competitive. One key effort that lies ahead is diversifying our export basket and markets. Trade policy experts have acknowledged a welcome change in India's export basket, which has seen a shift away from traditional commodities such as gems, jewellery and textiles towards engineering and electronic goods.

A shift to high-value goods reflects a move up the value chain and speaks of our competitiveness. India saw its electronic goods exports increase by around 54.8% in February 2024 compared to February 2023. Additionally, India's notable merchandise exports included engineering goods, electronic goods, chemicals, drugs and pharmaceuticals and petroleum products.

However, there is still extensive ground to cover for India to truly become a high-value commodity exporter. Targeted support, investment in R&D, skilling and infrastructure development will pave the way towards the country's export targets.

It is important to understand that the country's trade balance, while an important indicator, provides insights into only a part of the real scenario. India's main priority should be to enhance domestic manufacturing by leveraging competitive advantages, move up the value chain and invest in technology and innovation. Thriving in international markets as an export powerhouse requires a comprehensive approach.

Source: livemint.com– June 06, 2024

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India Textiles, Agriculture, and Manufacturing in Modi 3.0

The world recently witnessed the largest festival of democracy in India with about 642 million voters exercising their fundamental rights.

Economic development activities and growth should resonate with the public. Agriculture, textiles, and manufacturing can vitalize rural and semi-urban areas in large and diverse nations such as India. Even in advanced nations such as the United States, rural communities such as those throughout West Texas are dependent upon agricultural economy.

India is a major player in cotton production and textile manufacturing and exports. In India, Prime Minister Narendra Modi will be forming the government for the third time with support from his allies in the National Democratic Alliance. India – being the world's largest democracy with about 980 million eligible voters, its economic rise, and its place in the geopolitical space – is considered as a viable counter to China.

Agriculture and employment issues have been at the forefront of this parliamentary election in India. The new government need to focus on those areas that positively impact rural and urban population with inclusive economic policies to win over the confidence of the population. Inclusive development with a year-on-year growth of over 8% with jobs will set India in the path toward its goal of becoming a developed country by 2047 – the 100th year of Indian independence.

In speaking to his party supporters on June 4, Prime Minister Modi stressed the importance of self-sufficient farmers, a self-dependent defense sector, and the need to boost green manufacturing. Given that his third term would focus on climate change issues, food security, and global supply chain stability, policies should support productive manufacturing, agriculture, and high-tech sectors such as semiconductor chips and electronics.

I recently spoke with two textile industry veterans from Tamilnadu who expressed that they are optimistic that the new government would develop policies to boost exports of textiles with the aim of boosting employment. In my opinion, the government will aim to strengthen manufacturing and unveil supportive policies for agriculture. Such a balanced approach will enhance skill sets for the labor force to have high paying jobs and strengthen agriculture.

Given the current political scenario, Bharatiya Janata Party headed by Prime Minister Modi with support from Telugu Desan Party and Janata Dal (United) will focus on rural and suburban economic growth. As the two allies are from States that have a large agricultural base on the plains of the Ganges, Godavari, and Krishna rivers, rural development and skill enhancement for high wages will receive favorable considerations among other priorities such as infrastructural investments.

Agriculture and textiles provide more employment and need support to tackle the national unemployment issue. Policies supporting reliable farm income and stability in crop prices need to be drafted which will receive support across party lines and strengthen the government.

As the Prime Minister outlined in his latest speech: to strengthen the agriculture and defense sectors, the textiles industry has a role to play in terms of enhancing the cotton sector, building a R&D base, and boosting SMEs that focus on composites, defense materials, and more. Stakeholders in the sector such as crop production, textiles, and garment manufacturing should proactively engage with the government to help craft policies for win-win growth.

In addition to boosting domestic consumption, the focus should be to enhance exports. The Indian government should engage with international partners, particularly in the Western Hemisphere, to strengthen trade agreements as countries like the United States are trying to move away in trade from China due to the geopolitical scenario and wanting to stay competitive against China.

The Indian textile industry should utilize the opportunity to present itself as a reliable alternative to China.

Balanced economic growth needs to involve agriculture, textiles, and manufacturing to have development with job creation.

Source: cottongrower.com– June 06, 2024

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ReCircle Enables Businesses to go Circular with Textile Waste Management Vertical: 'Project Extra Life'

Mumbai (Maharashtra) [India], June 6: Our clothes are destroying the planet. Annually, the global textile industry is responsible for approximately 92 million tons of waste. In India, textiles significantly contribute to industrial water pollution, demanding innovative solutions. That is why ReCircle, the leading clean-tech resource recovery innovator, has launched Project Extra Life to tackle India's textile waste problem and build a more circular future.

With Project Extra Life, ReCircle has established a circular textile waste management vertical as an addition to its existing waste management services and aims to collect, sort and sell at least 570 MT textile waste over the next 12 months. ReCircle aims to reach over 1 lakh + institutions and individuals including fashion houses, textile businesses, hospitality giants, educational institutions, brands, offices, factories, households as well as existing clients within its corporate programme to help close the loop on textiles.

What is ReCircle looking for?

Since launching Project Extra Life in April 2024, ReCircle has collaborated with businesses to recover textile waste and organised Mumbai-based textile waste collections drives for consumer participation.

Whether it is a large manufacturer or a small business, the company offers tailored solutions to handle textile waste efficiently. Here's how businesses can participate:

Whether it is a large manufacturer or a small business, the company offers tailored solutions to handle textile waste efficiently. Here's how businesses can participate:

1. ReCircle offers nationwide participation options and custom plans for bulk contributions in cases where businesses have more than 10 tons of textile waste. The waste can be delivered directly to ReCircle's Advanced Material Recovery Facility (MRF) in Mumbai to:

* ReCircle MRF Dahisar | Material Recovery Facility | BMC R-North Ward Dry Waste Centre, Gaonthan, Anand Park, Dahisar West, Mumbai,

Maharashtra 400068. Map link: https://maps.app.goo.gl/qQDCFzywWF97qYqP7

2. ReCircle also proposes enabling institutions in setting up textile waste collection drives.

3. Fashion houses/textile businesses can reach out to ReCircle to manage their production waste and set up 'take-back' programs for customers. Considering the highest value will be captured from post-consumer (wearables) textiles, Project Extra Life will concentrate on this part of the value chain over the next coming months.

"Consumers and brands need confidence through traceability and accountability, tracking the lifecycle of donated clothes, and ensuring they are responsibly recycled and not diverted to landfills. Project Extra Life is an attempt to do just that by building value potential of textile waste, creating a transparent technology-driven value chain, all while focusing on capacity building for waste workers and enabling a more circular textile waste value chain," said Rahul Nainani, Co-Founder & CEO, ReCircle.

Where does the collected textile material go?

ReCircle aims to collect materials such as cotton, wool, polyester, acrylic, synthetic fibres, nylon, denim, silk, etc. After the textile waste is collected, they are sent to ReCircle's Advanced Material Recovery Facility (MRF) in Dahisar, Mumbai where they are assessed on reusability by ReCircle's Safai Saathis (waste workers). The collected textile waste, which is beyond repair, is sent to ReCircle's recycling partners in Surat and Panipat where it is bailed, shredded and turned into recycled yarn. Based on this, the garments start their Extra Life journey via one of four channels; including:

* Rewear: what can be worn again
* Revamp: what needs a few repairs
* Recycle: what is nearing end of life
* Relife: unusables converted into energy

"With our optimised textile reverse logistics, we offer a solution to the existing long-drawn and expensive process by leveraging data which adds an advantage and provides better supply chain visibility to businesses, leading to benefits such as cost and waste reduction as well as improved brand sentiment. We are positive that we can empower various stakeholders to participate in the formalisation and mainstreaming of the textile waste value chain and eventually create a closed-loop textile industry," said Gurashish Singh Sahni, Co-Founder & COO, ReCircle.

Project Extra Life intends to build value potential of textile waste, create a traceable and transparent value chain, leverage technological interventions for waste segregation and sorting, improve inefficiencies of waste handlers through capacity building and foster an enabling environment to pave the way for a more sustainable and efficient textile waste value chain. ReCircle aims to integrate micro-entrepreneurship and create 80-100 indirect jobs for waste workers with the launch of the new textile waste recovery vertical thereby impacting lives and livelihoods.

Click here for more details

Source: business-standard.com– June 06, 2024

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