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IBTEX No. 109 of 2024 July 03, 2024

Currency Watch			
USD	EUR	GBP	JPY
83.53	89.69	105.91	0.52

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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

Global goods trade rises in Q1 after flat 2023: WTO

The volume of world merchandise trade turned up in the first quarter of 2024 after remaining flat throughout 2023, the World Trade Organization (WTO) said Tuesday.

Merchandise trade as measured by the average of exports and imports was up 1% in the first quarter compared to the previous quarter. Trade was up 1.4% compared to the same period in 2023.

Most regions contributed positively to the upturn in trade volume, with Europe remaining a notable exception as its exports and imports continued to decline.

WTO predicted that world merchandise trade volume would grow 2.6% in April 2024 and 3.3% in the same month in 2025.

"The 1% increase is broadly consistent with these projections; if the current pace of expansion continues through the end of this year, trade volume for the whole of 2024 will be 2.7% higher than in 2023," the WTO said.

The US dollar value of world merchandise trade was down 2% year-on-year in the first quarter of 2024, according to the Geneva-based organization. The fact that trade values were declining while trade volumes were rising indicates that export and import prices were falling during this period, it said.

Source: economictimes.com– July 02, 2024

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UNCTAD's global trade update

Global trade trends turned positive in the first quarter of 2024, with the value of trade in goods increasing by around 1% quarter-over-quarter and services by about 1.5%.

This surge, fueled by positive trade dynamics for the United States and developing countries, particularly large Asian developing economies, is expected to add approximately $250 billion to goods trade and $100 billion to services trade in the first half of 2024 compared to the second half of 2023.

Global forecasts for GDP growth remain at around 3% for 2024, with the short-term trade outlook being cautiously optimistic. If positive trends persist, global trade in 2024 could reach almost $32 trillion, yet it is unlikely to surpass its record level seen in 2022.

China, India and the US drive global trade

Global trade growth in the first quarter of 2024 was primarily driven by increased exports from China (9%), India (7%) and the US (3%). Conversely, Europe's exports showed no growth and Africa's exports decreased by 5%.

South-South trade sets the pace

Trade in developing countries and South-South trade increased by about 2% in both imports and exports during the first quarter. In comparison, developed countries saw flat imports and a modest 1% rise in exports.

On an annual basis, however, South-South trade fell by 5% when comparing the first quarter of 2023 to the first quarter of 2024.

Green energy and AI sectors see strong surge

Trade growth varied significantly across sectors, with green energy and AI-related products experiencing stronger increases.

The trade value of high-performance servers rose by 25% compared to the first quarter of 2023, while other computers and storage units saw an 8%

increase. The trade value of electric vehicles also grew significantly, increasing by about 25%.

Positive outlook tempered by geopolitical and policy challenges

Despite these positive trends, the outlook for 2024 is tempered by potential geopolitical issues and industrial policy impacts. Geopolitical tensions, rising shipping costs, and emerging industrial policies could reshape global trade patterns.

The report warns that an increasing focus on domestic industries and trade restrictions could hinder international trade growth.

Source: ajot.com– July 02, 2024

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Japanese manufacturing production marginally up at Q2 2024 end

Japanese manufacturing production marginally increased at the end of the second quarter (Q2) this year, supported by sustained job creation, the clearing of backlogs and stock-building efforts, according to au Jibun Bank Japan manufacturing purchasing manager's index (PMI) data compiled by S&P Global.

Moreover, business sentiment improved to its best in 2024 so far. In a less favourable perspective, demand conditions remained subdued as evidenced by further contractions in total new orders and international sales. Concurrently price pressures intensified.

Posting at the neutral mark of 50 in June, the headline au Jibun Bank Japan manufacturing PMI—a composite single-figure indicator of manufacturing performance—indicated no change in the overall health of the sector.

This followed a marginal improvement in operating conditions in May, when the headline figure registered 50.4.

Factory output expanded for the first time in over a year during June, albeit marginally. Where growth was signalled, survey participants commented on the clearing of outstanding business and stock building efforts. A few firms also suggested that a pick-up in demand for key products supported the rise, an S&P Global release said.

Overall new orders fell for the thirteenth successive month in June, but the pace of reduction was slight. Demand retrenchment was cited as the key determinant of lower sales by those firms that reported a fall.

A further decline in international sales contributed to the fall in total new business. Export orders decreased for the twenty-eighth month in a row and at the quickest pace since March. Anecdotal evidence highlighted deteriorating demand from Asia (particularly China and Thailand), Europe and North America.

Notwithstanding the current demand environment, manufacturers in Japan forecast an improvement in client appetite in the medium-term.

Optimism towards the year-ahead outlook for output continued to underpin job creation, with firms often commenting that existing vacancies had been filled.

Employment rose for the fourth consecutive month in June, though at a moderate pace that was broadly similar to May.

There was a sharper increase in input prices at goods producers. The rate of inflation climbed to a 14-month high. Subsequently, selling prices were raised to the greatest extent in over a year.

Trends for inventories were generally consistent, with both input and output stocks expanding for the second month running in June and at broadly similar rates to those seen in May.

The rise in raw material holdings was associated with the arrival of previously purchased inputs, while the uptick in finished goods inventories was attributed to unsold goods being placed into warehouses.

On the supply-side, there was a renewed improvement in lead times amid higher stock levels at vendors and subdued input demand.

Source: fibre2fashion.com– July 02, 2024

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Eurozone manufacturing sector faces accelerated downturn in June 2024

Eurozone manufacturing health, as measured by the HCOB Manufacturing Purchasing Managers' Index (PMI) and compiled by S&P Global, declined for the fourth time in five months in June 2024. The PMI fell from May's 14-month high of 47.3 to 45.8, indicating a solid and accelerated deterioration in the sector. This renewed decline means the PMI remains significantly below its survey average of 51.6.

Weaker trends were seen across the majority of manufacturing sectors at the national level during June. Greece retained its position at the top of the Manufacturing PMI rankings, despite the index here falling to a six-month low. Slower rates of improvement were likewise recorded for both Spain and the Netherlands.

The remaining monitored euro area constituents saw factory conditions worsen at the end of the second quarter. Except for Italy, deteriorations were stronger than in May. Germany's manufacturing sector was once again the eurozone's worst-performing, as has been the case in every month since February.

After nearly stabilising in May, the final month of the second quarter saw factory production across the euro area fall solidly and at the fastest pace in 2024 so far. June's contraction in output came amid a sharper deterioration in demand conditions, as evidenced by the respective index for new orders falling further below the 50 no-change mark.

Eurozone goods producers also reported weaker sales to clients externally, with the latest survey data signalling a twenty-eighth consecutive monthly drop in new export orders. The reduction was marked and the steepest since February, as per S&P Global.

Eurozone manufacturers lowered purchasing quantities in June amid shrinking production requirements. In fact, the decrease in buying levels was more pronounced than in May and quicker than the concurrent declines witnessed in both output and new orders. Stocks of purchases continued to be depleted, as has been the case in each month since early-2023. June's decline was the sharpest in the year-to-date.

Factory output was partially supported by the completion of backlogged work. Outstanding business fell in June, extending the current sequence of depletion to just over two years. The latest survey data implied an uptick in spare capacity at euro area manufacturers, leading employment to subsequently be reduced for a thirteenth straight month. The rate at which factory jobs were cut was the fastest in three months.

As has generally been the case for the best part of a year-and-a-half (and excluding January this year, which was the height of the Red Sea disruptions), eurozone manufacturers reported a shortening of suppliers' delivery times in June. That said, the extent to which vendor performance improved was the weakest since February.

Meanwhile, input costs at euro area factories increased for the first time in 16 months during June. The price of goods leaving the factory gate continued to fall, although the rate at which charges were discounted was only marginal and the softest seen across the current 14-month sequence of deflation, S&P Global added.

Lastly, despite the broader deterioration in business conditions at the end of the second quarter, business confidence was unchanged from May 27-month high. This meant that firms were optimistic towards the forthcoming year, with the level of positive sentiment above its long-term average.

Source: fibre2fashion.com– July 03, 2024

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UK manufacturing upturn continues at Q2 2024 end: S&P Global

The UK manufacturing upturn continued at the end of the second quarter (Q2) this year as June saw output and new orders both expand for the second successive month, with rates of expansion remaining close to the highs reached in May.

There was a modest upswing in cost inflationary pressures, with input prices rising at the quickest pace since January 2023.

The seasonally adjusted S&P Global UK manufacturing purchasing managers' index (PMI) registered 50.9 in June, down slightly from May's 22-month high of 51.2 and below the earlier flash estimate of 51.4.

The PMI has posted above the neutral 50 mark—signalling expansion—in each of the past two months.

Three out of the five PMI components were at levels consistent with improved operating conditions in June, as output and new orders expanded and suppliers' delivery times lengthened.

In contrast, stocks of purchases and employment both decreased.

June saw production volumes scaled up for the second successive month, as companies reacted to rising intakes of new orders and ongoing efforts to clear backlogs of work.

The rate of output growth was solid and only slightly below the 25-month high achieved in May. The expansion remained broad-based by sub-sector, with growth registered across the consumer, intermediate and investment goods categories.

Output growth was confined to large-scale producers, as contractions were signalled for both small and medium enterprises (SMEs). The same trend was seen for demand, with new orders rising at large firms and falling at SMEs.

New business intakes rose overall for the third time in June in the past four months. New order growth was linked to improved demand, greater levels of market activity, product promotions and an end of destocking at some clients.

The continued upturn in new business was mainly driven by the domestic market, as inflows of new work from overseas declined for the twenty-ninth month in a row.

There were reports of lower intakes from clients in North America, China, Germany, France, Italy, Sweden, the Middle East and Poland. Part of the latest decline was linked to shipping delays and rising freight costs, both of which were often the result of the Red Sea crisis.

Manufacturers maintained a positive outlook in June, reflecting expectations for a market recovery, planned growth strategies, new product launches and promotional activities.

Optimism stayed close to May's 27-month high, with 57 per cent of firms expecting output to rise over the coming year. Some firms noted feeling uncertain due the forthcoming general election, while others expected this to reduce following its conclusion.

Source: fibre2fashion.com– July 03, 2024

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EU-Kenya EPA to boost bilateral trade & investment

The EU-Kenya Economic Partnership Agreement (EPA) has officially entered into force, marking a significant milestone in the EU-Kenya Strategic Partnership. This agreement is set to boost bilateral trade in goods, increase investment flows, and strengthen ties between the two partners. It aims to facilitate mutually advantageous economic relations in a sustainable manner, thereby stimulating job creation and economic growth.

The EU-Kenya EPA stands out as the most ambitious deal negotiated with an African country in terms of sustainability. It is expected to serve as a template for other sustainable trade agreements. Key commitments within the agreement include binding provisions on labour issues, gender equality, environmental protection, and the fight against climate change, the European Commission said in a press release.

Kenya, known as East Africa's main economic hub, has substantial growth potential in its trade relations with the EU. The agreement is anticipated to unlock new economic opportunities, given that the EU is Kenya's primary export destination and its second-largest trading partner. In 2023, total trade between the EU and Kenya reached €3 billion (approximately $3.219 billion), reflecting an increase of 16 per cent compared to 2018.

The EPA will create more opportunities for Kenyan businesses and exporters by fully opening the EU market to Kenyan products. Additionally, it will incentivise EU investment in Kenya due to increased legal certainty and stability, the release added.

The Economic Partnership Agreement between the EU and Kenya was concluded in June 2023 and signed by both parties on 18 December 2023. The agreement aims at implementing the provisions the EU-East African Community (EAC) EPA, and it remains open to other EAC countries.

Source: fibre2fashion.com– July 02, 2024

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Maersk CEO: Red Sea-Driven Capacity Challenges Will Persist into Q3

Expect the disruptions to container shipping in the Red Sea to linger into the third quarter, according to Maersk CEO Vincent Clerc.

The ocean freight giant is still diverting its container vessels away from the Red Sea and the neighboring Gulf of Aden, instead rerouting them around southern Africa's Cape of Good Hope, to avoid the ongoing drone and missile attacks perpetrated by Houthi militants in Yemen.

The onslaught on commercial shipping has persisted since November, forcing Maersk and chief competitors like Mediterranean Shipping Company (MSC), CMA CGM, Cosco Shipping and Hapag-Lloyd to do the same. The mass rerouting has lengthened transit times for goods from Asia to Europe, further causing capacity constraints out on the ocean and leading to congestion at the two largest ports in the world, Shanghai and Singapore.

"Today, all ships that can sail and all ships that were previously not well utilized in other parts of the world have been redeployed to try to plug holes," Clerc said to customers during a recent online event. "It has alleviated part of the problem, but far from all the problem across the industry, including for Maersk. We are going to have in the coming month missing positions or ships that are sailing that are a significantly different size from what we normally would have on that string, which will also imply reduced ability for us to carry all the demand that there is."

According to Clerc, the capacity constraints exist because it takes two to three ships to extend one voyage to travel the longer route around Africa, depending on the trade in question.

Clerc noted that the availability of additional capacity was already low to begin with, which has limited carriers' ability to bring in extra tonnage.

Planning for demand peaks around Lunar New Year helped soften the impacts of the Red Sea situation in the first quarter, according to the CEO. But the challenges since April and May the challenges have intensified, he said.

Clerc also pointed to one of the more obvious impacts of the Red Sea crisis—the acceleration of ocean freight rates, which have continued their ascent since April after the post-Lunar New Year comedown.

Drewry's World Container Index (WCI), which measures ocean spot freight rates across eight major trade lanes, increased 4 percent week over week to $5,318 per 40-foot container on Thursday. Since Nov. 30, these container prices have shot up nearly 285 percent. Some speculation from maritime trade advisory service Sea-Intelligence even indicated that freight rates can escalate to roughly $20,000 per container on Asia-to-Europe routes.

"The longer that this lasts, the more our costs will get deeply ingrained," Clerc told Maersk customers. "We don't know yet exactly how much of these costs we will recover and for how long. The higher rates we are seeing right now are of a temporary nature. We will see eventually that they go back to market as some of these problems get alleviated either by the new tonnage being phased gradually in or by us resuming normal sailing routes in the near future."

Maersk exits bidding war for DB Schenker

Maersk recently pulled out of the running to acquire another logistics giant, Germany-based DB Schenker, with Clerc saying in a statement that a review of the company identified areas where integration would be challenging.

The reported bid for the Deutsche Bahn subsidiary was reported to be more than 15 billion euros ($16.1 billion).

According to Bloomberg, three companies are now known to be in the race: one of DB Schenker's largest rivals, the Denmark-headquartered logistics and transportation company DSV; MSC; and a consortium led by private equity firms CVC Capital and Carlyle Group.

A deal for DB Schenker would have fit in with Maersk's expansion strategy in recent years, with the company seeking to extend its reach beyond its ocean carrier roots into areas like air freight, land-based transportation and freight forwarding via acquisitions.

“Our strategic focus remains unchanged; acquisitions continue to be an important lever to scale our logistics business,” Clerc said. “We are committed to continue to grow in Europe, including Germany, and we see our organic growth in logistics gaining momentum. We are executing our growth plans in the terminals business and implementing a new ocean network. This is where our focus is, and we are fully dedicated to further unfolding all the potential that we see.”

Deutsche Bahn announced that DB Schenker was officially up for sale in December 2023 after spending a year mulling its options.

Source: sourcingjournal.com– July 02, 2024

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Texworld NYC's International Pavilions Highlight Global Textiles and Manufacturing Capabilities

Texworld NYC and Apparel Sourcing NYC might be held in New York City, but the co-located global shows will be bringing attendees the world.

To help attendees navigate the one-stop-shop's global sourcing focus on July 14-16, 2024, Texworld NYC and Apparel Sourcing NYC have created numerous international pavilions, organized and manned by each country's respective trade association. These destination areas on the show floor will present multi-exhibitor high-level overviews of each country's heritage and artisanal skills (often dating back centuries or more), as well more modern design and manufacturing capabilities. For many of the countries, the textile industry is one of the largest contributors to its economy, so there is heightened attention to investment and quality production.

Vietnam's pavilion will have 20 exhibitors (organized by the Investment and Trade Promotion Centre, or ITPC), focusing mainly on textiles and apparel. On the artisanal front, Vietnam has a long history of silk and silk weaving, known for its lightweight durability. From a modern fashion standpoint, Vietnam is particularly known for sportswear and footwear, as well as bags and backpacks. Vietnam is a member of the Association of Southeast Asian Nations (ASEAN) and subsequently, a member of ASEAN Free Trade Area (AFTA), making it particularly attractive as a sourcing region.

Taiwan's pavilion is organized by the Taiwan Textile Federation (TTF). Renowned for its integral supply chain, Taiwan has been increasingly developing various types of functional and eco-friendly textiles.

Korea's pavilion, organized by the Korea Textile Trade Association (KTTA), often translates the country's technological capabilities into its textiles. Look for fashion textiles, high-tech and functional textiles, as well as those made with 3D design capabilities.

Bangladesh's pavilion is organized by the Export Promotion Bureau (EPB). Bangladesh has a strong history of textile production, and produces a broad range of products, including cotton and synthetic fabrics, plus garments and home textiles.

Pakistan's pavilion is organized by the Trade Development Authority of Pakistan (TDAP). Pakistan is a major supplier of cotton, so attendees can expect a broad variety of cotton textiles produced in the country's vertically integrated facilities. To suit consumer demand, Pakistan is also known for knits and wovens, in blends including silk, cotton, linen and synthetics.

The India pavilion features 1 exhibitor and is organized by the Handloom Export Promotion Council (HEPC). Long known for its textiles, India specializes in silks and cottons as well as man-made fibers, and will be featuring mostly home textiles and soft goods at Texworld. In general, India's artisanal techniques range from wood block printing to beautiful hand-loom weaves (one of the country's oldest industries), and the country has a long history of dyeing techniques as well.

"Our co-located events in New York and Los Angeles represent a unique opportunity for industry professionals to connect, learn, and grow. From curated trend presentations to networking opportunities, our shows offer a comprehensive experience designed to empower both attendees and exhibitors and drive success in today's competitive marketplace," states Jennifer Bacon, VP of Fashion + Apparel, Messe Frankfurt Inc.

Global suppliers across apparel, textiles and home will exhibit at the co-located Texworld and Apparel Sourcing New York City, Home Textiles Sourcing and Printsource shows (running July 16-18 at New York's Jacob K. Javits Center). Following Texworld NYC is Texworld and Apparel Sourcing Los Angeles and Printsource, running in August at Los Angeles' California Market Center.

For more information, click here.

Source: sourcingjournal.com– July 02, 2024

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US manufacturing contraction deepens in June

US manufacturing activity edged lower in June, deepening a recent slump on continued weak demand, according to industry survey data published Monday. The Institute for Supply Management's (ISM) manufacturing index came in at 48.5 percent last month, down 0.2 percentage points from May.

The June data came in below market expectations of 49.1 percent, according to Briefing.com, and marked the third consecutive month where the reading was below the 50-point mark separating expansion from contraction. "US manufacturing activity continued in contraction at the close of the second quarter," ISM survey chief Timothy Fiore said in a statement.

"Demand remains subdued, as companies demonstrate an unwillingness to invest in capital and inventory due to current monetary policy and other conditions," he continued, referring to the US Federal Reserve's ongoing battle against rising prices. Inflation has fallen sharply since the Fed began hiking interest rates in 2022, but remains stuck above its long-term target of two percent -- keeping borrowing costs high for both consumers and producers.

"Production execution was down compared to the previous month, likely causing revenue declines, putting pressure on profitability," Fiore said. June's data extends the recent slump, which began after a positive reading in March briefly snapped 16 straight months of contraction.

The ISM survey found that eight manufacturing industries reported growth in June, including petroleum and coal products, and chemical products, while nine contracted, including textile mills, transportation equipment, and electrical equipment.

"Manufacturing activity remained in contraction territory in June, but in a sign of moderating inflation pressure, the prices paid component fell 4.9 points," Wells Fargo economists wrote in a note to clients. "New orders rose more than any other component but remains in contraction," they added.

Source: thedailystar.net– July 03, 2024

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Digital Product Passports: Revolutionizing transparency in the textile industry

Imagine a world where your t-shirt comes with a digital identity, revealing its journey from cotton field to clothing rack. This is the promise of Digital Product Passports (DPPs), a game-changer for the textile and apparel sector.

What are DPPs?

DPPs are essentially secure digital records containing a product's entire lifecycle information. Think of them as digital birth certificates for your clothes. They capture details like materials used, manufacturing processes, certifications earned (like Fair Trade or GOTS), and even care and recycling instructions. This information is linked to a unique product identifier, often a QR code displayed on the clothing label. By scanning the code with a smartphone, consumers and other stakeholders gain instant access to the product's story.

Textiles taking the lead

The European Union (EU) is at the forefront of this revolution. The EU's ambitious "Strategy for Sustainable and Circular Textiles" identifies textiles as a priority sector for DPP implementation. This focus stems from the industry's significant environmental impact.

"Textiles have been earmarked as a key industry for overhaul under the EU's Circular Economy Action Plan," explains a recent article by Protokol, a business intelligence platform. "Digital Product Passports are being mandated as a core technology for the initiative."

"Consumers can access information about the materials used...and the manufacturing processes involved," explains Digital Link, a sustainability solutions provider. This empowers consumers to make informed choices that align with their values. Imagine choosing a shirt based on its recycled cotton content or water-saving production methods!

The EU Ecodesign for Sustainable Products Regulation (ESPR) mandates their use in textiles by 2027-28, with full implementation expected by 2030. This regulation sets a precedent for other countries to follow, potentially creating a global standard for textile transparency.

How it works, a case study

Trace4Value, a Swedish research project, is pioneering DPP implementation in textiles. Their pilot project demonstrates the potential of DPPs to transform the industry. "Our project's overarching goal is to improve transparency and sustainable production practices," says their website. Imagine a garment with a DPP revealing its use of recycled materials or water-saving dyeing techniques. This empowers consumers to make informed choices that align with their values.

However, despite all the positives standardization and data security remain crucial challenges. Collaboration across the industry is essential to ensure smooth implementation. Indeed the potential benefits are undeniable. As industry analyst Sandra Can't Veer states in a GS1 Europe report, "The new EU sustainability textile strategy positions the Digital Product Passport as a game changer for the textile industry."

The digital age is transforming the clothing industry and DPPs are poised to revolutionize transparency and sustainability in textiles. With the EU leading the charge, this innovation has the potential to reshape the way we produce and consume clothing on a global scale.

Source: fashionatingworld.com– July 02, 2024

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Global spinning machinery market to grow to $45.80 billion by 2030

Valued at $26.65 billion in 2022, the global spinning machinery market is projected to grow at a 7.2 per cent CAGR to reach $45.80 billion by 2030.

As per a report by Whatech, offering abundant opportunities to manufacturers, suppliers and end-users, the spinning machinery market aims to enhance productivity, quality, and sustainability in textile production.

The demand for sustainable and eco-friendly textiles is particularly driving market growth, encouraging the adoption of energy-efficient technologies like servo motors and automated control systems. Industry 4.0 technologies, such as IoT sensors and artificial intelligence, further enhance process optimization and predictive maintenance in spinning operations, catering to the trend of customization and personalization in textile products.

Key drivers of market growth include population growth, rising disposable incomes, and technological advancements in spinning technologies like rotor spinning and compact spinning.

Sustainability concerns also push demand for spinning machinery with energy-saving features and eco-friendly materials. However, challenges such as fluctuating raw material prices, complex spinning processes, and regulatory requirements pose hurdles to market expansion.

Despite these challenges, the spinning machinery market continues to expand, driven by technological innovation, market diversification, and evolving consumer trends. Strategic collaborations and investments in research and development are expected to further accelerate growth, making spinning machinery a cornerstone of industrial excellence and innovation in the global textile industry.

Source: fashionatingworld.com– July 02, 2024

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Vietnam finalising plan for fund to attract foreign investment

VIETNAM'S Ministry of Planning and Investment is finalising a draft plan to set up a fund to help attract foreign investment and maintain the country's competitiveness, according to a ministry document reviewed by Reuters.

The draft will be submitted to the central government by Friday (Jul 5), according to the document dated Jun 29.

The South-east Asian country, which is an important manufacturing base for companies like Samsung Electronics, Foxconn and Intel, is heavily reliant on foreign investment for growth. Companies with foreign investment account for around 70 per cent of its total exports.

The fund and other incentives have been highly anticipated by multinationals after Vietnam's parliament last year approved the OECD-led global minimum corporate tax rate of 15 per cent, raising the effective tax level paid by companies.

The fund, which would be financed by the state budget and by revenue from corporate tax, was part of efforts to "maintain Vietnam's competitiveness in the face of changeable global conditions and fierce competition among countries in attracting investment", the document said.

The Vietnam Fund for Investment Support would provide cash to projects to partly cover costs for infrastructure, fixed assets and human resource training.

Source: businesstimes.com.sg– July 02, 2024

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World Bank helps Bangladesh develop bay terminal

The World Bank's board of executive directors has approved $650 million to help Bangladesh invest in infrastructure critical for developing the bay terminal deep seaport, which will significantly improve Bangladesh's global trade competitiveness and reduce import and export costs by increasing port operational efficiency and mobilising private investment.

The Bay Terminal Marine Infrastructure Development project will construct a 6 km climate-resilient breakwater to protect the harbour from the force of waves, current, and extreme weather. It will also carry out dredging of the port basin, entrance, and access channels.

The new, modern bay terminal, to be operated by leading international terminal operators, will accommodate larger size vessels, such as panamax vessels, and substantially decrease vessel turnaround time, potentially saving the economy about $1 million daily. Currently, the Chittagong port—which is the maritime gateway for over 90 per cent of Bangladesh's international trade volume and 98 per cent of its container traffic—can only receive small feeder vessels during limited hours of the day.

"Bangladesh's international trade heavily relies on Chittagong port, which faces significant capacity constraints," said Abdoulaye Seck, World Bank country director for Bangladesh and Bhutan. "The bay terminal project will be a game changer. It will improve Bangladesh's export competitiveness through enhanced port capacity and reduced transportation cost and time, opening new opportunities to key global markets."

Moreover, the project will mobilise private investment for the development of container terminals. The World Bank investment along with the government funding will bolster investor confidence and contribute to mitigating risks associated with the overall Bay Terminal Development.

Furthermore, the World Bank group's private sector arm, the IFC, is considering investing in one of the proposed private sector-led terminal, the World Bank said on its website.

“The bay terminal will contribute to modernising the country’s seaport infrastructure and improving its connectivity to regional and international markets,” said Hua Tan, World Bank senior transport specialist and team leader for the project.

The bay terminal, located in the Anandangar/Sandwip channel, west of the Chittagong port and close to existing road and rail links to Dhaka, is expected to handle 36 per cent of Bangladesh’s container volumes. Over one million people, half of whom are women, are expected to directly benefit from improved access to sustainable transport services, including shipping companies, business communities, importers, exporters, and freight forwarders.

In FY 23-24, the World Bank committed a record $3.4 billion in support to Bangladesh, including this project. The World Bank was among the first development partners to support Bangladesh following the country’s independence. Since then, the World Bank has committed about $42.3 billion in grants, interest-free and concessional credits to the country.

Source: fibre2fashion.com– July 02, 2024

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NATIONAL NEWS

India-UK innings back on track

On July 4, British citizens will head to the polls to vote in an early general election. The Labour Party is poised to win, replacing the Conservative Party that has ruled Britain since 2010. A change in government after 14 years would have implications for British foreign policy, including the UK's relations with India. For years, the story of India-UK ties had been underwhelming despite the long intertwined histories of the two nations. In addition, a prolonged Brexit process and political turmoil within Britain resulted in a lack of attention beyond these issues.

With Brexit finally out of the way, the India-UK partnership has begun to blossom, characterised by India's key role in post-Brexit Britain's foreign and trade policy and its "Global Britain" aspirations. Ties were upgraded to a Comprehensive Strategic Partnership in 2022 during former Prime Minister Boris Johnson's tenure, accompanied by a 2030 road map to deepen bilateral relations.

Under Jeremy Corbyn, the Labour Party was widely perceived as antagonistic towards India with its repeated references to Kashmir to appeal to Britain's Muslim community that comprised a significant vote bank for the party. However, the party has reinvented itself under Keir Starmer's leadership. Mr Starmer has declared that Labour would seek a closer relationship with India and the British Indian community, which numbers around 1.8 million and contributes over 6 per cent to the British economy

A trade, security, and tech agenda

Negotiations for the India-UK Free Trade Agreement (FTA) hold bipartisan support and are slated to resume under a prospective Labour government.

The FTA aims to double bilateral trade by 2030, currently almost £40 billion, benefitting India's textiles, apparel, and gems sectors. Yet, sticking points remain, including a reduction in India's high tariffs, which can reach as high as 100-150 per cent on automobiles and scotch whiskies, and Britain's desire for greater access to the Indian market for its services sector, which constitutes 80 per cent of the British economy. On the other hand, India seeks greater mobility for its skilled professionals, a politically contentious issue for the Tories who advocated for Brexit on an anti-immigration platform. A Labour government may be better placed to make concessions on mobility-related issues.

The evolving strategic landscape of the Indo-Pacific has resulted in a British pivot towards the Indian Ocean. This is documented in the UK's Integrated Review Refresh (IR Refresh 2023) strategy that reinforces the UK's "Indo-Pacific tilt", and emphasises cooperation with "like-minded" partners such as India to support a rules-based order.

This has led to increasing India-UK strategic engagement in the Indo-Pacific, with both countries ramping up maritime presence through joint military exercises, enhanced naval interoperability, and collaboration in maritime domain awareness, counterterrorism, and humanitarian assistance and disaster relief (HADR) activities. Besides deploying assets such as the UK Carrier Group in the region, Britain has also joined the Indian Navy's Information Fusion Centre in Gurugram.

Building on from Prime Minister Rishi Sunak's first foreign policy speech where he declared the "golden era" of UK-China ties as over, IR Refresh's references to China as "an epoch-defining and systemic challenge" has somewhat mitigated India-UK differences, even though the strategy falls short of labelling China a threat.

Yet, despite plans to become the most engaged European power in the Indo-Pacific and increase defence spending to 2.5 per cent of gross domestic product by 2030, questions about British capacity and resources loom large. There is also uncertainty about whether Labour would continue the Indo-Pacific tilt initiated by the Tories.

Moreover, reduced American engagement in Europe may require Britain to focus on its role as a Euro-Atlantic security provider, making a collective approach with partners like India all the more crucial for Indo-Pacific stability.

On defence, Minister Rajnath Singh's visit to the UK in January 2024, the first such visit in 22 years, provided momentum to the security and defence pillar of the partnership. In 2023, ties were also upgraded to a 2+2 mechanism.

However, only 3 per cent of India's defence acquisitions in the past decade came from the UK, highlighting the scope to do more, particularly in bolstering India's defence manufacturing sector through sharing advanced technology, but also easing export licensing rules to enable India to reduce its dependency on Russian hardware.

Besides defence, India-UK collaboration in critical areas such as artificial intelligence, semiconductors and high performance computing is also in the works. British firm SRAM & MRAM Technologies has pledged investments of Rs 30,000 crore towards India's semiconductor ecosystem.

On climate action, the two countries are collaborating to strengthen research and design partnerships aimed at decarbonisation. Additionally, fintech, telecom, startups and higher education are important areas. On cybersecurity, the two nations cooperate through an Enhanced Cyber Partnership. Besides the US, Britain is the only country with whom India holds an annual Cyber Dialogue.

Gearing for a fresh era

Despite Britain's strong support for Ukraine, India's ties with Russia have not produced significant friction in India-UK relations. Historical irritants such as Pakistan and Khalistan issues that once clouded bilateral ties are gradually being marginalised, paving the way for smoother cooperation.

Prospects for India-UK relations under a revamped Labour party appear promising as Mr Satrmer has made a serious effort in addressing Indian concerns.

A third mandate for the Modi government, which has pursued a fresh approach to trade deals with Australia, the UAE and the European Free Trade Association bloc, and the likelihood of greater political stability in the UK post-elections, provide a solid foundation to advance the FTA towards the finish line, especially in the global context of protectionist American and Chinese streaks.

India's ties with the UK are at an interesting crossroads. Regardless of the direction taken, relations seem poised to continue on an upward trajectory. The UK as a P5, G7 and Five Eyes member continues to enjoy outsized global influence, while India is the world's fastest-growing economy and most populous country.

As both nations attempt to carve out roles for themselves in a volatile emerging order, now is the moment to harness synergies and convergences in favour of the bigger picture.

Source: business-standard.com– July 02, 2024

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India's trade dependence on China, EU rose in Q1 of 2024, says UNCTAD

India's trade dependence on China and the EU increased in the first quarter of 2024 while it reduced on Saudi Arabia, the United Nations Trade and Development (UNCTAD) said Tuesday. In its Global Trade Update, it said that the global trade trends have turned positive and global trade growth was driven by increased exports from China, India, and the US, while Europe and Africa disappointed.

As per the report, India's trade dependence on the EU and China increased 1% and 1.2%, respectively while that on Saudi Arabia fell 0.5% in the quarter. "Global trade growth in the first quarter of 2024 was primarily driven by increased exports from China (9%), India (7%) and the US (3%)," it said. Conversely, Europe's exports showed no growth and Africa's exports decreased by 5%. On the export side, China and India exhibited very strong quarter-over-quarter export performance, according to the Geneva-based organisation.

During the first quarter of 2024, trade growth in developing countries and South-South trade outpaced that in developed countries. "Current global trade trends have turned positive, with goods trade increasing by around 1% quarter over quarter (QoQ) in Q1 2024. Services trade grew at approximately 1.5% QoQ," UNCTAD said. Trade growth varied across sectors, with green energy and AI-related products experiencing stronger increases.

The UNCTAD nowcast predicts a stronger positive trend for the second quarter of 2024, projecting an approximate 2% increase for the first half of 2024. This increase is expected to add around $250 billion to goods trade and about $100 billion to services trade in the first half of 2024 compared to the second half of 2023. If positive trends persist, global trade in 2024 could reach almost $32 trillion, yet it is unlikely to surpass its record level seen in 2022. The outlook for 2024 remains positive, but geopolitical issues and industrial policies will continue reshaping global trade patterns, it said.

Source: economictimes.com– July 02, 2024

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India’s exim trade totters on freight hike, congestion, container shortage

India’s exim trade has been hit by surging freight rates, worsening congestion at transhipment ports, and shortage of empty containers.

Sources in the shipping sector said the global port congestion has reached a 18-month high with long lines of ships waiting for berths in transhipment ports, hindering timely deliveries.

Mahadevan Pavithran, Managing Director of Travancore Cocotuft, said the freight increase has affected coir exports as May to August is the peak season to meet Christmas demand in the US. The Kochi-Houston rate has increased from $2,400 to $7,600. “We are getting good export orders. But the soaring freight rates and container shortage are a problem. Compounding the difficulties is the doubling of raw material costs,” he said.

Dipak Shah, chairman, South India Tea Exporters Association, said buyers are not ready to accept ‘freight to pay rate’ instead of ’freight paid’. “Freight is a major component in exports and its increase on a daily basis is affecting all. Right now, there is no solution in sight,” he said.

According to Jeyaraj Easwaran, Tirupur Exporters Association, the sector cannot afford such fluctuations as it works on committed volume. This is peak season, with order commitments ahead of Christmas. However, lack of information from lines on expected time of arrival is impacting the trade badly, he said.

Costly diversion

Prakash Iyer, Chairman of Cochin Port Users Forum, said shipping rates were significantly down after Covid. But the Red Sea crisis and the diversion of ships via Cape of Good Hope has led to congestion, forcing lines to impose a rate hike. Currently, the rate to the US West Coast has jumped three-fold to $8,000. The frequency of direct sailing in the Kochi-Europe sector has also reduced to fortnightly from weekly.

Seeking urgent intervention from the Centre, Iyer suggested providing security to passing ships all along the Red Sea from Houthis attack, similar to the action against Somalian pirates.

Emmanuel Nambusseril of All India Spices Exporters Forum said the cancellation of bookings by shipping lines, especially to US ports, has affected spices exports. This has increased transit time to New York from 30-35 days to 50-60 days, causing major disruption in the supply chain and, in turn, delayed payments .

Seafood export orders are also getting cancelled in the absence of timely delivery in the US markets, with Ecuador benefiting from the disruption to meet the demand for marine products, adds Alex K Ninan of Seafood Exporters Association of India.

Source: thehindubusinessline.com– July 02, 2024

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India executes first Rs 1 crore pulses export to Myanmar under Rupee-Kyat trade settlement mechanism

The first transaction of over Rs 1 crore pulses export to Myanmar from India was successfully executed under the Rupee-Kyat trade settlement mechanism on Tuesday, a move which will boost bilateral trade and enhance the usage of local currencies. "Rupee-Kyat trade settlement mechanism is operational now," the Embassy of India in Yangon posted on X.

"The first transaction of over INR 1 cr of pulses export was successfully executed by the Yangon office of @pnbindia today. We encourage businesses on both sides to benefit from the mechanism," it said.— IndiainMyanmar (@IndiainMyanmar)

The Indian mission in collaboration with the India-Myanmar Chamber of Commerce (IMCC) had organised an awareness event on the use of the Rupee-Kyat Trade Settlement Mechanism in February.

The Central Bank of Myanmar released the guidelines for payment procedures under the Special Rupee Vostro Account (SRVA) on January 26.

"To boost bilateral trade and to enhance the usage of local currencies, a Rupee Kyat Trade Settlement Mechanism has been operationalised," the Indian embassy had earlier said in a press release.

The establishment of the mechanism, it said, "will simplify trade transactions and make them more efficient. It will reduce costs associated with currency conversions".

Source: economictimes.com– July 02, 2024

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PLI textiles review: Minimum investment, turnover criteria may be lowered

The Production Linked Incentive (PLI) scheme for textiles, which is being further reviewed by the government to possibly include more products, could have a lower minimum investment and turnover criteria to allow smaller entities to be eligible for it, said officials.

“The Textile Ministry’s proposed expansion of the PLI scheme to include all garments, including those made of cotton, will be more effective if the minimum investment and turnover criteria are lowered. The revised proposal being worked out is taking this into account,” an official tracking the matter told businessline.

The PLI scheme for the textiles sector, launched in 2021 with an approved outlay of ₹10,683 crore, is so far extended only for the production of man-made fibers (MMF) apparel, MMF fabrics, and products of technical textiles.

The scheme was re-opened last year as the initial round did not attract enough investments to use up the entire earmarked outlay. While the industry had been pushing for the inclusion of cotton garments in the scheme and lowering the criteria for minimum investment and turnover, no changes were made to the scheme when applications were invited for the second round.

“Even after the application window was opened for the second time, enough investments did not flow in. That is why the Textiles Ministry is now working on changing the conditions of the scheme to make it more accessible and attractive to investors,” the official said.

Textiles Minister Giriraj Singh recently announced that the PLI scheme may be expanded to cover all garments, ending speculations on the matter. “If the PLI scheme is indeed expanded to cover garments made of all fibres, including cotton, the minimum investment and turnover criteria have to be brought down as garment manufacturing units are generally of smaller scale,” the official said.

The existing scheme is divided into two parts, with a minimum investment criteria of ₹100 crore and a minimum turnover criteria of ₹200 crore for the first part and a minimum investment criteria of ₹300 crore and a minimum turnover criteria of ₹400 crore for the second. The incentive offered is higher for entities choosing the higher investment and turnover criteria.

However, the proposed changes to the scheme can only be executed after the necessary approvals are received.

“Firstly, the Textile Ministry has to be convinced in-house about the proposed changes, and the Textiles Minister has to give his consent. Then the Finance Ministry’s approval needs to be sought,” the official pointed out.

Source: thehindubusinessline.com– July 02, 2024

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Indian textile industry showing signs of post-pandemic recovery, says report

Global retailers and brands have reported that their inventory levels have recovered to pre-COVID standards, indicating a recovery in the textile business, a recent report of Avendus Spark observed.

But it also emphasises a cautious view of demand as apparel manufacturers wait for an increase in order book momentum. This cautious optimism implies that for the foreseeable future, the order cycle might continue to be shorter than typical."Garment companies are still awaiting a revival in order book momentum," the report stated.

According to the report, cotton spinners in India are benefiting from decreased global cotton pricing, which is driving up volume sales. The industry's sales increased by almost 8 per cent in the last quarter of the fiscal year 2024 (4QFY24) over the prior year. However, the overall gain was constrained by a 5 per cent decline in yarn prices. Value increase is anticipated to shortly match volume growth as cotton prices have stabilised.

As Indian exporters gained market share, the home textile companies had a solid quarter during which they saw a 16 per cent value growth, according to the report.

According to the Indian Textile report, robust volume growth helped cotton spinning companies achieve 5 per cent revenue growth year over year, even with a 5 per cent fall in yarn pricing. Exports connected to cotton rose by 18 per cent year over year and 20 per cent sequentially. Demand increased as Indian cotton prices momentarily fell below those of other countries. At the moment, cotton prices in India are almost 13 per cent higher than those worldwide.

EBITDA margins for clothing producers increased by 177 basis points in 4QFY24, mostly as a result of decreased input costs. It further stated that when compared to peers, vertically integrated players showed greater margin growth.

Source: apparelresources.com– July 02, 2024

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Interview with Rakesh Mehra

We expect the government to provide impetus to become $350 billion industry by 2030

The Confederation of Indian Textile Industry (CITI) is the only national association that covers the entire spectrum of the textile and clothing industry spanning domestic and exporting units, including regional and sectoral associations from farms to garments and even textile machinery. CITI has signed MoUs with 13 major international textile associations for the promotion of textiles trade and investment. It, directly and indirectly, serves an industry that connects to millions of farmers, 100 million plus workforce, and 1.3 billion consumers. The cumulative annual turnover of CITI members is more than $30 billion. In view of the Narendra Modi-led National Democratic Alliance (NDA) government beginning its 3rd term, Fibre2Fashion spoke to Chairman Rakesh Mehra about the challenges and what the government can do for the country's textile and apparel industry.

What are the major challenges before the new government, in terms of India's textile and apparel industry?

After achieving its highest-ever exports of $43.4 billion in 2021-22, the Indian textile industry was witnessing a stagnation in domestic demand as also declining exports since then. However, the current financial year has started on a good note with India's exports of textiles and apparel (T&A) registering a growth of 5.34 per cent in April-May 2024 as compared to April-May 2023. With the new government, the textile industry is looking forward to having policies towards raw material availability at competitive prices, checking rising imports, improving infrastructure, adoption of sustainable technologies, and improving ease of doing business. Such policy measures will not only help the industry in maintaining this growth trajectory but will also provide impetus towards achieving the visionary target of $350 billion market by 2030.

Majority of textile-apparel businesses fall under the MSME sector. To enhance liquidity for MSME entities, the government has amended Finance Bill 2023, wherein buyers (enterprises) are obligated to pay micro and small suppliers within 45 days. However, this has dampened sentiments in the trade of yarn and other products of textile sector. What do you think the new government should do?

The introduction of section 43(h) in the Finance Bill was to safeguard the interest of the MSME which fulfils the bulk of the industry requirements of various products and services. The traditional credit cycle in the Indian textile industry is longer than 45 days. This abrupt change has been affecting the entire production planning & schedule, and hence the government should carefully evaluate its impact on the textile industry. It is requested that this law may be introduced in a more phased manner with a phased reduction in the credit period to give enough time to the industry to adapt to the changes.

Across the Western world, people are buying less but are purchasing quality products that meet strict regulatory and sustainability standards. So, countries that do not act fast and start producing goods that meet these standards will stand to lose. What steps should the government take so that the Indian goods meet the required standards?

Yes, there has been a shift towards quality products which the industry is also recognising. However, there has also been an increased focus on product diversification to align with various consumer needs that go beyond quality, for example, the growing need for sustainable products that meet all the quality parameters as well as the health and safety of the people and the planet.

Since the Western world is a major market for Indian T&A products, it becomes essential for the industry to adapt to these changing trends. Stringent quality compliance and technology shift are the two major focus areas where the government and the Indian textile industry need to work. The government is already working on designing and developing standards at par with the international quality standards. The industry may adopt to these standards to improve the quality of its products. As far as the technology shift is concerned, India is dependent a lot on foreign technology. There is a dire need for the government to promote R&D for the development of indigenous technologies in line with the requirements of sustainability – with proven efficiency in energy, water, and material optimisation.

A lot has already been going on in this regard. However, the government needs to create more awareness among the industry members on these upcoming requirements and make the industry future-ready. The government may also facilitate collaboration between the industry stakeholders and international organisations for sharing best practices and knowledge which can also facilitate the transition towards producing goods that meet global standards.

I am happy to share that to create awareness in the industry as also to recognise and incentivise the efforts made by the industry players toward sustainability, CITI has also started the CITI Textile Sustainability Awards. The 2nd edition of it was organised during the Bharat Tex 2024. The then Minster of Textiles commended CITI for its efforts and also awarded the winners across the 5 different categories. CITI is planning to expand the scope of these awards in the years to come.

click here for more details

Source: fibre2fashion.com– July 02, 2024

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Share of cotton yarn exports to China rises to 21% in FY24

In FY24, the share of India's yarn exports to China rose to 21 per cent in FY24from 10 per cent in FY23.

This increase was boosted by the competitive pricing of Indian cotton yarn alongwith concerns surrounding Xinjiang cotton production, which led global markets to seek alternatives from India. Bangladesh, China, and Vietnam collectively accounted for 60 per cent of India's cotton yarn exports.

During the fiscal year, India’s cotton yarn exports soared by 83 per cent, driving the share of yarn exports to 32 per cent of India's total production, up from 19 per cent in FY23. This growth was pivotal in mitigating domestic market challenges, where subdued demand persisted despite a 9 per cent increase in overall cotton yarn production.

Meanwhile, domestic cotton fiber prices, after peaking in the first half of FY23, declined by 25 per cent in FY24 due to weaker demand in the domestic market. Looking ahead, despite a projected 6 per cent reduction in cotton fiber production for 2024 due to decreased sown areas, the carry-over surplus from previous years is expected to stabilize prices.

The ongoing Red Sea conflicts had minimal impact on cotton yarn exports, as most shipments were directed to stable markets like Bangladesh, China, and Vietnam. However, prolonged conflict could potentially disrupt apparel export volumes, thereby indirectly affecting cotton yarn export volumes and prices.

For FY25, domestic spinners anticipate a modest volume growth of 4-6 per cent, driven by increased exports to Bangladesh and China. This outlook is supported by competitive yarn pricing and a gradual recovery in export demand, while domestic consumption remains subdued.

Source: fashionatingworld.com– July 02, 2024

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Second to none, thrifting set to outpace apparel market

Sauntering through the lanes of Hauz Khas Village in Delhi, one can spot several stores—ordinary looking from the outside, but a treasure trove of one-of-a-kind clothes, shoes and accessories. These are thrift stores, selling second-hand clothes, and export surplus from brands budget and luxury—making fashion accessible to all while doing their bit for the environment.

The rising number of offline and online thrift stores are in consonance with the demand, as indicated by reports too. A recent report by ThredUp, a global thrift retailer, says the global second-hand apparel market grew by 18% last year to reach $197 billion, and is projected to grow three-fold faster than the overall apparel market to reach $350 billion by 2028.

Huckleberry Hangers is one of the most popular thrift spots in Hauz Khas. Stocked with various garments, it also sells Mary Janes, chunky loafers and cowboy boots. “I grew up in Darjeeling, where thrifting is a major thing. So my idea of a thrift store stemmed from there, and we eventually started during the Covid pandemic in 2020,” said Neha Butt, founder and curator of Huckleberry Hangers, which operates both offline and online, with over 12,600 followers on Instagram. It essentially sells export surplus goods, Butt specified, clothes with minor defects that are discarded by factories. “We bring these clothes from the factories and do our bit by not letting these clothes go to the landfill,” she added.

A few metres away from Huckleberry Hangers is Shop With Love, another multi-storied thrift store offering tops, jeans, dresses, jackets, trousers, and funky T-shirts. Along with the store, it has over 183,000 followers on Instagram and sells online as well.

In Mumbai’s Bombay Closet Cleanse, run by sisters Sana and Alfiya Khan, the business stemmed from a garage sale. “I was a shopaholic and had over 700 pieces in my closet gathering dust—some still with tags that I had never used. It was in a conversation with a friend who enlightened me about the impact of fast fashion on the environment. So I thought of doing a small garage sale for my friends and family, the response to which was massive. And that’s how the business was born,” said Sana.“In 2019, we started doing small-scale pop-ups across the city. But our business really blew up online during the pandemic, when thrifting became very popular on Instagram,” added Sana.

According to Sana, thrifting is an upward trend in India. “We have observed that GenZs are more conscious and aware customers who pay attention to their lifestyle choices and shopping habits. Secondly, thrifting in general has become a ‘cool’ thing, mainly because of its popularity on Instagram. And thirdly, it’s easy on the pocket,” said Sana.

“Catering to the global demand, India is a manufacturing hub for fast fashion,” said Shruti Singh, country head of Fashion Revolution India, an advocacy group that works towards sustainable fashion. India also has a textile waste problem, as it generates 7.8 million tonne of it annually, making it the country’s third-largest source of municipal solid waste, as per Amsterdam-based consultancy Fashion for Good.

Here is where thrifting comes into the picture as it “significantly contributes to environmental sustainability by reducing waste and greenhouse gas emissions associated with the fashion industry”. Choosing to buy pre-owned items instead of buying new ones not only lessens the strain on the planet’s limited resources but also keeps quality clothing in circulation, preventing them from ending up in landfills prematurely, thus fostering a circular economy in fashion, said Singh. In fact, as per the Ellen MacArthur Foundation, extending the life of clothing by just nine months can reduce carbon, water and waste footprints by 20-30%.

“Thrifting is gaining popularity in India, primarily driven by urban millennials and Gen Z,” said Singh. “People are seeking new and unique clothes—they want to look good without burning a hole in their pocket or harming the planet. Increasing awareness about sustainability and the rise of online thrift platforms and events have democratised second-hand shopping, making it not only accessible to a larger audience but also trendy,” she added.

Along with offline stores, there are numerous thrift stores functioning online, such as Vintage Laundry, with over 18,000 followers on Instagram, Lustthrift, with over 38,400 followers, and Bodements, with over 16,300 followers, among others. “Business is good,” said Sana, adding, “This is a great time for being a thrift brand in the country.”

Source: financialexpress.com– June 30, 2024

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