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Currency Watch			
USD	EUR	GBP	JPY
83.51	90.09	106.44	0.52

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INTERNATIONAL NEWS

Regenagri's Report Reveals a Regenerative Agriculture Rush

The transition to regenerative agriculture is accelerating across the global farming landscape, certification body Regenagri found.

The group, which supports farms and organizations in transitioning to holistic farming practices, recently launched its inaugural impact report.

The data revealed that regenerative farming practices continued to gain momentum during 2023, bolstered by international producers' "widespread recognition" of its economic and environmental benefits. This translated into a fivefold increase in the number of farms and supply chain operators applying the program's standards, with an additional 640 supply chain companies coming on board.

"As extreme weather events become more frequent and the urgency of climate action intensifies, Regenagri's work in promoting regenerative agriculture is more critical than ever," said Franco Costantini, the company's CEO. "2023 was a year of remarkable progress for Regenagri, with the area of land under its certification tripling from 487,000 hectares in 2022 to over 1.46 million hectares in 2023."

The program now supports more than 230,000 farms and 855 supply chain operators globally, per Costantini.

"Regenagri's standards are fast becoming the industry benchmark, especially within the textiles and food sectors," he continued. "We've continued to see growth in the textiles sector with brands such as J.Crew Group, Gap [and] PVH."

In 2021, J.Crew Group began investing in and piloting regenerative agriculture programs with growers and strategic partners globally, choosing Regenagri to support the firm's goals to reduce the environmental impact of the cotton used in its garments. J.Crew works directly with farms in Texas and Louisiana to improve their farming practices, with the aim of achieving Regenagri certification. The supported regenerative practices include no-till or minimum till, cover cropping and diverse crop rotations, as well as integrating livestock when possible.

These practices resulted in increased soil biodiversity and overall species biodiversity on the farm as well.

2021 also marked the beginning of the partnership between Regenagri and J.Crew Group supplier Arvind Ltd. to support farmers in India transitioning to regenerative practices. Through the partnership, the retailer invested in converting 2,400 acres across hundreds of smallholder farms in India to regenerative farming practices, all certified to the Regenagri standard, the report said. Within a year, the Madewell parent was ready to launch its first Regenagri-certified cotton collection.

“We are excited by Regenagri’s program and are exploring ways to expand it to more farmers and more fabrics in the future,” said Doug Forster, chief sourcing officer at J.Crew Group. “Regenerative agriculture is a priority for us at J.Crew Group, and sourcing fibers that may actively mitigate the effects of climate change is especially exciting.”

The report breaks down the environmental and economic benefits of implementing the UK-based community interest company’s framework as well. “Regenagri certified farms have achieved a remarkable positive impact,” Costantini said. “Representative examples are the annual greenhouse gas reduction of 4.44 tons of CO2 equivalent per hectare for cotton farms and 5.34 for coffee farms.”

The increase of soil carbon sequestration (about 5 million tons of carbon) and the reduction in water use are other notable achievements. “Certified farms in Brazil have also made significant strides in resource efficiency, reducing water use by 95,410 liters per hectare,” Costantini said. Looking ahead, the international program aims to double its impact in 2024 by expanding its program to cover 2 million hectares of land, supporting 500,000 farms globally.

“As the Regenagri initiative grows, we keep learning; from understanding the needs of farms and supply chains to technologies and systems that support the integrity and scalability of the program,” Costantini said. “I’m excited about how much more we can achieve in the coming years. We have ambitious goals to keep moving at a pace toward our vision of a world in which regenerative farming is the norm.”

Source: sourcingjournal.com– July 03, 2024

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Brazil's 2023-24 cotton harvest to set new record, prices remain firm

The 2023-24 cotton harvest is on track to set a new record, yet the supply from this season may not be available for several weeks or months. As a result, prices remain firm. The limited volume from the 2022-23 crop and the steadfast approach of sellers have reinforced the firmness of quotations, particularly for high-quality cotton, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

Producers are expected to allocate the initial batches of the season to term contracts, which have been closed at attractive prices. While some market players are keen on finalising new deals, others continue to search for raw materials at lower prices.

Between May 31 and June 28, the CEPEA/ESALQ Cotton Index (payment in 8 days) increased by 1.72 per cent, closing at BRL 3.9697 per pound on June 28. Notably, the Index reached around BRL 4.00 per pound on June 21, a level not seen since mid-April 2024, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In a report released on June 13, National Supply Company (CONAB) indicated that the cotton area in Brazil for the 2023-24 crop may total 1.945 million hectares, marking a 0.13 per cent increase compared to data released in May 2024 and a 16.9 per cent increase over the 2022-23 season. Although productivity rose by 0.24 per cent compared to the previous month, it is projected to be 1.4 per cent lower than the previous crop, at 1,881 kg/ha. Consequently, Brazil's cotton output is estimated to reach a record 3.66 million tons, a 0.37 per cent increase compared to the previous month and a 15.2 per cent increase over the 2022-23 season.

In Mato Grosso, CONAB projects an 18.9 per cent increase in the cotton area compared to the 2022-23 crop, totalling 1.4 million hectares. Productivity is expected to be 1,877 kg/ha, a 0.8 per cent decrease from the previous season. The production in Mato Grosso is forecast to rise by 18 per cent, reaching 2.66 million tons compared to the 2022-23 crop.

Source: fibre2fashion.com– July 03, 2024

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EU Eyeing Import Duties That Would Stunt Shein, Temu

Shein has a new headache that could impact growth plans.

The impossibly cheap exports hawked by China-based e-commerce titans are reportedly under the microscope of European regulators.

The Financial Times reported that the European Commission is putting together a plan that would impose customs duties on low-priced imports from online retailers—a move that would target the likes of Shein, Temu and AliExpress by lowering the current duty-free threshold of 150 euros ($161).

The proposal, expected to be unveiled at the end of this month, will then need to be approved by the European parliament.

The European Union isn't alone in its concern about the deluge of imports and their impact on domestic and local industries. In the U.S., lawmakers have been debating reforms to the de minimis rule, which allows shipments worth $800 or less into the country duty-free.

South Africa on Monday closed its de minimis "loophole," with small overseas shipments valued at under 500 South African rands ($27) now taxed at the same rate as larger ones.

Critics believe de minimis loopholes have aided the growth of ultra fast-fashion e-tailers due to an operating model that exploits key advantages over competitors—namely, not having to pay import duties on small shipments. Closing the loopholes is about leveling the playing field so all companies can compete fairly without any unfair advantages, de minimis detractors say.

Shein in February 2022 was eyeing an initial public offering in the U.S., but scrapped those plans after Russia's attack on Ukraine, which caused chaos in the financial markets. Since then, Shein has drawn intense scrutiny from American lawmakers over its Xianjiang links to alleged forced labor. Shein has consistently said it has "no tolerance" for forced labor.

The Chinese fast-fashion firm began looking elsewhere to float its IPO, and London became a viable option. Word surfaced last month that Shein had confidentially filed IPO plans in the U.K. Capitol. But even before the confidential filing, there were rumblings that Shein could face similar regulatory hurdles. With upcoming U.K. elections on Thursday, the company's plans could change again.

A Shein spokesperson could not be reached by press time.

Shein has consistently declined comment on queries related to a potential IPO filing. As for potential London IPO concerns from British lawmakers, the company has said to media outlets that it does pay required U.K. taxes. It also has told Sourcing Journal that its Modern Slavery Statement is published and publicly available on its U.K. website.

Source: fibre2fashion.com– July 03, 2024

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Sri Lankan apparel sector to benefit from UK DCTS and EU GSP+ schemes

Many local apparel sector based SMEs have faced severe disruptions due to the COVID pandemic and economic crisis and are calling for structured assistance and access to working and investment capital is essential for upgrading facilities in ensuring a stable and sustainable path for SMEs.

“The government is doing their best to assist this segment,” said State Minister for Investment Promotion,Dilum Amunugama at the launching of the GTEX Project Sri Lanka at Kingsbury Colombo yesterday.

He said in addition despite its strengths, the industry faces challenges such as the adoption of new technologies like automation and data analytics, shifting consumer needs towards just-in-time production and competition for labor with other sectors.

“Mobility issues and changing career aspirations of the younger generation also pose challenges. High compliance costs for new standards, conversion to solar electricity and utility costs are additional hurdles.”

Market access, particularly for SMEs, and the slow growth of the fabric base are other concerns. However there are also new emerging opportunities which include benefiting from the UK DCTS and EU GSP+ schemes if fabrics are manufactured in Sri Lanka leveraging the sustainability narrative and capitalizing on de-risking from China.

“The industry’s strengths in design and development can also enhance its global offerings.”

Meanwhile, Consultant International Trade Centre Matthias Keappe said Sri Lanka Apparel export companies should gear up for future challenges and compulsory requirements that will be introduced soon. Keappe said that every exported apparel from Asia and elsewhere should have a ‘Bar code’ giving the entire history of the apparel starting from the source of fabric and other manufacturing details. “This will be a must for UK, EU, and US exports in around three years.”

“Larger apparel companies may know about this but authorities must inform the SME sector about this development.”

Sri Lanka's Textile & Apparel Industry is the largest export sector, generating over USD 4.8 billion in 2023, accounting for 42% of total merchandise exports. The sector contributes 7% to the Gross Domestic Product (GDP), making it the largest single sector contributor. itsmain export markets: USA, UK, and EU.

Sri Lanka has pioneered sustainable manufacturing, with impressive changes in processes, sourcing strategies, and product innovation.

Chairman and CEO, Export Board Development Board said that GTEX2 will support SME companies in textile and clothing industry to improve their operational capacities, including on social norms and environmental sustainability, add value to existing products and services and expand exports into traditional and new markets. (ss)

The programme was organized by Switzerland's State Secretariat for Economic Affairs (SECO) and the Swedish International Development Cooperation Agency (SIDCA) together with the technical assistance from International Trade Center (ITC)

The Swiss Government funds this programme and the International Trade Center (ITC) will provide the technical assistance for this programme.

"I am confident that this programme will provide the industry with the motivation and guidance to realize the country's potential and drive the nation towards achieving its set targets."

Source: dailynews.lk– July 04, 2024

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California Responsible Textile Recovery Act Moves Forward in State Assembly

After its formal reintroduction last week, the California Responsible Textile Recovery Act is winding its way through the State Assembly on its way to the governor’s desk.

On Monday, the country’s first textile recycling bill cleared the California Assembly Natural Resources Committee with a 9-3 vote. If passed, SB 707 establish the country’s first Extended Producer Responsibility (EPR) program for textiles and apparel.

The law would mandate that producers of such products create and financially back a Producer Responsibility Organization (PRO) to ensure the reuse, repair and recycling of clothing and fabric waste sold in the state.

“I’m very proud of the thoughtful and thorough work, involving stakeholders at every point of the value chain, that has gone into SB 707 to produce a bill that will have an immensely positive impact on our state and on the environment,” said State Senator Josh Newman, who first debuted the bill last spring.

“Textile waste is a growing environmental issue that will require innovation and collaboration,” he said following the Monday hearing. “This bill, and the groundbreaking program it will enable, will make California a global leader in textile recycling and waste reduction.”

Over the course of the past year, SB 707’s authors and sponsors have amassed insights from across the industry, with some expressing concerns about the framework’s viability.

According to Newman’s office, the collaborative process “has resulted in dozens of improvements as the result of hundreds of hours of stakeholder meetings with a diverse coalition, including environmental organizations, industry leaders, and community groups.”

“The industry has really shown up for the stakeholder process for SB 707. As sponsors of the bill, alongside Senator Newman, we’ve led countless meetings, workshops, and presentations on the bill,” California Product Stewardship Council director of advocacy Joanne Brasch said. “The proposed program will provide equitable funding to reuse, repair, and recycling businesses and incentivize producers to adopt less wasteful production and greener designs."

Goodwill, Sierra Club California, Republic Services, as well as numerous local governments, agencies and sanitation districts have also signed on to support the bill.

Ikea U.S. sustainability manager Mardi Ditze said the Swedish furniture retailer is backing the bill as a means of advancing its ambition to become a circular business by 2030.

"To achieve this, we must partner with policymakers to support efforts in creating more circular systems for textiles and other products," she added. "We applaud Senator Newman for leading a collaborative process with industry stakeholders on SB 707 and support efforts to increase textile circularity in California and across the U.S."

Next, SB 707 will face a hearing in the Assembly Appropriations Committee before moving to the full Assembly—but some industry insiders and circularity experts are lukewarm about the bill in its current form, and are hoping to see certain issues addressed before it advances.

Rachel Kibbe, CEO of American Circular Textiles (ACT), said the group "supports thoughtful EPR because it has the potential to catalyze circularity programs and increase collection, reuse and recycling in communities and corresponding jobs," but it still has concerns about holding marketplaces responsible for their sellers' covered products.

ACT also perceives future hurdles to the legislation's implementation if the bill doesn't provide greater clarity about the types of textile recycling that are acceptable under the law.

"We are proud that our memberships' extensive efforts proved successful last year with reuse funding now incorporated into the bill, along with mail back as a collection point and other critical provisions, however, SB 707 continues to fall short on several key make-or-break environmental provisions, underscoring a parallel urgent need for cohesive, durable federal textile waste-related policy, and guidance," Kibbe said.

Meanwhile, the American Apparel and Footwear Association (AAFA) took a more definitive stance against the bill, noting its "opposed unless amended" position on the basis that SB 707 doesn't do enough to hold marketplaces accountable for third-party sellers located outside of California.

"We are still very concerned that that producer definition does not capture online marketplaces and their third-party sellers," AAFA senior director of sustainability Chelsea Murtha told Sourcing Journal.

The trade group harbors anxieties that the bill creates a "loophole" for vendors using online platforms like Amazon, eBay, Temu, Shein and Etsy to sell textile and apparel products into the state, as it said there is no enforcement mechanism to ensure they're paying into the PRO responsible for managing and recycling fabric waste. In fact, the PRO itself would be responsible for tracking down vendors and informing marketplaces that they're not paying their fair share.

"There is no way that the PRO is going to have the capacity to police the marketplaces," Murtha said. As such, AAFA has proposed that the author's office add a tier to the definition of producer.

"With an EPR program, and this is true of SB 707, the definition of producer is tiered, starting with the brand. If the brand is not in the state, then it's the retailer. If the retailer is not in the state, then it's the importer," Murtha explained. "What we've proposed is to add another tier under that says if the importer is the end consumer—which is the case when products come to consumers directly from outside the country—then the marketplace facilitator is the obligated producer."

This would compel marketplaces to pay into the PRO program, enforcing payment from third-party vendors selling covered products into California as they see fit. "We're just trying to make sure that there is an entity that's responsible for those third-party shipments where there's no other entity in the United States," she said.

Murtha said this is necessary to maintain a level playing field for U.S. brands and retailers that will incur the cost of funding the PRO—and potentially be forced to raise prices to offset those costs. In an environment where cheap goods from Shein and Temu are already capturing so much consumer wallet share, price increases could further threaten their competitiveness, she believes.

“We need to continue to have a conversation about making sure this program is equitable among all producers regardless of their location,” AAFA said.

Source: sourcingjournal.com– July 03, 2024

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Premium apparel market to hit $547 billion by 2030 - Report

The premium apparel industry is thriving, with a market size of $422 billion in 2023 and a projected CAGR of 3.8 per cent to reach $547 billion by 2030. This growth is fueled by several factors.

The rise of social media has been a game-changer. Luxury brands are leveraging these platforms to connect with consumers on a deeper level, fostering emotional connections through powerful branding. Additionally, globalization and rising disposable incomes worldwide are expanding the market's reach and potential.

However, the industry faces challenges. The blurring lines between luxury and mass-market offerings due to the "democratization" of fashion can impact the perceived value of premium brands. Furthermore, easy online access to product information threatens the aura of exclusivity traditionally associated with luxury.

Despite these challenges, exciting opportunities lie ahead. Emerging markets like China present significant growth potential for premium apparel. Brands can also capitalize on this growth by employing targeted marketing strategies – understanding consumer preferences and leveraging celebrity endorsements and brand culture can be key drivers of success.

The market encompasses North America, South America, Europe, the Middle East and Africa, and Asia Pacific. Clothing, a core component of self-expression, dominates the premium apparel market. Consumers are willing to pay a premium for high-quality clothing that reflects their unique style and status. This trend is expected to continue in the coming years.

Source: fashionatingworld.com– July 03, 2024

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Global second-hand apparel market poised for rapid growth- Report

The second-hand apparel market is expected to rise past $284 billion by 2030, fueled by a growing taste for sustainable and affordable clothing. This segment, valued at $71 billion in 2022, is projected to rise at over 14.8 per cent annually.

The trend is driven by several factors. The booming e-commerce market offers convenient platforms for buying and selling pre-loved clothes. Consumers are also becoming more environmentally conscious, seeking ways to reduce textile waste and embrace sustainable fashion.

Affordability plays a major role too, with second-hand clothes offering budget-friendly alternatives to traditional retail. The chance to find quality branded items at lower prices is another big draw.

However, challenges remain. The presence of counterfeit goods can erode consumer trust and hinder market growth. Additionally, rapidly changing fashion trends require market players to adapt quickly to fluctuations in demand.

Despite these hurdles, the future looks bright for second-hand apparel. Regions like the Middle East and Africa, with their high demand for affordable clothing, are expected to see significant growth. Europe, with its established thrift culture, is another promising market.

Recent developments underscore the trend. In 2022, H&M launched a pre-owned clothing initiative, while Farfetch partnered with a charity to promote clothing donation. As sustainability and affordability continue to be key drivers, the second-hand apparel market is poised for a long and fashionable runway.

Source: fashionatingworld.com– July 03, 2024

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Switzerland, China sign MoU to start negotiations on upgrading FTA

Switzerland and China recently signed a memorandum of understanding (MoU) to officially start negotiations for upgrading the Sino-Swiss Free Trade Agreement (FTA) as soon as possible, the latter's commerce ministry said.

Chinese commerce minister Wang Wentao discussed bilateral economic and trade relations with Swiss federal councilor Guy Parmelin at the eighth Sino-Swiss Economic Forum in Beijing.

China is Switzerland's third-largest trading partner, while the latter is the former's sixth-largest in Europe.

Sino-Swiss trade volume grew by 4.4 per cent in 2023, reaching $59.5 billion, Wang was cited as telling the forum by state-controlled media outlets.

The forum was jointly hosted by the Swiss Chinese Chamber of Commerce and the embassy of Switzerland in China.

Source: fibre2fashion.com – July 03, 2024

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Bangladesh: BGMEA, Chinese businesses explore collaboration

A Chinese business delegation comprising representatives from leading garment and textile companies visited Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on Tuesday and discussed opportunities for business collaboration.

The BGMEA side was headed by its President S. M. Mannan (Kochi) while the Chinese delegation was represented by Xu Jinshan, President of Fujian Qunfeng Machinery Co., Ltd.

BGMEA Vice President (Finance) Md. Nasir Uddin, Directors Rajiv Chowdhury and Md. Jakir Hossain, were also present at the meeting.The meeting was also attended by Solaiman, Director, M & H Corporation (Pvt) Ltd.

From Chinese delegation, Xu Jinshan, Chen Qi Ping and Yang Ming Ming spoke at the meeting. The discussions centered on exploring trade and investment opportunities between Bangladesh and China, particularly focusing on enhancing cooperation in the textile and apparel sectors.

Both sides highlighted the potential for expanding business ventures, with a specific emphasis on Bangladeshs capabilities in producing high-value, man-made fiber-based garments and its ongoing efforts to upgrade technological infrastructure.

The BGMEA leaders highlighted Bangladeshs growing emphasis on producing high-value products, particularly man-made fiber-based garments and upgrading technology and machinery to enhance the capabilities in manufacturing more high-value garments.

They also emphasized on the prospect of Chinese investment in high-end textile and backward linkage industry in Bangladesh, saying it would benefit both sides.

Source: observerbd.com– July 04, 2024

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NATIONAL NEWS

RBI proposes rationalising regulations on export, import transactions

MUMBAI: The RBI on Tuesday proposed rationalising regulations that cover export and import transactions with an aim to promote ease of doing business and empower banks to provide more efficient service to their foreign exchange customers.

The central bank has issued 'Regulation of Foreign Trade under Foreign Exchange Management Act (FEMA), 1999 – Draft Regulations and Directions' in this regard. As per the draft, every exporter should furnish to the specified authority a declaration specifying the amount representing the full export value of the goods or services.

"The amount representing the full export value of goods and services shall be realised and repatriated to India within nine months from the date of shipment for goods and date of invoice for services," it said. The draft also proposes that an exporter who has not realised the full value of export within the time specified may be caution listed by the authorised dealer.

An exporter who has been caution listed can undertake export only against receipt of advance payment in full or against an irrecoverable letter of credit, to the satisfaction of the authorised dealer.

According to the draft, no advance remittance for the import of gold and silver should be permitted unless specifically approved by the Reserve Bank of India. The RBI said the proposed regulations are intended to promote ease of doing business, especially for small exporters and importers.

They are also intended to empower Authorised Dealer banks to provide quicker and more efficient service to their foreign exchange customers, the central bank said. The RBI has sought comments on the draft regulations under FEMA and directions to authorised dealer banks by September 1.

Source: economictimes.com– July 02, 2024

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New forex norms empower banks, to ease exports via e-commerce

The draft of the new export-import regulations released by the Reserve Bank India is "extremely positive for exporters" as it seeks to address the everyday problems faced by them on sourcing and shipment of goods by providing greater flexibility to banks in dealing with the issue of payments, traders said.

The draft of Foreign Exchange Management (Export and Import of Goods and Services) Regulations 2024 and the circular to banks authorised to deal in foreign exchange also brings in administrative simplicity by superseding 61 export-related and 62 import-related notifications, director general and chief executive officer of Federation of Indian Export Organisations (FIEO) Ajay Sahai said.

The proposed regulation also consolidates import and export regulations into a single unified code, partner at Nangia Andersen Sandeep Jhunjhunwala said. At present, there are separate regulations for exports and imports. "Under the proposed rule, not just software but other services exports like "consulting" will be part of the export and import regulations," Jhunjhunwala said.

The circular issued by the RBI to banks authorised to deal in foreign exchange which will give them powers to reduce the value of exports by more than 25% on request by exporters. A lot of powers that RBI held in the area of foreign trade have been transferred to banks, Sahai said.

Exporters have to declare the value of the goods they have shipped to authorised dealer banks and have to ensure that full payment for the shipments are received and updated in the records.

At present, exporters are allowed by banks to reduce the value of export by only up to 25% if their realisations from exported goods fall.

It will greatly help commodity and e-commerce exporters, Sahai said. In e-commerce exports selling prices fluctuate very fast either way and the same is true for commodities.

With this flexibility the exporters will be able to avoid "caution listing". Exporters can be caution listed if they fail to repatriate the full payment for a shipment within 24 months. After "caution listing" exporters can only sell abroad against receipt of advance payment in full or an irrevocable letter of credit.

The RBI circular also gives relief to exporters involved merchanting trade. Merchanting trade, also known as intermediary trade, is a trading model that involves an Indian company purchasing goods from a foreign supplier and then selling them to a foreign buyer without the goods entering or leaving India.

This is used by exporters involved in agriculture and other commodities trade to hold on to the markets they have developed when restrictions on exports by the Indian government bars shipments or makes them more expensive. At present merchanting exporters get 125 days to make a payment for goods bought overseas and receive payments for those products sold in third countries. It is proposed to increase this time period to 180 days.

The RBI has also directed banks to duly inform the exporter before being flagged as "caution listed" and be given an opportunity to be heard.

Prior to 2020 the caution listing was done by RBI if payments for exports got delayed beyond 24 months and was done automatically by the computer system if the payment was not reflected against the shipped goods. This job was later given to the Authorised Dealers as sometimes banks failed to update the receipt of payment on time and the system at RBI would automatically "caution list" them.

Source: financialexpress.com– July 02, 2024

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TASMA urges Textile Minister to ask CCI to sell cotton to actual user mills

The Tamilnadu Spinning Mills Association (TASMA) has urged Union Textile Minister Giriraj Singh to ensure that the Cotton Corporation of India (CCI) sells cotton procured through the minimum support price (MSP) programme to actual user mills only till the season's end.

In a letter to the minister, TASMA Chief Advisor K Venkatachalam said the sale of CCI's stocks in a calibrated manner will enable the cotton textile value chain to sustain its performance, especially in export markets.

The association had represented the issue with CCI, which had asked it to confirm the lifting of stocks before July 15. As a confirmation to lift the CCI stocks would involve additional cost to the spinning mills, TASMA urged Singh to direct CCI to continue to retain the stock without selling to traders and ensure it sells only to user mills till September, the season's end.

'Pathbreaking initiative'

There are indications of the market picking up due to the ensuing festival season, Venkatachalam said.

Thanking the Centre for advising the CCI to sell cotton procured by it only to user mills from March 13, 2024, he said "the pathbreaking policy initiative" infused stability in cotton prices and enabled the industry to meet its export commitments. It also helped sustain the export performance of cotton textile value chain in the best manner possible.

Of the total cotton it procured, the CCI is currently holding around 20 lakh bales (170 kg each), which is only around 22 days' consumption.

"We have another three months for the new cotton to arrive in the market. To ensure the stability of cotton prices, fulfil export commitments and sustain their current performance, "it is essential to ensure the availability of home-grown cotton to the cotton spinning mills in India," said the TASMA advisor.

India cotton deficit

Stating that India has become a “cotton-deficit country”, he said globally, all the cotton-consuming countries maintain 70 to 80 per cent of the annual cotton consumption as reserve stocks.

India had decided to maintain at least 2.5 months’ consumption, as the closing stock which works out to 65-70 lakh bales and the Committee on Cotton Production and Consumption (COCPC) Chaired by the Textile Commissioner has projected 47.38 lakh bales as the closing stock.

Considering the speculative tendency, cotton traders, taking advantage of the 11 per cent import duty on cotton, other than ELS cotton, have been adopting import parity pricing and consequently, increasing the cotton price during the off-season, Venkatachalam charged.

“This is affecting the export performance which is leading to stoppage of production by spinning mills, which would make a cascading effect on the entire textile value chain,” said the TASMA chief advisor.

Source: thehindubusinessline.com– July 03, 2024

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Interview with Dr. SK Sundararaman

We presented a detailed roadmap to the Textiles Minister

Dr. SK Sundararaman stands as a prominent figure in the Indian textile industry, renowned for his multifaceted leadership roles and extensive contributions to the sector's growth and development. Currently, as the Chairman of The Southern India Mills' Association (SIMA), he plays a pivotal role in shaping policies and initiatives that impact the regional textile landscape.

Additionally, he holds the position of Managing Director of Shiva Texyarn Limited, a vertically integrated textile conglomerate involved in spinning, fabric production, processing, garmenting, and technical textiles.

Dr. Sundararaman's educational background is equally illustrious, having earned an MBBS degree from Kasturba Medical College, Mangalore, and a master's in business management from Cambridge University, UK.

Beyond his corporate responsibilities, Dr. Sundararaman is actively involved in academia and research, serving as the Managing Trustee of the Firebird Institute of Research in Management, Coimbatore. His commitment to education and scholarly pursuits highlights his holistic approach to leadership, aiming not only for business success but also for intellectual and societal advancement.

Dr. Sundararaman's influence extends beyond individual companies and institutions. He has been a prominent member of various national-level business forums, leveraging his insights and expertise to advocate for industry-wide reforms and advancements.

His past roles as Chairman of CII, Coimbatore, and Educational Convenor of CII, Tamil Nadu, highlight his proactive engagement in shaping regional industrial policies and fostering collaborative initiatives.

While serving as the Chairman of the Indian Technical Textile Association earlier, Dr. Sundararaman contributed immensely towards spearheading initiatives that promoted innovation and excellence in technical textiles, a critical growth area within the broader textile sector.

In a recent candid discussion with Fibre2Fashion at the SIMA Texfair 2024, SIMA Chairman Dr. SK Sundararaman shared profound insights into the challenges and opportunities facing the textile industry. His perspectives shed light on the industry's evolving dynamics, emphasising the need for innovation, sustainability, and global competitiveness.

What are the key challenges currently impacting the textile mills in southern India?

The south Indian textile mills are some of the oldest and most established manufacturers of textiles in India and have long held a dominant position in the market.

The members of SIMA account for approximately 46 per cent of the spinning capacity in the country, setting a benchmark of excellence over the years.

Despite their historic success, these mills today face many challenges. One of the primary issues is the rising cost of living and increasing input costs, a situation comparable to that in industrialised or advanced economies. The cost of land and power have surged, alongside other essential inputs, putting financial pressure on these mills.

Furthermore, the aspirations of the local workforce have also shifted towards careers in IT and education-enabled sectors, creating a labour retention problem within the textile industry.

What are some strategies these mills can implement to address the challenges of rising cost and shifting workforce aspirations?
One needs to adopt a multifaceted approach to navigate the existing challenges. To deal with the issue of rising costs, the mills must focus on continuously adding value to their products, which entails enhancing the per-unit value addition, whether through more efficient use of power or by improving labour productivity.

Beyond traditional cost management practices, they also need to emphasise on softer aspects such as branding and maintaining trust in product quality. This trust, cultivated over years of consistent performance, is indispensable. Success in this context is not merely about investing in new machinery but rather about leveraging their well-established reputation and advancing towards higher standards in

Environmental, Social, and Governance (ESG) practices, sustainability, and traceability.

By capitalising on their leadership in these critical areas, the mills can strive to enhance their overall value proposition.

A key initiative in this regard is spearheaded by SIMA, which is promoting the development of premium Indian cotton comparable to Pima and Giza varieties. This initiative aims to create a niche for premium extra-long staple cotton and cotton-based products within India, thereby establishing a new segment of high-value offerings in the market.

What key initiatives do you suggest the new government at the centre should introduce to address the challenges faced by the textile industry?

Recently we met the Minister of Textiles and relevant officials where we have articulated our needs, stressing the critical importance of achieving raw material dominance rather than merely maintaining parity. This entails ensuring an abundant supply of high-quality cotton available at prices approximately 10 per cent lower than those on the international market. Such a measure would significantly help mitigate the inherent and unfair disadvantages that the Indian textile industry currently faces, particularly in light of preferential trade taxation and tax exemption policies that benefit competitors from other countries.

To address the challenges, we are advocating for two principal actions. First, we propose the removal of duties on cotton to facilitate its free availability and to allow the entry of international cotton into the Indian market. This would help stabilise the supply chain and reduce cost. Second, we suggested efforts to double cotton production within India by increasing the yield per acre. Enhancing the yield would involve making cotton cultivation more financially rewarding for the farmers as well.

To support these initiatives, we have compiled and submitted a comprehensive 47-page memorandum. This document details the strategies required to achieve the goals, highlighting the need for coordinated efforts across various ministries. Inter-ministerial cooperation is crucial to address the multifaceted aspects of this challenge, from agricultural practices to trade policies.

We believe, by doing so the Indian textile industry can secure a more stable and advantageous position in the global market, fostering long-term growth.

What specific training programmes has SIMA implemented to address the skill gap issue amongst the workforce, which is considered a major challenge by the stakeholders?

The Southern India Mills' Association is actively engaged in running managerial training programmes that focus on developing a comprehensive skillset among managers, with a particular emphasis on softer elements such as ESG practices, which are pivotal growth drivers in today's textile industry. These programmes go beyond traditional technical training to foster a well-rounded approach to management.

At the workforce level, SIMA collaborates closely with government initiatives like Samarth and other skill training programmes aimed at enhancing technical skills within the textile sector. By partnering with these initiatives, SIMA ensures that the workforce is equipped with the necessary technical competencies to meet industry demands effectively.

In the realm of technical textiles, SIMA collaborates with associations such as ITA to cultivate specialised knowledge in niche areas. This strategic partnership allows SIMA to contribute to the development of advanced skills and expertise required in specialised segments of the textile industry.

While skills development initiatives are proliferating nationwide, SIMA recognises the importance of enhancing the textile sector's appeal as an aspirational career choice. This involves augmenting value addition across the industry, making it more attractive to the future generations of workers.

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Source: fibre2fashion.com– July 03, 2024

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Cotton textile cos see red over dumping by China

Ahmedabad: Gujarat textile industry is witnessing increased dumping of fabric from China leading textiles industry representatives to raise the issue with the union textiles minister. China is supplying cotton-like fabric at almost half the price of Indian cotton fabrics, sources say, adding that this is impacting domestic manufacturers. Ahmedabad is considered India's cotton textiles hub, while Surat leads the polyester textiles industry.

Gaurang Bhagat, president, Maskati Cloth Market Association said, "China has been dumping fabrics for a long time and the last few months have seen increased imports from the country.

Ahead of last Diwali, there was a significant increase in Chinese fabric imports. There have even been instances of Chinese suppliers sending goods at lower invoices and pay less duties. This is hurting the domestic textiles. We demand restrictions on fabric imports from China."

Last week, industry representatives met union textile minister Giriraj Singh and this issue was also discussed. Bharat Chhajer, former chairman, Powerloom Development and Export Promotion Council (PDEXCIL) said, "At the meeting, we raised the issue of dumping by China. We demand that the central govt fix a base price on imports. The Centre has implemented a system for the knitting industry a few months ago after huge imports from China for cheap. Similar intervention is needed to safeguard the domestic textiles industry."

Sandeep Shah, co-chairman, textile task force of the Gujarat Chamber of Commerce and Industry (GCCI) said, "China is dumping polyester and synthetic fabrics in the Indian market. It supplies cotton-like fabrics at almost half the price which is affecting the market badly. The demand for cotton textiles is shrinking due to higher prices and domestic manufacturers are being forced to blend in polyester to stay in the competition. Restrictions on Chinese imports are required."

Source: timesofindia.com– July 04, 2024

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Policy delay stalls projects worth 2k cr

Ahmedabad: The expiration of Gujarat's textile policy has left the industry in a state of uncertainty, with no new policy announcement in sight. The state govt was expected to unveil a new policy before the Vibrant Gujarat Global Summit in Jan this year, but the announcement was delayed. Sources indicate that there has been no significant progress since the draft policy was prepared last year.

The last VGGS saw MoUs worth Rs 11,900 crore, with an employment projection of 2.43 lakh, all of which are now on hold pending the new policy.The prolonged delay has stalled approximately Rs 2,000 crore worth of projects planned even before the VGGS. This policy vacuum has prompted several companies to consider investing in other states with more attractive benefits.

Top sources in the govt revealed that the chief minister recently held a meeting to address the issue ahead of the Lok Sabha election. The industries and finance departments were asked to resolve issues related to attracting new investments and the potential financial burden of policy incentives. Despite this, no concrete progress has been made, and the policy announcement may take another two to six months.

Rahul Shah, co-chairman of the textile task force at the Gujarat Chamber of Commerce and Industry (GCCI), expressed deep concern over the delay. "Gujarat has long been the textile hub of the country, drawing substantial investments due to favourable policies, especially between 2012 and 2017. The unprecedented delay in announcing a new policy since the last one expired in Dec 2023 has left the industry in a state of limbo. We estimate that around Rs 2,000 crore in investments are on hold, awaiting the new policy," said Shah.

Meanwhile, states like Telangana, Maharashtra, and Madhya Pradesh are offering significant incentives, leading some major Gujarat-based companies to invest elsewhere, Shah added. "We urgently need the govt to act swiftly to maintain Gujarat's competitive edge in the textile sector. A robust policy framework is essential to attract investments and ensure sustainable growth," he further added.

Shah stressed that a competitive policy is crucial for Gujarat-based manufacturers to remain viable against companies in other states, given the tight margins in the textile industry.

Saurav Jalan, a textile manufacturer, echoed Shah's concerns. "The delay in policy announcement has severely impacted our ability to operate and expand. Without a clear policy framework, investor confidence is dwindling, leading to job losses and stalled economic growth," Jalan said.

Source: timesofindia.com– July 04, 2024

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