IBTEX No. 127 of 2024 **August 02, 2024**

Currency Watch			
USD	EUR	GBP	JPY
83.74	90.48	106.63	0.56

INTERNATIONAL NEWS

No	Topics
1	Factories across Europe, Asia struggled in July as demand waned, shows PMIs
2	China's growth slows in Q2; Fitch reaffirms 4.8% 2024 forecast
3	US cotton exports dip as new season sales climb this week: USDA
4	Egypt plans ways to speed up of project to modernise cotton industry
5	Australia's CPI rises 1% in June quarter, clothing & footwear up 3.1%
6	AGOA Forum Leaves Future of African Sourcing in Flux
7	Burberry, a luxury brand losing its luster
8	Textile Exchange's materials market report paints a complex picture
9	Shanghai to host major textiles and apparel trade shows
10	Bangladesh: Textiles, RMG seek soft loan citing deep crisis
11	Pakistan: Textile millers come up with charter of demands
12	Bangladesh: Apprehensions rife over future exports

DISCLAIMER: The information in this message be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

NATIONAL NEWS	
No	**Topics**
1	Framework to evaluate investment proposals, cut cost disadvantages for cos relocating to India: GTRI
2	Strategic reforms needed to enhance India's appeal to global investors, attract FDI: GTRI
3	Don't be in hurry on FTA giveaways: Industry
4	July GST mop-up at 3-month high, rises 10.3% to ₹1.82 lakh crore
5	GST collections and other relevant data will henceforth be available on the GST Portal
6	MSMEs EXPORTERS
7	Tiruppur apparel unit makes its way to the Paris Olympics 2024
8	Canara Bank to extend tailored products, services to Tiruppur exporters

INTERNATIONAL NEWS

Factories across Europe, Asia struggled in July as demand waned, shows PMIs

Manufacturers across Europe and Asia turned in a weak performance last month as factories grappled with tepid demand, surveys showed on Thursday, raising the risk of an underpowered global economic recovery.

It was a broadbased downturn in the euro zone while a slump in China's manufacturing activity suppressed its Asian neighbours. British factories bucked the trend and recorded their best month for two years, with output and hiring rising.

HCOB's final euro zone manufacturing Purchasing Managers' Index (PMI), compiled by S&P Global, held at June's 45.8 in July. It has been below the 50 mark separating growth from contraction for over two years.

An index measuring output, which feeds into a composite PMI due on Monday that is seen as a good gauge of economic health, dropped to a seven-month low of 45.6.

"The turn in the manufacturing inventory cycle has yet to materialise in a context of weak global demand, leaving the euro zone short of a clear growth driver as services are slowing," said Leo Barincou at Oxford Economics.

"Persistently weak industrial surveys pose a major downside risk to our forecast of an industrial pick-up in the second half of the year."

The downturn in Germany's manufacturing sector, which accounts for about a fifth of Europe's biggest economy, accelerated while in France the industry contracted at its fastest rate in six months.

In Britain, however, the index rose to 52.1, its highest reading since July 2022, as optimism builds after Prime Minister Keir Starmer's landslide election victory. The Bank of England looks in a position to cut interest rates later on Thursday after holding them at a 16-year high of 5.25 per cent for the past year.

The Federal Reserve on Wednesday flagged a possible start to interest rate cuts as soon as September if the US economy follows its expected path. Having trimmed its deposit rate in June, the European Central Bank could follow up with two more cuts this year, a Reuters poll predicted.

ASIAN STRAIN

Manufacturing activity shrank in Japan and expanded at a slower pace in South Korea due partly to soft domestic demand and rising input costs, adding to the gloom from a contraction in China's factory activity. China's Caixin/S&P Global manufacturing PMI sank to 49.8 in July from 51.8 the previous month, the lowest reading since October last year and missing analysts' forecasts of 51.5.

The reading, which mostly covers smaller, export-oriented firms, was in line with an official PMI survey on Wednesday showing manufacturing activity slipped to a five-month low. "Looking ahead, we expect a period of below trend global growth to weigh on manufacturing activity across Asia for the rest of this year," said Shivaan Tandon, markets economist at Capital Economics.

Japan's final au Jibun Bank Japan manufacturing PMI fell to 49.1 in July from 50.0. Moving in the opposite direction to most other central banks, the Bank of Japan raised interest rates to levels unseen in 15 years on Wednesday and unveiled a detailed plan to slow its massive bond buying.

South Korea, another key regional export engine, fared better with the PMI standing at 51.4 in July, above the 50-mark for a third month but slowing from June's 26-month high of 52.0.

China poses a potential hurdle for business expansion in the region and while South Korea's July exports rose at the fastest pace in six months, helped by strong chip sales, they missed market expectations.

Elsewhere, factory activity expanded in Taiwan but also slowed slightly from June while India's manufacturing activity expanded at a solid pace thanks to continued robust demand.

Source: business-standard.com– Aug 01, 2024

HOME

****

China's growth slows in Q2; Fitch reaffirms 4.8% 2024 forecast

Fitch Ratings has reaffirmed its 2024 growth forecast for China at 4.8 per cent, despite ongoing struggles in domestic demand, particularly in investment and consumption sectors. The latest official data shows that China's real GDP growth slowed to 4.7 per cent in the second quarter (Q2) of 2024, down from 5.3 per cent in the first quarter, highlighting the persistent economic challenges the country faces.

Fitch revised its growth forecast upwards from 4.5 per cent to 4.8 per cent in June, driven by a rebound in exports and anticipated fiscal easing measures. The 2Q24 GDP figures were largely in line with these revised expectations, Fitch Ratings said in China Credit Brief: July 2024.

In response to deflationary pressures, Chinese authorities cut the medium-term lending facility interest rate to 2.3 per cent on July 25, a reduction from the previous 2.5 per cent. Short-term policy rates were also lowered, providing modest support for growth. However, Fitch cautions that further rate cuts may be limited due to concerns over the renminbi's exchange rate stability and the potential impact on Chinese banks' net interest margins. The outlook for the Chinese banking sector remains negative.

As part of the ongoing fiscal loosening, the recent Communist Party of China's Third Plenum introduced reforms aimed at enhancing budgetary flexibility, particularly in balancing revenue and expenditure between central and local governments. The impact of these reforms will depend on their implementation and the willingness of local governments to utilise any new revenue-raising powers.

Source: fibre2fashion.com– Aug 02, 2024

HOME

****

US cotton exports dip as new season sales climb this week: USDA

US' net sales of Upland cotton were recorded at 1,355,700 RB (running bales, each weighing 226.8 kg or 500 pounds) for the next season 2024-25 (September-August) as of the week ending July 25. For the current season, cancellations of sales were noted in Upland and Pima cotton. No fresh sales of cotton for the current season were reported this week.

According to the export sales report from the US Department of Agriculture (USDA) for the week ending July 25, cotton sales for 2024-25 were primarily for China (650,100 RB), Pakistan (419,800 RB), Vietnam (215,200 RB), India (22,800 RB), and Turkiye (13,600 RB). These sales were offset by reductions for El Salvador (3,000 RB) and South Korea (700 RB).

This week, exports of 129,900 RB were down 1 per cent from the previous week and 11 per cent from the prior 4-week average. The primary destinations were China (27,900 RB), Vietnam (18,400 RB), Pakistan (14,300 RB), Indonesia (14,000 RB), and Mexico (10,100 RB).

Net sales reductions of Upland cotton totalled 1,085,800 RB. The reductions, primarily for China (597,300 RB), Pakistan (369,100 RB), and Vietnam (126,100 RB), were only partially offset by increases for Indonesia (3,000 RB, including decreases of 1,100 RB), Mexico (3,000 RB), Japan (1,400 RB), Thailand (700 RB), and Honduras (400 RB).

Net sales of 4,500 RB for 2024-25 of Pima cotton were primarily for Pakistan (2,900 RB), India (500 RB), China (400 RB), the United Arab Emirates (400 RB), and Thailand (100 RB). Exports of 4,600 RB were up noticeably from the previous week and 12 per cent higher than the prior 4-week average. The main destinations were India (2,900 RB), Pakistan (900 RB), Vietnam (500 RB), and Turkiye (300 RB). No net sales of Pima cotton for 2023-24 were reported for the week.

Source: fibre2fashion.com– Aug 01, 2024

HOME

****

Egypt plans ways to speed up of project to modernise cotton industry

Egypt's public business sector minister Mohamed Shimi and minister for agriculture and land demarcation Alaa El Din Farouk Zaki recently convened an official meeting to discuss how to speed up the national project to modernise the spinning and weaving industry.

The project aims at introducing advanced technologies, upgrading equipment and training workers to improve productivity and product quality.

Shimi emphasised the need to maximise the value of domestic cotton by expanding production capacity and raising export of finished products, according to a domestic media outlet.

The meeting discussed ensuring a stable supply of cotton to local mills, improving cotton processing methods, establishing fair prices for farmers and plans to expand short-staple cotton cultivation to reduce imports and save foreign exchange.

Source: fibre2fashion.com– Aug 01, 2024

HOME

****

Australia's CPI rises 1% in June quarter, clothing & footwear up 3.1%

The consumer price index (CPI) in Australia rose by 1 per cent in the June 2024 quarter, with an annual increase of 3.8 per cent, according to the latest data from the Australian Bureau of Statistics (ABS).

The clothing and footwear group experienced a notable rise of 3.1 per cent quarter-on-quarter (QoQ). This increase was primarily driven by garments, which rose by 2.7 per cent, footwear by 4.3 per cent, and accessories and clothing services by 3.3 per cent. The surge in prices is attributed to new season stock and items returning from sale prices following back-to-school and new year promotional activities in the March quarter.

Over the past twelve months, the clothing and footwear group saw an overall rise of 2.9 per cent, with garments for women being the main contributor, showing a significant increase of 4.2 per cent.

The ABS also released the monthly CPI indicator, which showed a 3.8 per cent rise in the 12 months to June, a slight decrease from the 4 per cent rise in the 12 months to May.

Source: fibre2fashion.com– Aug 01, 2024

HOME

****

AGOA Forum Leaves Future of African Sourcing in Flux

With a little over a year to go until the trade preference program's expiration, the Africa Growth and Opportunity Act (AGOA) Forum in Washington, D.C. brought together stakeholders from across the globe to discuss its future.

Over the course of three days last week, senior government officials from the U.S. and AGOA-eligible nations, along with representatives from the continent's regional economic organizations, the private sector and civil society, gathered for a number of talks about how to boost the program's utilization, promote worker-centric trade policies and drive opportunities for Americans and Africans alike.

But two central questions loomed large over the proceedings.

When will AGOA be renewed? And for how long?

Much to the consternation of suppliers, brands and other advocates intent on fueling Sub-Saharan Africa's growth as a sourcing hub for apparel and textiles, concrete answers remain elusive.

In a briefing on the outcome of the AGOA Forum on Monday, Constance Hamilton, Assistant U.S. Trade Representative for Africa, told press that she was unable to predict when the trade preference program, which has enjoyed more than two decades of broad bipartisan support, might be reinstated.

"Let me just say that Congress is completely in charge of the legislation being written, approved, and passed," she said. "I am very confident that it will happen before AGOA is set to expire in 2025. I do think, as we look at the timeline and all the things that are happening here, it may be unlikely to happen in 2024, but certainly in early 2025 I expect to see it completed."

Joy Basu, Deputy Assistant Secretary of State in the Bureau of African Affairs overseeing Economics and Regional Affairs across Sub-Saharan Africa, acknowledged that the question was asked "many times during the Forum," and indicated that the State Department is pushing for "a reauthorization as soon as possible."

"Obviously, our colleagues in Congress hold the pen, but if you look at a number of bills that have been introduced already, I think you will see that a longer extension period—at least a stable extension period—is on the table right now, which we would be happy to see in order to give companies and businesses that stability over the period that Congress allows," she added. Basu said similar bills have seen "positive trends" toward renewals of between 10 and 20 years.

Widespread government support

President Joe Biden has been effusive in his support for the renewal of AGOA throughout his time in office. Before the Forum kicked off on Wednesday, the Commander in Chief again called upon Congress "to quickly reauthorize and modernize this landmark Act."

"For more than two decades, the bipartisan African Growth and Opportunity Act has formed the bedrock of America's economic partnership with African nations," he added. "In sub-Saharan Africa, it has increased the competitiveness of African products, led to the creation of tens of thousands of quality jobs, and helped advance human rights."

The program has also created investment opportunities, new consumer markets and fresh sourcing alternatives for American companies intent on diversifying away from China. "On both sides of the Atlantic, AGOA has promoted sustainable economic growth and resilient supply chains," Biden said.

Secretary of State Antony Blinken doubled down on the agreement's ability to help bolster U.S. industry.

"By allowing products from sub-Saharan countries to enter the United States without paying tariffs, AGOA has let entrepreneurs expand to new markets to grow their businesses," he said in his opening remarks at the Forum. "It's helped companies further diversify and strengthen their supply chains so that consumers can benefit from more affordable, more innovative products."

U.S. Trade Representative (USTR) Katherine Tai called AGOA "the cornerstone of our economic partnership," with Africa. "I don't mean it in the abstract—it has positively touched so many people's lives already. And it has the potential to do so much more."

Updates and improvements

Amid the outpouring of goodwill for the program were clues about why, despite the seeming ubiquity of positive sentiment, Congress is running down the clock on its renewal.

Throughout the Forum, officials alluded to the need for updates and improvements to the 24-year-old treaty. Recapping those conversations, Assistant USTR for Africa Hamilton said there's a need to modernize AGOA across a few key areas.

"What we really want to do is strengthen the usage of the program, especially by the least developed countries," she explained. "When we look at the experience of AGOA, we're finding that maybe four or five countries are using it fully, and maybe one or two is using it more than everyone else, but the least developed countries are barely using the program."

One of the "major outcomes" the federal government has been looking for is a tangible boost for smaller nations. "It's really not happening in the program when we look at the experience of today," she said.

Hamilton said some countries have invested in developing utilization strategies, but many are still not taking advantage of the free-trade benefits.

Half, or 16 of the 32 AGOA beneficiary countries, have published national strategies for utilizing AGOA, according to the Center for American Progress. Botswana, Ghana, Kenya, Eswatini, Lesotho, and others that have implemented such frameworks "have seen their exports under AGOA increase significantly," the group wrote in a report last week. Kenya and Lesotho have "exceptionally high utilization rates," with 57 percent of Kenya's exports and 74 percent of Lesotho's exports to the U.S. last year entering the country duty-free.

Hamilton also said the U.S. government has been exploring updates to the program that promote investment in supply chain integration to foster resilience and competitiveness, as well as possible updates to eligibility criteria surrounding human rights and worker rights.

"This is now becoming a serious issue, especially the human rights question, and we want to make sure that our countries are aware of what the expectation is on our side and what they can do to fulfill some of those commitments that Congress is currently looking for," she said.

Human rights concerns

Human rights issues have indeed percolated across Africa in recent years, prompting some nations to lose their AGOA benefits. Gabon, Niger, the Central African Republic and Uganda were pulled from the program this year over human rights and government-related concerns.

President Biden notably revoked Ethiopia's eligibility in January 2022 following a devastating civil war in the Tigray region that ultimately claimed 600,000 lives, according to the Council on Foreign Relations' Global Conflict Tracker. Mali and Guinea also lost their benefits that year under the recommendation of the USTR due to unconstitutional changes in government.

Ethiopia once looked to be a rising star for footwear and apparel production, attracting household names like H&M, Tommy Hilfiger and Calvin Klein, and was branded one of "Africa's economic wunderkinds," by Dorothee Baumann-Pauly of the Geneva Center for Business and Human Rights in 2021. But following the pandemic, roiling civil conflict and the cutoff of AGOA benefits, the country's economy has been in free-fall.

On Monday, the International Monetary Fund (IMF) agreed to a "landmark" $3.4-billion bailout to support country-wide economic reforms over the next four years. One day later, the nation's currency valuation fell 30 percent.

"We've had years of conversation with the Ethiopian Government as to what the government needs to do to ensure that the country…is eligible again for AGOA benefits," the State Department's Basu said this week. "Many of those decisions are in the government's hands, particularly when it comes to supporting civil society and government actions when it comes to the civil unrest."

"We don't make countries guess as to what they have to do to get back into AGOA," Hamilton added. "We have been very specific in our conversations with the Ethiopian Government of what we need to see in order to reinstate them in the program."

Ethiopia's review is now underway, and President Biden is expected to announce his decision on whether the country can re-enter AGOA or not before the end of the year, she said.

The industry's next moves

Congress is taking its time weighing changes to the trade preference program, but continuing to defer AGOA's renewal may come at a high cost to the private sector and the countries that depend on its free-trade benefits.

Research released this week by the U.S. Fashion Industry Association (USFIA) showed that 70 percent of American brands and retailers see a 10-year AGOA renewal as "essential" to their continued sourcing from the region. What's more, 30 percent are already reining in sourcing from sub-Saharan African suppliers due to uncertainty surrounding the program's reinstatement.

"With AGOA's looming expiration—now just 14 months away—discouraging new trade and investment with African countries, the case for immediate renewal has become even more urgent," American Apparel and Footwear Association (AAFA) president and CEO Steve Lamar told Sourcing Journal.

"Fortunately, last week's AGOA forum brought together African and U.S. public policy leaders who all pledged to renew and strengthen AGOA," he added. "We were pleased to see President Biden and bipartisan leaders in Congress restate their long-standing support and join this call."

According to Lamar, the trade group hasn't given up hope for some movement on the issue in 2024. "AAFA will continue to push for long-term renewal this year to re-establish a predictable U.S.-African trade partnership to support our industry's sourcing and diversification efforts," he said.

California-based apparel and gear wholesaler SanMar was present at the Private Sector Forum, with general counsel and corporate secretary Melissa Nelson telling lawmakers and stakeholders in no uncertain terms that the time for renewal is now.

According to Nelson, the 50-year-old firm has been sourcing from Africa since 2010 when it began to diversify sourcing. "At that point, 46 percent of our apparel imports were coming from China. Right now, that number is 6 percent, and it's in large part due to programs like AGOA."

Over the course of the past year alone, SanMar has imported 58 million garments.

"No matter how many people tell our company, 'Don't worry about it, it's going to be renewed,' we have the example of GSP, so we do not have confidence," she said, referring to the Generalized System of Preferences, the U.S.' oldest trade preference program, which lapsed more than three years ago.

There's simply too much uncertainty about the timing of AGOA's renewal and the impact of potential reforms, Nelson said. Currently, SanMar relies heavily on the agreement's third-country rules of origin, which allow AGOA nations to use imported fabrics for the products they make under the agreement.

"In order to have the investment to do vertical integration, you need time there," she said. "Investment in these textile facilities can cost hundreds of millions of dollars, and that's simply not going to happen until it gets renewed."

The company is also putting plans to expand into new countries on the back burner as it waits on a decision from Congress, and that's eating into the time it will take to get them up and running.

Nelson's frustration was palpable as she explained how deferring renewal is delaying the creation of jobs and the establishment of a new global supply chain without China at its center. "I do worry that what I've heard today is a lack of urgency," she said.

Source: sourcingjournal.com – Aug 01, 2024

HOME

****

Burberry, a luxury brand losing its luster

Once synonymous with British heritage and timeless elegance, Burberry has faced turbulent times in recent years. While the brand has undoubtedly held a strong position in the luxury market, a series of strategic missteps has impacted its performance.

A fall from grace

Burberry's global market share in the luxury apparel segment has dipped from 3.2 per cent in 2015 to 2.7 per cent in 2023 reveals Euromonitor International. Revenue growth too has stagnated, hovering around the £2.8 billion mark for the past three years. And the company's stock price has plummeted by over 40 per cent since 2019.

Table: Burberry's financial performance

Year	Revenue (£ million)	Operating Profit (£ million)
2019	2,813	519
2020	2,231	200
2021	2,828	539
2022	2,915	528

Burberry's challenges can be attributed to several interconnected factors. First, brand dilution as overexposure of the iconic check pattern has affected it. While it was once a symbol of exclusivity, it has become ubiquitous, diminishing its allure. The brand's attempts to appeal to a younger demographic has resulted in a diluted brand identity. The core luxury customer base feels alienated, while the new target market remains elusive. Also, the rise of luxury competitors, particularly those with a strong digital presence and agility, has eroded Burberry's market share. Then there are factors like global economic uncertainties and shifting consumer spending patterns have impacted luxury brands, including Burberry.

Strategic missteps

Over-reliance on traditional markets is a major factor for Burberry's loss of market share. Burberry's focus on mature markets like Europe and North America may have blinded them to the booming luxury market in China. Add to this, frequent creative director changes (four in the last decade) might have resulted in a lack of brand identity and direction. Also, aggressive discounting and a large outlet network could be damaging brand perception and cannibalizing full-price sales.

Consider the contrasting fortunes of Burberry and Moncler. Both are European luxury brands, but Moncler has seen significant growth in recent years. Analysts attribute this to Moncler's successful focus on digital marketing and e-commerce, particularly in China. They've consistently offered fresh designs and diversified their product portfolio beyond outerwear. Moncler has cultivated a clear brand identity associated with luxury sportswear and adventure. Similarly, Louis Vuitton successfully expanded its product range while maintaining brand exclusivity through limited edition collections and collaborations with renowned artists. And Gucci reinvigorated the brand under Alessandro Michele by embracing a bold and eclectic aesthetic, attracting a younger demographic without alienating core customers.

A path to revival

Burberry has recently appointed a new CEO, outlining a turnaround plan. The new CEO, Fiona Kelly, has acknowledged the challenges and stated, "We are committed to reigniting the magic of Burberry…by focusing on our heritage, product excellence, and innovation." Analysts say here's what they need to focus on:

Capturing Chinese market: Increasing brand awareness and tailoring offerings to Chinese consumers' preferences.

Digital transformation: Investing in e-commerce platforms and social media engagement.

Product innovation and relevancy: Revamping core collections and exploring new product categories.

Rejuvenating the brand image: Building a more consistent and relevant brand story that resonates with younger generations.

The bottomline is Burberry's journey to recovery will require a steadfast commitment to redefining its brand identity, reconnecting with its heritage, and delivering exceptional customer experiences. By implementing the proposed action plan and learning from competitors' successes, Burberry can regain its position as a leading luxury brand.

Source: fashionatingworld.com– Aug 01, 2024

HOME

****

Textile Exchange's materials market report paints a complex picture

The recently released Textile Exchange Materials Market report offers a comprehensive snapshot of the global fiber landscape, revealing a complex interplay of growth, sustainability challenges, and emerging trends.

A booming but resource-intensive market

The global fiber market is experiencing unprecedented growth. The report indicates a staggering increase in fiber production from 57 million tonnes in 2000 to 113 million tonnes in 2022. This exponential rise, driven by increasing global population and consumption, is projected to reach 149 million tonnes by 2030.

However, this growth comes at a significant environmental cost. Polyester, the dominant fiber, primarily derived from fossil fuels, constitutes 54 per cent of the market. While its affordability and performance properties have contributed to its popularity, the reliance on non-renewable resources raises concerns about sustainability.

Regional disparities in fiber consumption and production

The report highlights stark regional differences in fiber consumption and production. Asia, particularly China and India, is the epicenter of both fiber production and consumption. The region's rapid industrialization and growing middle class have fueled demand. In contrast, Europe and North America, while consuming significant quantities of fiber, are increasingly focused on sustainability and circular economy models.

Consumer power driving change

A pivotal force reshaping the fiber industry is the evolving consumer. Growing awareness of environmental issues, coupled with a preference for sustainable products, is driving demand for eco-friendly fibers. Brands are responding by incorporating recycled and organic materials into their offerings. Consumers are becoming more discerning, say experts, a sustainability consultant. They want to know where their clothes come from and how they are made. This is putting immense pressure on the industry to clean up its act.

Sustainability at the forefront

The future of the fiber industry is inextricably linked to sustainability. The report predicts a surge in demand for recycled fibers, driven by both environmental concerns and economic considerations. Technological advancements in recycling processes are expected to play a crucial role in scaling up production.

Additionally, there is a growing interest in bio-based fibers derived from renewable sources such as wood pulp and agricultural residues. While still a niche market, these fibers offer a promising alternative to fossil-based synthetics.

Policy initiatives for change

Government regulations are increasingly shaping the fiber landscape. Policies promoting sustainability, such as extended producer responsibility and carbon pricing, are encouraging industry to adopt eco-friendly practices. Governments have a critical role to play in creating a level playing field for sustainable fibers. By providing incentives and setting clear targets, one can accelerate the transition to a more circular economy.

Circular economy gains momentum

The concept of a circular economy, where resources are kept in use for as long as possible, is gaining traction in the textile industry. Textile-to-textile recycling is emerging as a key focus area, with companies investing in innovative technologies to break down and repurpose used garments.

Closing the loop on textile waste is essential for the long-term sustainability of the industry, say experts. One needs to move away from a linear model and adopt circular principles at every stage of the value chain.

While the report outlines promising trends, challenges persist. Scaling-up production of sustainable fibers while maintaining affordability remains a hurdle. Additionally, ensuring the transparency and traceability of supply chains is crucial for building consumer trust.

Despite these challenges, the fiber industry is at a crossroads. The choices made today will shape the industry's future. By embracing sustainability, innovation, and collaboration, the textile sector can contribute to a more sustainable and resilient global economy.

Source: fashionatingworld.com– Aug 01, 2024

HOME

****

Shanghai to host major textiles and apparel trade shows

At the end of August (27-29), the National Exhibition & Convention Centre in Shanghai will host China's premier textiles and apparel trade shows amid a backdrop of slowing consumption and economic growth.

The event features the Intertextile materials show, co-organized by the Chinese Textiles Chamber of Commerce (CCPIT-Tex), the Textile Information Centre of China, and Messe Frankfurt, which is celebrating its 30th anniversary in Asia. In March, Intertextile attracted nearly 3,000 exhibitors and 90,000 visitors from 116 countries, recovering from pandemic-related disruptions.

Intertextile will run alongside the Yarn Expo and Chic, a fashion and apparel show sponsored by CCPIT-Tex, the China World Trade Centre, and the China National Garment Association. Chic's March edition saw 158,000 visitors and 1,250 exhibitors showcasing 1,398 brands. Additionally, PH Value, a key knitwear market event, will also take place concurrently.

These trade shows come at a crucial time for China's textiles and apparel market, which faces challenges from inflation affecting Western brands and declining domestic consumption. Despite this, the luxury and sportswear segments show some resilience. In response to the economic slowdown, China has recently introduced a short-term interest rate cut to stimulate growth.

Source: fashionatingworld.com– Aug 01, 2024

HOME

****

Bangladesh: Textiles, RMG seek soft loan citing deep crisis

The country's textile and ready-made garment (RMG) industry leaders have urged the government for a soft loan to cover July's salaries and utility bills citing that they are facing a severe financial crisis following recent disruptions amid unrest centring quota movement protest.

The Bangladesh Textile Mills Association (BTMA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) submitted the appeal to Finance Minister Abul Hassan Mahmood Ali in letters dated 31 July and 28 July, respectively.

The letters were also sent to the prime minister's private industry and investment adviser, the Bangladesh Bank governor, the state minister for commerce, and other relevant ministries.

In the letters, the industry leaders sought a loan at a 2% interest rate with a one-year repayment period and a six-month deferral on existing loans to help them navigate the ongoing crisis.

"Considering the current situation, if we avail July's salary with a 2% interest rate and a one-year repayment period, we will be able to manage the situation. Otherwise, we are concerned about paying the workers' wages," Mohammad Ali Khokon, president of BTMA, stated in the letter.

He referred to the recent business crisis following the unrest and about a week-long factory shutdown.

Khokon also requested the same loan terms for July to cover gas and electricity bills.

Placing similar appeals, BKMEA President AKM Salim Osman said, "If we are able to secure the loan, it will be possible for us to overcome the crisis. Otherwise, there may be delays in paying workers' salaries, which could lead to a chaotic situation."

The BTMA letter also stated, "Necessary steps should be taken to ensure that commercial banks, which provide LCs to textile manufacturing companies, pay the accepted/matured bills on time for yarn and fabric supplied by the BTMA."

Once the bill amounts are received, member mills will be somewhat relieved from the shortage of necessary working capital for their operations, it read.

The recent internet blackout and production affected export and import activities for about a week, resulting in significant financial losses for businesses.

To offset the losses, business leaders are urging relevant ministers and government officials to come up with assistance.

Economists, however, suggest that businesses consider potential long-term damage rather than just focus on immediate losses.

Ahsan H Mansur, executive director of the Policy Research Institute, told The Business Standard, "They are experiencing some losses now, but they should also think about the possible long-term impact, as export orders may decrease in the coming months."

He added, "They need to consider the political and economic situation of the country, not just their balance sheet."

Source: tbsnews.net– Aug 02, 2024

HOME

****

Pakistan: Textile millers come up with charter of demands

Leaders of the All Pakistan Textile Mills Association (Aptma) Central and Southern Zone have presented a charter of demands to run the industry in a seamless manner and without any disruption.

Talking to media persons at a press conference on Thursday, they emphasised the importance of the textile sector, saying it was the backbone of the national economy and was contributing around 55% to the overall export earnings.

Aptma Central Vice Chairman Naveed Ahmed urged the government to reduce interest rate to 6-7% from 19.5%, supply electricity at 8-9 cents per kilowatt-hour (kWh) instead of 14 cents and remove all unreasonable taxes on imports, exports and earnings to enable the industry to run its manufacturing units properly.

Aptma Chairman Southern Zone Zahid Mazhar and other leaders pointed out that the export-oriented textile industries of Sindh and Balochistan were confronting severe problems in the wake of inconsistent supply of both gas and electricity.

They called the expensive energy unacceptable and disastrous as it was causing the closure of industrial units.

Capacity payments to the independent power producers (IPPs) are the main factor behind the high industrial electricity tariff, though most of the IPPs are underutilised and running below 30% of production capacity.

The total installed electricity production capacity in Pakistan is 43,400 megawatts. However, the distribution capacity is only 22,000MW, out of which 13,000MW is used, according to the millers.

Fuel cost is Rs10 per unit and capacity payment is Rs24/unit. The high capacity payments to the IPPs have jeopardised the entire economy, therefore the government must review and revoke the unnecessary contracts and also carry out forensic audits of the IPPs, which have received Rs1.95 trillion in capacity payments, the millers said.

Commenting on the issues affecting growth and viability of the textile industry, they said that due to the inadequate supply of electricity, the industry was compelled to install gas-based power generating units for

consistent and stable supply of electricity, but the government was making it difficult for them to run the power plants on gas and was forcing them to shift to grid electricity.

They decried that the measures taken in budget were anti-industry and anti-exports, which would trigger a wave of de-industrialisation.

They termed the high tax collection target a burden on the existing taxpayers, adding that the increase in tax rates from 1% (final tax) to 29% on profits and 2% advance tax on export proceeds were the major discouraging factors. Furthermore, the incidence of tax on the salaried class in Pakistan is three times higher than in India.

Source: tribune.com.pk– Aug 02, 2024

HOME

****

Bangladesh: Apprehensions rife over future exports

Fears grow following fall in shipments last year, ongoing unrest

The ongoing unrest and curfew have raised apprehensions over Bangladesh's future exports on the back of data corrections by Bangladesh Bank showing that almost all major sectors suffered a drop in shipments last fiscal year.

The situation has been exacerbated by the fact that Bangladesh is in dire need of foreign currencies to prop up dwindling foreign exchange reserves, which have dropped to just $20.48 billion as of July 31 of this year.

Protests since July 15 over reforming public job quotas led to the deaths of at least 204 people and massive destruction of government property.

The authorities imposed a curfew on July 20 to contain the situation. Public and private offices are running under relaxed curfew times and economic activities are yet to return to normal.

Among the products, knitwear exports, which account for over a third of the country's total export earnings, declined 6.93 percent

The central bank found the export data mismatch in reports prepared by the Export Promotion Bureau (EPB) and the National Board of Revenue (NBR) for the July-April period of fiscal 2023-24.

The actual exports amounted to $33.67 billion, nearly $14 billion below the value earlier published, representing a 6.8 percent year-on-year fall in exports.

Among the products, knitwear exports, which account for over a third of the country's total export earnings, declined 6.93 percent.

Similarly, export of woven garments, which account for a similar portion of the total shipments, declined 6.34 percent.

The scenario was the same for all the sectors, except for agricultural products, plastic and chemicals.

"The buyers are in uncertainty and anxious over the unrest and on whether the exporters will be able to deliver the products," said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

The apparel sector faced direct losses of $800 million as exporters had to offer discounts and bear port demurrages for missing lead times and shipment deadlines, he told The Daily Star.

Besides, Bangladesh missed out on receiving exports orders amounting to at least $3 billion during the last 12 days as those were not placed for the unrest, he said. Hatem feared that those orders were placed in countries comparatively similar to Bangladesh.

Fortunately, previous work orders were not cancelled and the buyers are now observing the situation to decide on their next steps, he said. Till date the mood of the buyers is not clear, said Anwar-Ul-Alam Chowdhury, president of the Bangladesh Chamber of Industries, adding, "So, it's tough to forecast what is ahead."

It is tough to understand the buyers and what they are thinking regarding the ongoing situation of the country, he said.

As S&P Global downgraded Bangladesh's long-term sovereign rating from BB- to B+, its impact will fall on the economy as well as exports, he said. Considering the overall situation, there is a possibility that there will be a negative impact at the end of the day as buyers do not like unrest and an unstable situation, said Chowdhury.

Referring to a latest US study, he said American fashion companies were actively diversifying their apparel sourcing base and exploring opportunities, especially in India, amid growing risks and market uncertainties in Bangladesh. This is not a good message for the Bangladeshi exporters, he said.

The recent unrest pushed the country's economy and exports towards uncertainty, said Ahsan Khan Chowdhury, chairman and chief executive officer of PRAN-RFL Group.

Some of their buyers have cancelled scheduled factory visits, he said. Businesses should be provided the space to function for the sake of the economy and, overall, national interest, he said.

Businesses have an equilibrium and if it collapses for any reason, it takes time to return to normalcy, said Khan, adding, "Now it will take time for normalcy to return to Bangladesh." "Exports of our sector, particularly agricultural products, were in the positive last fiscal year and it will continue this fiscal year also as we have plans to grow the exports," he said.

He claimed that their agriculture products were doing well in the international markets and gaining popularity. "If we get sufficient investment from the financiers, our business will definitely grow," he said, adding, "We do not need to stay stuck in flashbacks of the past, rather we should think about the future."

"Besides, we entered the plastic sector which is also creating a scope to win over the global market and it has good prospects to grow the exports," he said. Exports of fiscal year 2024-25 are off to a rocky start as the first month saw the loss of operations for a number of days, said Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry.

If exports are taken to be of $50 billion over 365 days, loss in export earnings over 10 days stands at nearly 2.7 percent or $1.3 billion or Tk 16,200 crore.

On top of that, there is a loss of confidence of buyers overseas, which remains unquantifiable, he said, adding, "Risk discounts can climb higher, while borrowing costs will increase, creating pressure on prices."

"Hopefully, the figure will be lower as we will be able to complete some exports with some delays and recover some of the lost production days by working harder later in the year," he said.

Source: thedailystar.net– Aug 02, 2024

HOME

****

NATIONAL NEWS

Framework to evaluate investment proposals, cut cost disadvantages for cos relocating to India: GTRI

New Delhi: With India lagging behind China, Brazil and other countries in foreign direct investment (FDI) inflows, the Global Trade Research Initiative (GTRI) has suggested reducing cost disadvantages for companies relocating to India, improving the Ease of Doing Business throughout the business lifecycle, and establishing a framework for evaluating investment proposals, to boost investments.

It said that concentration of FDI sources, with Singapore and Mauritius accounting for 49% of cumulative inflows and the investment being disproportionately directed towards trading, services, and malls and real estate development, are the key issues.

This raises concerns about potential tax treaty abuses, where few firms may exploit India's Double Tax Avoidance Agreements (DTAA) to reduce tax liabilities, contributing little to genuine economic development," GTRI said in a report Thursday.

India attracted $44.4 billion in FDI in FY24, which is only 1.1% of its GDP, and lower than China's $189.1 billion, Brazil's $86.1 billion, Australia's $61.6 billion, and Canada's $52.6 billion, according to the World Development Report 2023, it said.

As per the report, India needs to address the four cost related components - labour, rate material, energy and financial costs.

It noted that in India, raw material costs are higher for non-traditional productions due to import dependence and high tariffs.

"China benefits from lower costs due to large-scale local production and efficient supply chains, while Vietnam offers competitive costs with low or zero tariffs on imports," GTRI founder Ajay Srivastava said.

It suggested inviting top global firms as anchor manufacturers. These firms can drive technological innovation and improve productivity across sectors.

Investments involving technology transfer must be assessed for their potential to enhance local technological capabilities, especially in high-tech areas where India aims to close gaps.

The proposed framework to evaluate investment proposals must include strict checks to prevent risks to national security, particularly in defense, telecommunications, and infrastructure.

“Safeguarding these sectors is crucial for national security and resilience. It's important to avoid increasing economic dependence on foreign entities, as this could compromise India's strategic autonomy and decision-making in key industries,” Srivastava said.

He said that the financial costs in India are the highest, with lending rates around 9-10%, while China enjoys lower interest rates at 4-5%, and Vietnam’s rates are moderate at 7-8%.

Source: economictimes.com – Aug 01, 2024

HOME

****

Strategic reforms needed to enhance India's appeal to global investors, attract FDI: GTRI

New Delhi: Strategic reforms are needed to enhance India's appeal to global investors as despite having huge potential, FDI data shows that the country has not fully capitalised on its opportunities, think tank GTRI said on Thursday. Suggesting a four-step plan, the Global Trade Research Initiative (GTRI) said that measures which can help India position itself as a leading choice for foreign investors include reducing cost disadvantages for companies relocating to India, improving the Ease of Doing Business throughout the business lifecycle, and establishing a framework for evaluating investment proposals.

India attracted USD 44.4 billion in FDI (foreign direct investment) in FY2024, which is only 1.1 per cent of its GDP.

The country lagged significantly behind countries like China (USD 189.1 billion), Brazil (USD 86.1 billion) , Australia (USD 61.6 billion), and Canada (USD 52.6 billion) as noted in the World Development Report 2023, it said.

It suggested that India must offer a more competitive cost structure to attract businesses shifting from China or considering alternative production locations.

For this, India needs to address the four cost-related components - labour, rate material, energy and financial costs.

"In India, raw material costs are higher for non-traditional productions due to import dependence and high tariffs. China benefits from lower costs due to large-scale local production and efficient supply chains, while Vietnam offers competitive costs with low or zero tariffs on imports," GTRI Founder Ajay Srivastava said.

He said that the financial costs in India are the highest, with lending rates around 9-10 per cent, while China enjoys lower interest rates at 4-5 per cent, and Vietnam's rates are moderate at 7-8 per cent.

"India needs to address these costs and strive to be the most cost-effective option," Srivastava added.

To further improve the ease of doing business, the GTRI suggested the identification of priority sectors, particularly those where India's manufacturing and export capabilities are currently weak, such as electronics, computers, telecom, precision equipment, and factory machinery.

Secondly, invite top global firms as anchor manufacturers. These firms can drive technological innovation and improve productivity across sectors.

"Additionally, there is a need to ensure quick factory-to-ship movement. Improving logistics through dedicated freight corridors and strategically locating industrial zones near ports will streamline port and customs processes, facilitating faster shipments," it added.

Recommending to create a framework for evaluating investment proposals, it said investments involving technology transfer must be assessed for their potential to enhance local technological capabilities, especially in high-tech areas where India aims to close gaps.

Source: economictimes.com– Aug 01, 2024

HOME

****

Don’t be in hurry on FTA giveaways: Industry

India's merchandise trade deficit with these partners increased significantly more than its global trade deficit.

Commerce and industry minister Piyush Goyal’s remark that Indian businesses are prioritising “small gains” over national interest, comes in the wake of insistence on import protection by sections of the industry. Such demands have often hindered the progress of India’s talks with several trading partners for bilateral free trade agreements, aimed at progressive tariff reduction/elimination. FTA are being resorted to, for the country’s faster integration with the global value chains.

The minister’s latest comments follow a series of such reprimands by him an other government functionaries of Corporate India for not being fast enough to restart the investment cycle. The firms’ extreme wariness was despite many investor-friendly policies laid out by the government, including elevated public capex, production-linked incentives and a corporate tax cut.

Industry sources, however, cite the fact that India’s existing FTAs have not yielded the desired results, and blame it on the hasty manner wherein these were signed without adequate consultations with the industry or safeguarding of domestic interest. They also stress that protectionist tendencies are being shown by many countries in recent years, and a more nuanced policy would help national objectives like promotion of “Make in India.”

The government, trade experts note, is also cognizant of this fact, as is evident from the re-negotiations of the trade agreements signed with the Association of Southeast Asian Nations (ASEAN), Japan and Korea. In the new FTAs that are being negotiated extensive consultations are happening with the industry so that these would be balanced ones, they say.

“One reason that the FTAs have not yielded expected results is the imbalance in what India has to concede and what it gets in return. The developed countries where India is negotiating already have lower tariffs and bringing them down to zero will not bring additional gains as they will be wiped off by FTA-related compliance costs,” co-founder of Global Trade Research Initiative Ajay Srivastava said.

An industry source, however, agreed with the minister that an elbow has to be allowed to the government to conclude the FTAs. “If industry needs lower tariffs in their export markets they will also have to concede lower tariffs for imports.”

He also said a “fear of the unknown,” the lure of protection provided by higher import duties and a feeling that domestic products could become uncompetitive in the face of competition could be the reason of the reluctance of the industry.

India’s merchandise trade deficit with these partners increased significantly more than its global trade deficit and India’s exports to these FTA partners have increased at a lower rate than its imports. The Asean India Trade in Goods Agreement (AIGTA) entered into force on 1 January 2010 which created one of the world’s largest free trade areas. Since then The trade deficit with Asean widened from $ 4.98 billion in 2010-11, the first full year of operation of AITGA to $ 39.4 billion in 2022-23. This outpaces the rate of growth of India’s overall exports in the period.

Most exports to India’s FTA partners occur at zero or low Most Favoured Nation (MFN) duties, as these countries anyway keep MFN rate low. Singapore has nil duties, Japan 2.4%, Malaysia 3.5%, Vietnam 5.3%, Mauritius 1.1%, UAE 3.5%, and Australia 2.6% for every exporter.

Singapore allows 99.8% of its global imports at zero MFN duty, Malaysia 82%, Japan 81%, Vietnam 61.4% , South Korea 41.7 %. This situation limits the additional market access that FTAs could provide to Indian exporters. Due to this India’s FTA utilisation remains very low at around 25%, while utilisation for developed countries typically is in the range of 70–80%.

The FTAs with the UK and European Union – that are in advanced stages – will also have the same limitations. The Trade Weighted Average MFN Applied Tariff in the UK is 2.3% for non-agriculture products and 12.8% for agriculture products. In the case of the EU the tariffs on non-agriculture products is 2.3% and agriculture products is 8.4%.

India on the other hand has trade weighted average on non-agriculture items is 9% and on agriculture the tariffs are 65%. In some items like automobiles, wines and spirits and agriculture products which are of special interest to the UK and EU the duties are 100% or more.

Under FTAs trade must be liberalised in 85-90% of the tariff lines so eliminating these duties under trade agreements gives an immediate price advantage to products from FTA partner countries. Similarly, in the case of dairy products and other farm commodities, the potential FTA partners, like the US and EU want greater market access. New Delhi is not open to this, for fear of adverse impact on domestic stakeholders.

However, within the industry there are companies who are aggressively opening up to get the inputs and components at lower duties, director-regulatory at Nangia Anderson Mayank Arora said. Those in the opposing camp include suppliers to these Original Equipment Manufacturers and most of these are small and medium industries, he said.

Many other countries are seeking FTAs with India as high import duties make it difficult for these countries to access India's large and rapidly growing market. Additionally, since India currently does most of its importing (over 75%) from countries it doesn't have FTAs with, these agreements are particularly appealing as they offer a significant new market opportunity in India.

Contrary to the belief that most world trade happens through FTAs, a GTRI study shows that only 15-17% of trade is conducted this way. While 40% of global trade involves FTA partners, much of it operates under MFN duties, not FTA rules. In fact, over 50% of world trade takes place at zero MFN duty, and about 30% at low MFN duties. For instance, only 6% of India's $14.4 billion exports to Singapore are under the preferential route. Over 70% of Indian exports enter ASEAN at zero MFN duty.

India currently has a comprehensive FTA relationship with 26 countries. It is now negotiating new FTAs with 45 countries. However, beyond immediate trade gains through tariff reductions the FTAs offer other benefits that the government seems equally keen on. These trade agreements could help in diversifying sources of imports of machinery and inputs and with increased trade investments also follow, Arora said.

The trade agreements also open up channels of financial information exchange as was seen in agreements between Mauritius, UAE and Singapore, he added.

Source: financialexpress.com– Aug 01, 2024

HOME

****

July GST mop-up at 3-month high, rises 10.3% to ₹1.82 lakh crore

GST collections in July rose over 10 per cent to reach a three-month high of Rs 1.82 lakh crore in July. Experts feel that the collection will rise further with the approach of festive season.

July number is related to goods consumed and serviced availed in June.

Data showed that the rise in domestic GST collection was around 9 per cent while that from imports was over 14 per cent. At the same time, domestic refund was down by over 34 per cent though rise in refund on export was little over 1 per cent, bringing total refund down by around 19 per cent. Because of this, the net collection of GST rose by over 14 per cent to around ₹1.66 lakh crore.

MS Mani, Partner at Deloitte India, said that rise in GST revenue from imports as compared to domestic collections is significant. "These collections are based on supply transactions during June, which is typically a slow offtake month before the onset of the festive season," he said.

Expanding GST kitty

Overall collection in July (in ₹ lakh crore)

	2023	2024	% change
Domestic	1.23	1.34	8.9
Import	0.43	0.48	14.2
Gross collection	1.66	1.82	10.3
Domestic refund	0.12	0.08	-0.34
Export refund	0.08	0.08	1.40
Total refund	0.20	0.16	-19.4
Net collection	1.45	1.66	14.4

Collection in key States in July (in ₹ crore)

	2023	2024	% change
Maharashtra	26,064	28,790	11
Karnataka	11,505	13,025	13
Gujarat	9,787	11,015	13
Tamil Nadu	10,022	10,490	5
Uttar Pradesh	8,802	9,125	4
Haryana	7,953	9,082	14
Delhi	5,405	5,964	10

Source: GST portal

Abhishek Jain, National Head, Indirect Tax at KPMG in India, felt that a 10 percent plus growth in collections for this year vis-a-vis the last year aligns well with expectations and depicts signs of stability and maturity of GST implementation in India. "With festivities coming up in the next few months, the collections should witness a further increase," he said.

State-wise collection

There was wide divergence in State-wise collections. According to Saurabh Agarwal, Tax Partner, EY India, the surge in tax collections from Nagaland, Manipur, Andaman & Nicobar, and Ladakh suggests heightened economic activity and consumption in developing regions. “A potential stagnancy or decline in collections during August (compared to July month) is anticipated due to the monsoon season’s impact on overall economic momentum,” he said.

Mani noted a wide divergence in growth of collections compared to the same month last year across States even among the large manufacturing and consuming States. “While States such as Maharashtra, Gujarat and Karnataka have shown a growth of 11-13 per cent, States like Tamil Nadu, Andhra Pradesh and UP are in the range of -7 per cent to 5 per cent. This divergence should be further evaluated based on sectoral data for these States,” he said.

Vivek Jalan, Partner with Tax Connect, said current growth rate of 10 per cent is almost aligned with the estimated budgeted growth of GST for FY 2024-25 of around 11 per cent. “What is important is that this growth in GST collections in July’24 came in the backdrop of a great year for GST collections growth. Hence this is true growth and not a result of a low base effect,” he said.

Source: thehindubusinessline.com– Aug 01, 2024

HOME

****

GST collections and other relevant data will henceforth be available on the GST Portal

The monthly data regarding the Goods and Services Tax (GST) collections (gross and net) and IGST settlement state wise for the month of July, 2024 has been placed in public domain on the GST website at https://www.gst.gov.in under 'News and Updates' section. Further, henceforth GST collections data shall be made available on the said website.

Moreover, data for the CGST, SGST, IGST and Cess, and state wise data on collection and return submission with historical time-series details are also being regularly updated from 2017 under 'GST Statistics' in the 'Downloads' section of the said website.

Source: pib.gov.in– Aug 01, 2024

HOME

****

MSMEs EXPORTERS

The Government has taken a number of steps to facilitate easy access to credit for the MSME sector in the country, through various schemes, programmes and policy initiatives. Some of the schemes implemented are as follows:

- To facilitate the flow of credit to the Micro and Small Enterprises, without the hassles of collateral and third party guarantee up to a maximum of Rs. 5 crore, Credit Guarantee Scheme for Micro and Small Enterprises has been implemented.
- Prime Minister Employment Generation Programme (PMEGP) is a major credit-linked subsidy program, aimed at generating self-employment for Micro Enterprises.
- Pradhan Mantri Mudra Yojana (PMMY) extends collateral free credit up to Rs.10 lakh.
- Stand-Up India (SUI) Scheme facilitates loans from Scheduled Commercial Banks (SCBs) of value between Rs. 10 lakh and Rs. 1 crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and one women borrower per bank branch.
- PM Vishwakarma Scheme envisages to provide end-to-end holistic support, including credit support to artisans and craftspeople in the 18 trades covered.
- Launch of Udyam Assist Platform on 11.01.2023 to bring Informal Micro Enterprises (IMEs) under the formal ambit of MSME.
- Inclusion of Retail and Wholesale traders as MSMEs for the purpose of availing Priority Sector Lending benefits, w.e.f. 02.07. 2021.

Ministry of MSME implements the International Cooperation (IC) Scheme. Under this Scheme, financial assistance is provided on reimbursement basis to the eligible Central / State Government organizations and Industry Associations to facilitate the participation of MSMEs in international exhibitions, fairs and buyer-seller meets held abroad.

Further, organizing international conference, seminar and workshops in India are also included in the scheme. Additionally under the new component of IC Scheme, namely Capacity Building of First Time Exporters (CBFTE) launched in June 2022, reimbursement is provided to new Micro & Small Enterprises (MSEs) Exporters for costs incurred on Registration-cum-Membership Certification (RCMC), Export Insurance Premium and Testing & Quality certification for exports. These interventions under IC Scheme assist the exporters in the MSME sector to increase their access to international markets. Ministry of MSME has established 60 Export Facilitation Centers (EFCs) across the country with an aim to provide requisite mentoring and handholding to MSEs.

The Government has taken measures to promote exports from the districts under the District as Export Hub Initiative. Products/Services with export potential have been identified in the districts. An institutional mechanism has been set up in all States/UTs by forming the State Export Promotion Committee (SEPC) and District Export Promotion Committee (DEPC) at the District level.

Under the initiative, District Export Action Plans detailing the existing bottlenecks in the supply chain and identifying possible interventions to mitigate the existing gaps are being prepared for all the districts. To encourage exports from the districts under "Districts as Export Hubs", DGFT through Regional Authorities has been engaging with States & Districts to conduct export promotion outreach events. This includes handholding sessions with exporters and export related awareness sessions.

This information was given by the Minister of State for Micro, Small and Medium Enterprises, Sushri Shobha Karandlaje in a written reply in the Lok Sabha today.

Source: pib.gov.in– Aug 01, 2024

HOME

****

Tiruppur apparel unit makes its way to the Paris Olympics 2024

As France plays host to the Paris Summer Olympics 2024 from July 26, it's a moment of joy and excitement for a close-knit textile company unit located over 8,000 miles away in Tiruppur.

Back Bay India, a company led by mother-daughter duo, Deepa Jayan and Aishwarya Jayan, and six manufacturing units have despatched 'Made in India' labelled products, as many as eight lakh apparel and accessories including tote bags for the games in France. "We have sent out our final shipment with T-shirts and sweatshirts to Paris," says Aishwarya with visible pride. The products will be sold as official merchandise and souvenirs at the stadiums of the Olympic Village. "If you see 'Made in India' apparel in any of the International Olympic Committee's (IOC's) retail channels, it may well be from us, the textile hub in Tiruppur," she adds.

All the products are aligned with the Paris Olympic 2024 theme and look, prescribed and approved by the Olympic committee. They include T-shirts, sweatshirts, trousers, shorts, polos, tote bags and sweaters, with the licensed Olympic logo printed on it. The products will find their presence in the stadium, malls, stores, and fan avenues through relevant retailers.

Many years of toil and preparedness have led them to this proud moment, says Aishwarya adding that the company got the prestigious order from its primary long-standing client in Paris.

"The experience of working with European clients helped us enter the official merchandise world of international sporting events with FIFA World Cup in Qatar 2022, followed by a dominant role supplying over six lakh products in Rugby World Cup 2023 and eventually leading to double of the same for the Olympics 2024.

The client trusted us and we facilitated the order as a team along with the six manufacturing units who work with us. It involved more than a year of intense work beginning with sampling, quality standards, and approvals from the Olympic Committee, which was done by the client. There were several rounds of approvals and quality checks at every stage before we shipped the consignment."

The products spanning around 300 print designs highlight the Olympic rings and the mascot 'The Olympic Phryge' symbolising freedom and liberty — decked in blue-white-red, the colour of France's tri-colour flag, along with the golden Paris 2024 logo emblazoned across the chest.

"The order comes with great responsibility as we are representing Brand India. It would be visible to the keen eyes of spectators, visitors, and delegates from across the globe at the event," explains Aishwarya, who now heads the company's operations..

Though Back Bay has done merchandise for numerous brands including movies and games, the Olympics project is a big leap in the sporting arena. "We are excited about the Paralympics order too. We work with material that is either 100 per cent cotton or a blend like polyester cotton, but predominantly cotton," says Aishwarya, who quit her job at Goldman Sachs to join and support her mother in the apparel business.

"It's been a great learning curve right from the basics of choosing right textiles to building a credible brand. Back Bay is a buying office. We are dealing with knitwear industry where even one minor slip can cost us dearly. A single T-shirt passes through several hands before it reaches a store something akin to the enormous efforts by farmers to put the food on your table. We minimise wastage at every stage and insist on repurpose, upcycle, and reuse fabrics."

Aishwarya adds,"Alongside the victories of sportspersons in the medal tallies, the economic presence in this manner also highlights 'Make in India' stories of micro, small, and medium enterprise companies who have toiled their way to make their presence felt. It's a proud moment."

Source: thehindu.com– Aug 01, 2024

HOME

****

Canara Bank to extend tailored products, services to Tiruppur exporters

Current challenges facing the textile sector, exploring potential financial solutions, and outlining strategic partnerships that could bolster the industry's global competitiveness constituted the agenda of a Mega Exporters Meet conducted by Canara Bank in Tiruppur earlier this week.

Canara Bank is making efforts to provide tailored financial products and services designed to meet the unique needs of textile exporters, said Debashish Mukherjee, Executive Director, Canara Bank, while interacting with participants consisting of key players from the textile industry, including leading manufacturers, exporters, and industry associations.

"We recognise the critical role the textile sector plays in our economy and are committed to offering our support," Mr. Mukherjee said, and added, "Our goal is to work closely with local businesses to address their financial needs and help them thrive in an increasingly competitive global market."

Mr. Mukerjee earlier paid floral tributes to the portrait of Ammembal Subba Rao Pai, Founder of Canara Bank.

Senior officials including T.V. Krishna Mohan, General Manager, Madurai Circle; Janardhana Rao, Chief General Manager, Integrated Treasury Wing; Sunil Kumar Yadav, General Manager, MSME Wing; Praveen D Kabra, General Manager, Mid Corporate Credit Wing; and Krishna Prasad, General Manager, Global Trade Processing Centre, were also part of the discussion.

There were also one-on-one meetings with key textile exporters to discuss personalised financial advice and support strategies. The bank officials outlined new initiatives to enhance trade finance, improve access to capital, and support sustainable practices within the industry. Participants expressed optimism about the potential for stronger financial support and strategic partnerships.

Source: thehindu.com– Aug 01, 2024

HOME

****