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SAYING NO TO CHILD LABOUR

INTERNATIONAL NEWS

US manufacturing sector faces headwinds as new orders decline in July

The US manufacturing sector saw a deterioration in business conditions at the start of the third quarter, according to the latest S&P Global US Manufacturing PMI data. The Purchasing Managers' Index (PMI) dropped to 49.6 in July from 51.6 in June, signalling a slight contraction as it fell below the crucial 50.0 mark for the first time in seven months.

The decline was driven by a reduction in new orders, marking the first decrease in three months. This drop was attributed to a general slowdown in market demand, with clients hesitant to commit to new projects. New export orders also fell, although at a slower rate, with particular weakness noted in demand from Canada.

Despite the dip in new orders, manufacturing production continued to rise, albeit at a marginal pace. The modest growth in output was supported by work on backlogs and a significant replenishment of finished goods inventories. However, the pace of expansion was the slowest in the current six-month growth sequence.

Employment in the sector also rose, but at the slowest pace since January, as firms hired cautiously amid the uncertain demand outlook. Nonetheless, there was a slight increase in business sentiment, with some manufacturers optimistic that the current soft patch in demand will be temporary, potentially improving after the upcoming Presidential Election.

Input costs surged in July due to higher prices for energy, freight, labour, and raw materials. However, the rate of inflation for these costs eased to a four-month low. In response, manufacturers raised their output prices only marginally, resulting in the slowest pace of price inflation in a year, as they aimed to remain competitive in a challenging market environment.

Purchasing activity declined for the second consecutive month, reflecting firms' reluctance to buy additional inputs amid falling orders and rising costs. This reduction led to a further decrease in input inventories, continuing a five-month trend.

Supply chain performance remained broadly unchanged in July, with improvements in delivery times due to reduced demand being offset by ongoing staff shortages, material scarcities, and shipping delays.

Chris Williamson, chief business economist at S&P Global Market Intelligence, said: “The manufacturing recovery moved into reverse in July, though the gloomier growth picture was accompanied by a marked cooling of inflation in the goods-producing sector.

“Business conditions worsened in July as the first fall in new orders since April caused a near-stalling of production. Purchasing activity is falling and hiring has slowed amid concerns over weaker-than-anticipated sales.

“Many firms are expecting the weakness to be temporary, linked to paused spending and investment ahead of the Presidential Election. However, firms’ expectations for output in one year’s time remain subdued by historical standards, reflecting additional concerns over the impact of higher interest rates and persistent inflation. While orders for investment goods such as plant and machinery fell especially sharply in July, underscoring the recent pull-back in capital spending, producers of consumer goods also reported a modest fall in demand.

“There was better news on the inflation front. Input cost inflation cooled for a second month after having risen to a 13-month high in May. This welcome lowering of cost pressures helped take further heat out of selling price inflation, which moderated sharply in July to the lowest for a year to signal only a marginal increase in prices during the month. This near-abeyance of producer price inflation should feed through to lower consumer price inflation in the coming months.”

Source: fibre2fashion.com– Aug 02, 2024

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Biz confidence improves across China's manufacturing sector: PMI data

Though operating conditions in China's manufacturing sector deteriorated at the start of the second half (H2) this year, business confidence improved across the sector, Caixin China general manufacturing purchasing managers' index (PMI) data revealed.

Sentiment in the country's manufacturing sector remained positive in July, with the level of confidence rising from June's low. Despite the reduction in new work, firms were positive that business development efforts and the launch of new products can help to drive sales in the year ahead.

The headline seasonally-adjusted PMI—a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy—fell to 49.8 in July from 51.8 in June.

Easing below the 50 neutral mark, the latest data signalled that conditions in the manufacturing sector deteriorated for the first time in nine months, albeit only marginally.

A renewed reduction in new work inflows underpinned a marked slowdown in the pace of output growth. As a result, firms lowered their purchasing activity, though employment conditions remained relatively stable, S&P Global, which compiled the data, said in a release.

On the prices front, input cost inflation eased in the latest survey period, which alongside heightened competition, led to Chinese manufacturers lowering average selling prices in July.

Manufacturing output expansion was the slowest in the nine-month sequence during July, attributed to the first fall in new orders for a year., S&P Global, which compiled the PMI data, said in a release.

Subdued demand conditions and reductions in client budgets underpinned the latest fall in new work in China.

Export orders, meanwhile, continued to rise, but the rate of growth slowed from June to a modest pace.

Purchasing activity declined for the first time since October 2023 as Chinese manufacturers reduced their buying activity in a period of falling new orders. This led to a renewed depletion of stocks of purchases.

On the other hand, stocks of finished goods rose again, though this was partially driven by delays in outbound shipments. Supply constraints were further reflected by data on average lead times for the delivery of inputs, which lengthened for a second successive month.

Employment levels remained relatively stable, falling only fractionally in July. While some firms added headcounts to cope with ongoing workloads, others opted to reduce staffing levels, anticipating lower production needs as new orders fell.

Average selling prices declined for the first time in July since May. Chinese manufacturers indicated reducing selling prices to support sales amid increased competition. This was partially supported by input cost inflation easing to the lowest in the current four-month sequence.

Source: fibre2fashion.com– Aug 03, 2024

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Global exhibitors to gather at Intertextile Shanghai Apparel Fabrics

Including everything from organic buttons and floral prints, to temperature-regulating and weather-resistant fibres, the apparel value chain is as diverse as it is extensive. Buyers at trade fairs with thousands of exhibitors can be hard pressed finding the fabrics they need, which is a key reason numerous suppliers at autumn's Intertextile Apparel will gather under the banners of specialised zones and pavilions. Taking place from 27 – 29 August at the National Exhibition and Convention Center (Shanghai), the fair will feature eight product zones, including Accessories Vision, Functional Lab, and Verve for Design. Meanwhile, suppliers in eight country and region pavilions will showcase various innovations and high-quality textiles. Altogether the platform is set to welcome around 4,000 exhibitors from 25 countries and regions.

One major focus for the show, celebrating its 30th anniversary, will be the on-trend products for Autumn / Winter 2025-26, both at the Intertextile Directions Trend Forum and at the booths of suppliers from around the world. Featuring a mix of premium products, SalonEurope in Hall 5.1 has typically been a zone showcasing the very latest on offer from the European textile industry – which at this edition includes the France and Türkiye Zones. A number of notable industry players will also display their up-to-date collections at several specialised product zones:

- Acessories Vision (Hall 1.1): Avery Dennison, FIDLOCK, HSD Zippers, Oriental Button & Fashion Accessories, YCC Global

- Beyond Denim (Hall 8.1): Azgard Nine, Cone Denim, Diamond Denim By Sapphire, Kipas Pazarlama, Orta Anadolu

- Functional Lab (Hall 4.1): 3M China, Naariah Textile, Nilit, Toray, Toyobo, Unifi Textiles

- Premium Wool Zone (Hall 5.1): Abraham Moon & Sons, Albini, Cerruti 1881, Dino Filarte, Scabal, Yünsa

- Verve for Design (Hall 5.1): Alex & Kate, Atelier Mineeda, Fairbairn & Wolf Studio, Fioribelli, Longina Phillips Designs, Nix

Exhibitors in the featured product zones hail from various countries and regions across Asia, Europe, the Middle East, and beyond, featuring their varied regional strengths and styles.

High-traffic Japan Pavilion to feature for 21st time

The pavilion is typically a key attraction for buyers at every edition. Organised by the Japan Fashion Week Organization, its exhibitors will showcase, amongst other items, a wide variety of fashion-focused, functional, and sustainable fabrics. Highlighted exhibitors include:

- CHAMBRAY CO LTD: the Tokyo-based textile company has produced yarn-dyed shirting fabrics since its establishment in 1984. In addition to its own collections, CHAMBRAY stocks three fabric brands: THE STATES MADE, which reproduces vintage pieces using American cotton; REFABRISH, made from recycled polyester; and Orgamix™, 100% GOTS certified organic cotton mélange.

- KIYOHARA & CO LTD: an accessories specialist, and one of the companies making its Japan Pavilion debut at this edition. Its product development and merchandising is strongly based on global trends, and its collection on display will include its stopper and cord ends, a flagship product for decades.

- NIKKE TEXTILE CO LTD: the manufacturer is one of Japan‘s largest wool fabric suppliers, with factories in both Japan and China. Featured products include heritage fabrics, wool denim, functional wool, as well as piece-dyed gabardine and serge.

- SOLOTEX (Teijin Frontier): showcasing its signature fibre, yarn, and fabric collection, SOLOTEX is well-regarded for its material development and quick response. Its easy-to-dye functional fibre’s other defining characteristics include softness, shape retention, stretch, cushioning, sustainability, and compatibility with other fibres.

Other country and region pavilions and their organisers include the Hong Kong Pavilion (Hong Kong Trade Development Council); Milano Unica Pavilion; India Pavilion (The Cotton Textiles Export Promotion Council); Korea Pavilion (Korea Fashion Textile Association); Pakistan Pavilion (Trade Development Authority of Pakistan); and the Taiwan Pavilion (Taiwan Textile Federation).

In addition to returning pavilions, the upcoming Intertextile Apparel will see one making its debut – the Malaysia Pavilion, organised by the Malaysian Handicraft Development Corporation. Striving to leave an impression on the Chinese market, the pavilion will give a platform to exhibitors showcasing a wide range of batik, tenunan woven textiles, and more.

Meanwhile, the UK Fashion and Textile Association (UKFT) Display Area will highlight the craftsmanship and expertise of around 20 premium British mills, manufacturers, and merchants – with products and services on show ranging from luxury wool fabrics and creative prints, to testing and trend forecasting.

Speaking in advance of the fair, Mr Paul Alger MBE, director of International Business at UKFT, said: “The UK textile industry stands out in the global market, especially in China and Asia, due to our emphasis on quality, innovation and unique British style. Our competitive advantage lies in our ability to merge tradition with contemporary trends, offering products that are not only stylish but also ethically produced. This commitment to excellence and sustainability resonates well with consumers in these markets, helping us build strong, lasting relationships and we are delighted to be showing at Intertextile Shanghai Apparel Fabrics.”

To make sourcing more convenient, buyers can find and connect with exhibitors across the fairground through a series of digital tools, including Connect PLUS. The platform allows users to filter search for matching exhibitors; includes AI recommendations; arranging of online or in-person meetings through its messenger function; and links scheduling notifications to WeChat, Facebook, or SMS. Buyers who pre-register for the show will automatically get a Connect PLUS account.

The fair is co-organised by Messe Frankfurt (HK) Ltd; the Sub-Council of Textile Industry, CCPIT; and the China Textile Information Centre. It will take place alongside Yarn Expo Autumn, CHIC and PH Value at the National Exhibition and Convention Center (Shanghai), with the venue playing host to the entire apparel textile value chain.

Intertextile Shanghai Apparel Fabrics – Autumn Edition will be held from 27 – 29 August 2024.

Other upcoming shows:

Intertextile Shanghai Home Textiles – Autumn Edition

14 – 16 August 2024, Shanghai

Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies

26 – 28 February 2025, Ho Chi Minh City

Intertextile Shanghai Apparel Fabrics – Spring Edition

11 – 13 March 2025

Source: fibre2fashion.com– Aug 02, 2024

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Maersk sees global trade disruptions lasting throughout 2024

The global transport disruptions caused by the conflict in the Red Sea will last longer than expected and won't be solved this year, according to A.P. Moller-Maersk A/S, a bellwether for world trade.

The comments come as Maersk on Thursday raised its financial guidance for a third time in three months as higher freight rates continue to boost the company's profits. The global liner industry has been upended by conflicts that are forcing ships to sale south of Africa rather than through the Suez Canal.

The Danish shipping group now sees underlying earnings before interest, tax, depreciation and amortization of $9 billion to $11 billion this year, compared with a previous forecast of $7 billion to $9 billion. Analysts had expected $8.76 billion on average in estimates compiled by Bloomberg.

Maersk had already raised its full-year profit forecast in May as well as in June, when it said congestion in the Red Sea was having a larger than previously expected impact on the world's supply lines. That disruption is "now expected to continue at least until the end of 2024," the company said on Thursday.

The number of container ships passing the Suez Canal is down about 77% from a year ago, Bloomberg Intelligence estimates, after attacks by Houthis have made the key water route unsafe. The extra vessel capacity needed to sail around Africa has pumped up freight rates at a time when the market was entering a post-pandemic slump with ship supply exceeding demand.

"Trading conditions remain subject to higher than normal volatility given the unpredictability of the Red Sea situation and the lack of clarity of supply and demand in the fourth quarter," Maersk said.

The transport company also raised its forecast for 2024 global container trade, now saying it expects growth of 4% to 6%. That compares with a previous estimate that was at the upper end of a 2.5% to 4.5% growth range. Maersk's free cash flow in 2024 will be be at least $2 billion, compared with at least $1 billion seen previously.

Maersk shares initially rose as much as 4.2% in Copenhagen, before trading 0.7% lower as of 3:06 p.m. local time.

“The strong development in container freight rates in recent months makes the guidance upgrade somewhat expected,” Brian Godsk Borsting, chief analyst at Danske Bank Credit Research, said in a note.

Maersk also published preliminary second-quarter revenue and profit numbers — ahead of a full report due Aug. 7 — which missed average analyst estimates.

Source: economictimes.com– Aug 02, 2024

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ICE cotton struggle as dollar strengthens and export sales weaken

ICE cotton continued to experience a bearish tone amid weak sentiments driven by various factors. The US dollar index rebounded while crude oil remained under pressure. Weaker-than-expected US cotton export sales further dampened market sentiment. As a result, US cotton settled down for the second consecutive day. Fears of a recession and a bearish equity market also negatively impacted the cotton market.

Yesterday, the ICE cotton December contract settled at 68.08 cents per pound (0.453 kg), down 0.91 cents. The contract faced pressure due to a stronger dollar index and weaker export sales.

The dollar index traded stronger yesterday as geopolitical tensions heightened. Crude oil declined from higher levels and settled nearly one per cent lower. A stronger dollar made cotton purchases less attractive for foreign buyers, while weaker crude oil also put pressure on cotton as polyester became cheaper.

There were fears of a recession that affected markets across the board. Even the prospects of a rate cut could not support the markets. US manufacturing activity slowed to its lowest level in eight months.

For 21 consecutive sessions, total open interest in the market has increased daily, indicating growing market participation or hedging activity. Over these 21 sessions, total open interest has risen by 22,664 contracts, signifying sustained interest and activity. As of today, total open interest stands at 231,347 contracts, having increased by 2,532 contracts from the previous day, which suggests continued engagement from market participants.

ICE's deliverable No. 2 cotton futures contract inventory stood at 26,763 bales as of July 31, compared to 28,745 bales in the previous three days.

There are some weather concerns in the Texas Delta, with temperatures relatively higher across cotton belts. Traders are closely monitoring any adverse weather conditions.

On Friday, ICE cotton for December 2024 was traded at 68.33 cents per pound, up 0.25 cents. Cash cotton traded at 62.98 cents (down 0.60 cents), the October contract at 67.53 cents (up 0.65 cents), the March 2025 contract at 69.92 cents per pound (up 0.22 cents), the May 2025 contract at 71.21 cents (up 0.23 cents), and the July 2025 contract at 72.22 cents (up 0.26 cents). A few contracts remained at the previous closing level, with no trading noted today.

Source: fibre2fashion.com– Aug 02, 2024

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Freight Shifts From Canada to US Ports Over Rail Strike Concerns

More importers are already in a time crunch to get product into the U.S. amid a possible strike at the East Coast and Gulf Coast ports on Oct. 1. But a potentially more imminent work stoppage north of the U.S. border has shippers rethinking their flow of goods in Canada.

According to Canadian National (CN) Railway and Canadian Pacific Kansas City (CPKC), customers have already been diverting freight away from the two Canadian railroads in anticipation of a strike, opting to reroute goods initially intended for British Columbia gateways like Vancouver and Prince Rupert to U.S. ports instead.

During a July earnings call, CN CEO and president Tracy Robinson said the rail company is feeling the pressure from its customers.

"It's impacting our business, particularly in the international intermodal where customers have taken actions to reroute vessels away from Canadian ports until the labor questions have been resolved," Robinson said. Intermodal volume dropped 17 percent from May 12 to July 14, according to CN.

Robinson also noted that the railroad had lighter volumes in the Port of Prince Rupert than expected.

CPKC CEO Keith Creel said a strike is the "most probable" outcome of the rail companies' negotiations with the Teamsters Canada Rail Conference (TCRC) and its 9,300 members. Creel said both parties are "far apart" in the negotiations. The CEO noted that revenues from container traffic fell four percent year-over-year as customers rerouted some shipments.

Canada's industrial relations board has now said they will release the decision on whether railroad service is essential to the public or roughly Aug. 9.

There cannot be a work stoppage until the board renders a decision. And the union must file a strike notice 72 hours in advance of a potential walkout, indicating that a strike wouldn't come until Aug. 12 at the earliest.

For the time being, CN is not expecting a strike, Robinson said. But that didn't stop the rail company from cutting its guidance from around 10 percent earnings per share growth to "mid to high single-digit" growth.

"We're assuming that we get certainty on labor by the end of August and that those diversions continue at the level that they are," Robinson said. "They don't come back immediately, but they don't get any worse. We are expecting that it will take a period of time to get that international business back routed up to the Canadian ports, Hopefully, not as long as it did after the strike on the ports last year."

On the other hand, CPKC is maintaining its guidance of double-digit earnings-per-share growth, and only expects it to be impacted if a stoppage lasted less than two weeks.

Concerns across Canada aside, shippers are bringing product into the U.S. in droves, with ports covered by the Global Port Tracker handling the most inbound cargo since August 2022 in May.

But the import numbers suggest summer has been even more chaotic. Projections for June and July called for a 14.5 percent and 15.5 percent year-over-year increases in 20-foot equivalent units (TEUs), while the Global Port Tracker expects a 13.5 percent jump in containers in August.

June saw a major uptick for the two closest major U.S. West Coast ports to the U.S.-Canada border. The Seattle and Tacoma ports in Washington State saw June container volumes grow 26.3 percent to 321,432 TEUs, with international imports growing a whopping 38.8 percent to 136,050 TEUs.

More shippers have been pulling forward their orders this season as traveling times continue to get longer, particularly on the trade lanes most impacted by the Red Sea crisis.

According to data from the E2Open Ocean Shipping Index, Asia-to-Europe container transport averaged 75 days, an increase of two days over last quarter and a 14-day increase from the same period a year ago. Europe-to-Asia averaged 84 days, the same duration as last quarter but up 11 days from last year's second quarter.

For both routes, the most significant contributor to the year-over-year duration increase in the actual transit time. Asia to Europe voyages include 12 more days of transit time, while the reverse route tacks on nine more days.

Across all trade lanes, global ocean shipments averaged 66 days from initial booking to clearing the gate at the final port in the second quarter. This marks a two-day bump from the first quarter of 2024 and up eight days from the 58-day journey average made last year.

Source: sourcingjournal.com – Aug 02, 2024

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China to boost trade cooperation amid global protectionism

China is ramping up efforts to promote free trade cooperation by accelerating talks and upgrades of free trade agreements (FTAs) and enhancing the development of its free trade zones (FTZs), the Ministry of Commerce (MOFCOM) said at a press conference on Friday.

The acceleration of free trade cooperation sends a strong signal of China's high-level opening-up. In the face of a complex and challenging external environment, the move is crucial for China to stabilize foreign trade in the second half of the year and ensure that it meets its annual economic growth target, experts said.

This also shows China's commitment to supporting multilateralism, maintaining the stability and efficiency of global industrial and supply chains, and providing confidence and certainty to the world economy, they added.

MOFCOM announced at the press conference that it is advancing FTAs with various partners and will strive to increase the proportion of trade volume with FTA partners to around 40 percent of its total foreign trade volume by 2030.

MOFCOM said efforts are being made to accelerate the ASEAN-China FTA 3.0 Upgrade Negotiations and FTA talks with countries such as Honduras, El Salvador and New Zealand. It is also promoting the China-Japan-South Korea FTA as well as free trade cooperation with the Gulf Cooperation Council, Norway, Switzerland and Bangladesh.

In the new FTAs to be signed, China will further enhance the level of opening-up in commodity trade, include more products in the zero-tariff list and push for further opening-up in key sectors such as telecommunications, healthcare, and tourism, MOFCOM said.

It is also mulling a comprehensive document to enhance the development of FTZs, and will leverage pilot FTZs to further expand China's opening-up of commodity, service, and capital markets to the world.

Crucial role

MOFCOM's move comes as the current global trade environment is marked by rising uncertainties and trade restrictions, causing a negative impact on global trade.

In order to increase the quality and quantity of foreign trade throughout the year, MOFCOM is utilizing bilateral mechanisms to assist enterprises in addressing unreasonable trade restrictions, support more companies in expanding their international presence and establish a stable and predictable trade policy environment.

MOFCOM will also focus on fostering new growth in foreign trade, improve overall competitiveness and deepen cooperation with trading partners to uphold the stability and efficiency of global industrial and supply chains, it added.

FTAs play a crucial role in stabilizing foreign trade and ensuring China's overall economic growth target for the year, especially in this complex and challenging external environment, experts said.

It provides a stable market environment and convenient trade conditions for foreign trade enterprises, helping them cope with external challenges and maintain stable growth, said Wang Peng, an associate research fellow at the Beijing Academy of Social Science.

Through FTZs, China can attract more foreign investment into the Chinese market and drive industrial upgrading and technological innovation, thereby enhancing the overall competitiveness and sustainable development capability of the economy, Wang said.

Yue Xiangyu, a professor with the Shanghai University of Finance and Economics, told the Global Times on Friday that FTAs typically reduce tariffs, help lower trade costs, and will boost the competitiveness of Chinese products on the global stage.

At the same time, they can help China establish closer trade ties with more countries and regions, explore new markets, diversify trade risks and drive the upgrading of domestic industries, Yue added.

China saw record high foreign trade in the first half of the year, representing a year-on-year increase of 6.1 percent to 21.17 trillion yuan ($2.9 trillion), indicating a positive momentum in the country's foreign trade as well as improvement in the national economy.

Imports in the January-June period totaled 9.04 trillion yuan, up 5.2 percent year-on-year, and exports stood at 12.13 trillion yuan, an increase of 6.9 percent year-on-year.

A survey conducted by MOFCOM of 16,000 key foreign trade and foreign-funded enterprises shows that over 70 percent of enterprises expect an increase in exports for the whole year.

Injecting vitality into world

By accelerating free trade cooperation, China has clearly demonstrated its strong support for opening-up in the face of rising global trade protectionism, injecting vitality and certainty into the world economy, experts said.

MOFCOM said that it will promote the FTA negotiation process with the relevant countries and regions, support more high-quality product imports, and turn China's market into a great opportunity for the world. It will also revise and release regulations for foreign investors' strategic investment in listed companies to attract more high-quality foreign capital into the capital market for long-term investment.

The accelerated development of FTZs and FTAs is a concrete manifestation of China's high-level opening-up to the outside world, said Bai Ming, a research fellow at the Chinese Academy of International Trade and Economic Cooperation.

Utilizing this framework is beneficial for promoting regional integration to release more vitality as it allows all parties to leverage their comparative advantages within the zone, achieve complementary cooperation, and thus solidify the foundation of cooperation, Bai said.

Source: globaltimes.cn – Aug 02, 2024

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Cheap Chinese exports prompt 'protectionist' response from Southeast Asia

To mitigate the impact on domestic manufacturers and prevent job losses, Southeast Asian nations are increasing tariffs on cheap Chinese imports. This move follows pushback from domestic retailers and manufacturers in Thailand, Indonesia, and Malaysia. Economic discontent towards China has intensified in these nations, as Chinese companies, burdened with surplus inventory, are selling goods at rock-bottom prices.

The issue has been exacerbated by the rise of e-commerce platforms such as Singapore's Shopee, Alibaba-owned Lazada, and ByteDance's TikTok Shop, which provide Chinese exporters with a new avenue to reach Southeast Asian consumers.

China's 'problem of plenty'

China is experiencing a surplus of goods due to reduced demand and a crisis in its real estate sector. Consequently, exporters are selling products at give-away prices. This has further widened Southeast Asia's trade imbalance with China, prompting manufacturers in these nations to call for government intervention on Chinese imports.

Southeast Asia's trade deficit with China

Thailand's trade deficit with China rose to $36.6 billion in 2023 from $20 billion in 2020. Similarly, Malaysia's trade deficit with China grew from $3.1 billion to $14.2 billion over the same period.

Indonesia accrued a $5 billion deficit in non-oil and gas trade with China in the first half of 2024.

Not only ASEAN nations, but South Korea is also bearing the brunt of cheap Chinese exports.

In 2023, South Korea recorded its first trade deficit with China in 31 years. Nearly 1,000 South Korean companies filed for bankruptcy in the first half of the year, up from 724 in the same period the previous year. Economic observers attribute this rise to the influx of Chinese imports.

The Indian story is no different, as it continues to grapple with cheap Chinese steel imports. India's steel ministry has recently asked the Union commerce and industry ministry to investigate cheaper steel imports from China. Domestic steelmakers have reportedly informed the Indian government that they cannot match the prices of Chinese steel, which is heavily subsidised by the Chinese government.

Pushback against Chinese exports

While Western nations are already experimenting with their China+1 strategy to reduce dependence on the dragon, Southeast Asian nations are also exploring ways to protect themselves from the deluge of Chinese exports.

Thailand is planning to review the China-ASEAN free trade agreement and the Regional Comprehensive Economic Partnership (RCEP). The Malaysian government is also assessing the adequacy of the country's anti-dumping laws. Similarly, Indonesia is prioritising its national interests.

The Indian government is considering extending the anti-subsidy duties already imposed on welded stainless steel pipes and tubes from China.

These steps assume significance as Southeast Asia and other emerging Asian markets accounted for around one-third of China's exports in 2022, according to a Nikkei Asia report quoting calculations by Goldman Sachs economists.

Now, the big unknown is how Beijing might retaliate against these protectionist policies.

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

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Brands fail to outline plans for emissions reduction in supply chains: Report

A recent report titled What Fuels Fashion?, by Fashion Revolution indicates, major fashion brands including DKNY, Tom Ford and Reebok have failed to outline plans to reduce carbon emission emissions in their supply chain.

The report ranks 250 of the world's largest fashion brands and retailers, each with a turnover of $400 million or more. It evaluates these brands based on 70 sustainability criteria, such as emissions targets, supply chain transparency, and the use of renewable energy in factories. As per the report, only four out of 250 brands have met the emissions reduction targets set by the United Nations. While 117 brands had decarbonisation targets, only 105 disclosed updates on their progress, with 42 reporting increased scope-3 emissions compared to their baseline year.

Additionally, the report highlights that 86 per cent of companies lack a public coal phaseout target, and 94 per cent do not have a public renewable energy target. Only 43 per cent of brands are transparent about their energy sources.

Another major concern for the brands is overproduction. Almost 89 per cent of large fashion brands failed to disclose the number of garments they produce annually. The industry's impact on supply chain workers, particularly in regions prone to severe weather events, is also troubling. In countries like Bangladesh, extreme weather conditions, such as floods, pose significant risks to workers. The report notes that only 3 per cent of major brands disclose efforts to support workers affected by the climate crisis.

Maeve Galvin, Global Policy and Campaigns Director, Fashion Revolution, emphasises the potential for the fashion industry to make a positive impact. She states, by investing at least 2 per cent of their revenue into clean, renewable energy and upskilling and supporting workers, fashion could simultaneously curb the impacts of the climate crisis and reduce poverty and inequality within their supply chains.

Source: fashionatingworld.com– Aug 02, 2024

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Italian textile and apparel sector faces increased slowdown in first half of 2024

Italy, a hub for many of the world's luxury manufacturers, is already significantly affected by the economic downturn. The slowdown that began at the end of 2023 in the textile and apparel sector has continued and intensified. By mid-2024, 75% of companies saw their revenue decrease, with a quarter of them experiencing declines of nearly 20% or more. This grim picture is painted by the research office of Sistema Moda Italia, the employer's federation for the Italian fashion industry.

Economic instability, inflation, high interest rates, and rising energy costs have led to reduced consumer purchasing power, further undermined by geopolitical tensions. This challenging environment is a major concern for the Italian fashion industry, as highlighted by SMI's survey.

Only 17% of the entrepreneurs surveyed reported an increase in their revenue in the first six months of the year. SMI thus estimates an average sales decrease of 5.8% compared to the same period in 2023. Industry players do not anticipate an improvement in the second half of the year. In fact, while 48% believe market conditions will stabilize, 33% expect further deterioration, and only 19% foresee any improvement.

The survey, conducted in early July across various regions, primarily among small and medium-sized enterprises (SMEs), reveals that only 19% of companies expect their sales to increase for the rest of the year. Meanwhile, 61% anticipate a slowdown, and 20% believe their sales will remain stable. SMI predicts that the first nine months of 2024 will close with a 6.2% decrease in revenue for the textile and clothing sector.

For the entire year, expectations remain bleak, with 64% of entrepreneurs predicting they will end 2024 below 2023 levels, and only 11% hoping for an improvement. The majority of operators, 70%, do not expect recovery until early 2025.

While employment levels in the sector, which employs nearly 300,000 people, remain relatively stable according to 54% of entrepreneurs (with an increase noted by 26% of respondents), 20% report a reduction in staff. Regarding social safety nets, 26% of those surveyed admit to having used them in the second quarter. When utilized, technical unemployment often affected a large portion of the workforce, ranging from 60% to over 80%.

This trend is expected to intensify, with one in three companies (33%) planning to use social safety nets in the third quarter.

"The historic period we are experiencing presents increasing challenges for the textile and fashion industry: it is necessary to invigorate the entire production chain through targeted measures, strengthening strategic relationships with Europe and key markets," stated Sergio Tamborini, president of SMI, in a press release. He calls for "the urgent adoption of a strategic plan to preserve creative capital, human capital, and industrial technological capabilities."

The entire Italian fashion system, including leather goods and accessories, surpassed 110 billion euros in revenue in 2023, up 5% from 2022. The textile-clothing sector alone reached 64 billion euros, with 70% generated from exports, and men's fashion nearly 12 billion euros. "If we close 2024 with the same values as in 2023, we can consider ourselves fortunate," Sergio Tamborini confided in a recent interview.

Source: fashionatingworld.com– Aug 02, 2024

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Colombo to raise manufacturing's share in GDP from 16% to 20% by 2030

Sri Lanka aims at raising the manufacturing sector's contribution to the country's gross domestic product (GDP) from 16 per cent now to 20 per cent by 2030, according to the country's industry ministry.

A five-year strategic plan includes raising the role of entrepreneurship in the workforce from 2.8 per cent to 7 per cent, ministry secretary Shantha Weerasinghe said.

The plan for 2023-2027 and the National Industry Policy have been submitted to the department of national planning, he was cited as saying by media reports in Sri Lanka.

The final bill to amend the Industrial Promotion Act has been submitted to the attorney general's department for approval, ensuring it addresses both current and future needs, he said.

The ministry earlier introduced a registration system for manufacturing industries, with 3,925 industries registered by June this year.

Source: fibre2fashion.com– Aug 02, 2024

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Small Signs of Optimism in the Cotton Market

The 2023-24 cotton year is in the history books, and the big, unshipped export sales orders were moved into the 2024-25 marketing year. Will they get shipped or will they linger on the books just as they did during the prior year? Wow, 2025 is all but here.

Last week's glimmer of hope for higher prices is still with us. The glimmer seems brighter, but there is not enough evidence just yet. Too, it is all coming from the supply side. Supply is looking smaller, but demand is weakening across Asia and the big Subcontinent. Prices held firm at the 67-cent support level, but speculator attempts to push down to 65 cents are still in the rearview mirror. The ICE December contract will, with high probability, hold its 67-cent support area.

Yet, demand is a growing concern, as if it were not deathly weak already. Look for December to continue its challenge of 70 cents, with 70-71 cents being a difficult area to penetrate just now but possible after the USDA August world supply demand report. Longer term, the market is positing to move to the 75-cent area, but the historical trading bias says that movement above 75 cents will only occur after the October-November period. Thus, our long-held forecast that growers will have to postpone price fixing until the May-July period continues.

Most, including myself, would not expect demand to get any weaker. Yet, now comes news that many mid-size Indian mills are looking to switch to non-cotton blends. Demand can't get weaker, but it is. Bangladesh mills are struggling to open LCs (letters of credit), and the riots are causing work stoppages. India is the world's second largest consumer of cotton, and Bangladesh is a major U.S. export customer. Thus, there are only thorns in the rose garden for U.S. exports.

That said, this long-time market bear has turned a bit optimistic. While I feel the price bias is higher, I am very cautious to not use the word bullish. The phrase "bullish market" does not come into play without demand. Thus, my positive outlook is only for a five to ten cent rally, at the very most. Yes, the 75-cent card and the 80-cent card are in the deck. I feel confident the 75-cent card will get played as the market shuffles through the Chinese and U.S. production questions.

Chinese harvest is later and weaker than expected. The U.S. Eastern crop has shown significant improvement. However, too much of the vast Southwest dryland acreage is either seeing insurance plow downs or is in such desperate need of a rain, it may be too late by the time you read this.

The major surprise of the week was the surge in unemployment, signaling that the Fed now must deal with unstable employment and inflation increasing at a faster rate than its target. The U.S. fiscal policy has blindsided the Fed and made it all but impossible for the Fed to manage interest rates (It also opens the door for a near term lowering of the interest rate by the Fed that, up until today, I argued would not occur).

Thus, any reduction of interest rates by the Fed will take nine to twelve months to work its way through the economy. That is, there is no short-term fix coming for the economy, and the declining level of manufacturing in the U.S. – coupled with more unemployment – will completely nullify any attempt to rebuild consumer demand for apparel goods, possibly even beyond my previously forecast second quarter of 2025.

The economic news is not good and will not be until the U.S. Government reduces spending. The alternative is to allow inflation to return to the galloping level experienced the past three years. It's a Mell of a Hess that Government can fix only by reining in its spending. No matter how smart we think we are, we will never outsmart the laws of economics.

Speculators have now posted a record short position in cotton trading – again, a record short position. Who can be left to sell the market lower? Everyone is already short. It may be time to set your oars in a different direction in the water. Everyone can't be right, not in the market. There are more troubling waters ahead for cotton prices, but the market is turning.

Source: cottongrower.com– Aug 02, 2024

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Bangladesh BTMA demands loans at lower interest rates to offset losses

The Bangladesh Textile Mills Association (BTMA) recently requested the government for loans at lower interest rates and suspend loan instalments for six months to help the industry recover from significant losses arising out of the recent unrest.

It also urged the government to make all term loans interest-free for the next six months.

A BTMA letter addressed to finance minister Abul Hassan Mahmood Ali highlighted the severe impact of the unrest on the export sector.

Garment factories faced extensive closures during the two weeks of instability, leading to order cancellation, reduced production, absent workers and raw material shortages, the letter noted.

Factory owners are struggling to stay afloat amid these challenges, the letter said. With the monthly payroll for July due, the situation is dire, it noted.

BTMA proposed a one-year bank loan at a maximum interest rate of 2.0 per cent to cover latest salaries and similar loan terms for paying July's gas and electricity bills. Without this, there could be disruptions in paying workers' wages and allowances, it feared.

Source: fibre2fashion.com– Aug 02, 2024

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Bangladesh: Waive port charges incurred amid recent unrest

The Bangladesh Shipping Agents' Association (BSAA) has urged the government to waive all port charges incurred for delays in container handling amid the weeklong unrest, internet outage and stringent curfew that began on July 18.

The BSAA, the country's sole trade body for shipping agents, said they faced acute problems in handling vessels and completing other formalities, such as releasing import containers, during the week.

"The shipping industry is completely internet based both locally and internationally," BSAA Chairman Syed Mohammad Arif said in a letter to the Chittagong Port Authority.

"Things have been returning to normal day-by-day ever since internet connectivity was restored," he added.

The BSAA also said the stay time, including turnaround time, of vessels both at berth and the outer anchorage has increased due to the recent unrest.

For example, vessels seeking discharge were held up for two to three days, with at some 10 feeder vessels and six breakbulk vessels failing to set sail as per schedule for delays in loading and unloading goods.

As such, each vessel incurred costs of approximately Tk 1.5 lakh per day. Also, the BSAA said feeder vessels sailed with fewer export containers than originally booked while most of them failed to connect with second carriers at transshipment ports.

Besides, the breakbulk vessels have so far failed to secure future cargo bookings, it added.

Source: thedailystar.net– Aug 02, 2024

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Centre takes multiple initiatives to boost exports, production & employment generation in Textiles Sector

The Government has taken a number of initiatives/ measures since 2019 to boost exports, production and employment generation in textiles sector. Some of the major initiatives include:

Government has approved setting up of Seven Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites with an outlay of Rs. 4,445 crore for a period of seven years upto 2027-28. PM MITRA Parks are being set up in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh & Maharashtra.

Government is implementing the Production Linked Incentive (PLI) Scheme for Textiles, withan approved outlay of Rs. 10,683 crore, to promote production of MMF Apparel, MMF Fabrics and Products of Technical Textiles in the country to enable Textile sector to achieve size and scale and to become competitive. 73 companies have been selected under PLI scheme.

The scheme of Rebate of State and Central Taxes and Levies (RoSCTL) is under implementationfor Exports of Apparel / Garments and made-ups in order to make the textile sector competitivein international market.

Government has allocated an outlay of Rs.1,480 Crore for advance research and innovation in Technical Textiles sector. 137 research and development projects have been sanctioned so far,out of which 49 have been sanctioned in the year 2023-24.

Under Samarth Scheme so far 3.27 lakh beneficiaries have been imparted skill development, out of which 1.33 lakhs beneficiaries received skill training in 2023-24.

Silk Samagra-2 is being implemented since 19.01.2022 for holistic development of the sericulture industry. The Silk Samagra-2 scheme consists of various components and sub-components under Mulberry, Vanya and Post-cocoon Sectors.

The programme synergises the efforts of State Governments and other implementing agencies to improve the quality, productivity and production of raw silk, besides generating employment opportunities, particularly in the rural areas.

Under National Handloom Development Programme, financial assistance is provided to eligible handloom agencies/weavers for raw materials, procurement of upgraded looms & accessories, solar lighting units, construction of workshed, skilling, product & design development, technical and common infrastructure, marketing of handloom products in domestic/overseas markets, concessional loans under weavers' MUDRA scheme, scholarships and social security etc.

Under Raw Material Supply Scheme (RMSS), quality yarn & their blends are provided to the eligible Handloom weavers at subsidized rates. Total 340 lakh kg of yarn has been supplied during financial year 2023-2024 under the Scheme.

Under National Handicraft Development Programme and Comprehensive Handicrafts Cluster Development Scheme, support to artisans is provided through marketing support, skill development by means of Design programme, training programs, cluster development, direct benefit to artisans, infrastructure and technology support and assistance through Ambedkar HastshilpVikasYojana.

This information was given by the Union Minister of State for Textiles, Shri Pabitra Margherita in a written reply today in the Rajya Sabha.

Source: pib.gov.in– Aug 02, 2024

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Manufacturing sector continues notable growth in Jul: HSBC India PMI

India's manufacturing sector continued to post impressive growth in July, despite slightly softer increases in new orders and output, the HSBC India manufacturing purchasing managers' index (PMI) shows.

Key positive developments seen in the latest results included one of the fastest expansions in international sales for over 13 years and another robust round of job creation.

Buoyant demand also exerted pressure on prices. Input costs rose at one of the quickest rates in nearly two years, which contributed to the steepest increase in selling prices since October 2013.

At 58.1 in July, the seasonally-adjusted HSBC India manufacturing PMI compiled by S&P Global was little changed from 58.3 in June, and indicated a substantial improvement in the health of the sector.

The latest reading was above the series long-run average and one of the highest seen in recent years.

Buoyant demand conditions created a ripple effect across the manufacturing industry, mainly through a substantial upturn in new work intakes.

Despite slowing since June, the pace of sales growth was sharp in the context of historical data.

Production volumes were raised substantially at the start of the second fiscal quarter.

With demand conditions remaining favourable and new orders coming in, goods producers purchased additional inputs in July. The rate of expansion was sharp as more than a quarter of panellists lifted buying levels.

In turn, strong input demand drove cost inflation higher. The overall rate of increase was marked and among the fastest in just under two years, S&P Global said in a release.

Indian goods producers sought to protect margins from cost increases by raising selling prices. In addition to greater fees for raw materials, firms suggested that higher labour costs and demand strength sparked upward adjustments to output charges.

The rate of inflation picked up to the fastest in just under 11 years. Amid reports of strengthening demand from clients based in Asia, Europe, North America and the Middle East, Indian manufacturers experienced a robust increase in international sales during July.

Companies continued to take on extra staff in July. The latest increase in employment was softer than in June, though one of the strongest in the survey history. Yet, while 7 per cent of panellists noted job creation, 92 per cent reported no change in headcounts.

While manufacturers again noted mild pressure on their operating capacities, evidenced by a marginal increase in backlogs, their suppliers were comfortably able to meet delivery deadlines.

Input lead times shortened for the fifth straight month. Trends for stocks were mixed, as input inventories rose steeply and holdings of finished products fell further.

Finally, the overall level of positive sentiment towards the year-ahead outlook for production was broadly unchanged since June, S&P Global added.

Source: fibre2fashion.com– Aug 02, 2024

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India-Sri Lanka ETCA: Govt working closely with industry to maximise gains

With India and Sri Lanka aiming for an early conclusion of the proposed bilateral Economic and Technology Cooperation Agreement (ETCA), after a five-year hiatus in the negotiations, the Commerce Department has asked various industry sectors to give inputs on crucial areas such as product specific rules to determine eligibility of items for tariff concessions.

"While an initial round of inputs was submitted by the industry when the negotiations resumed late last year, now that the two sides have made progress and are negotiating on details including on rules of origin, it is important to take the industry's views before finalising commitments. That is why more inputs have been sought," the official said.

Following visit of Sri Lankan President Ranil Wickremesinghe to India in July last year and the decision of both the countries to resume talks on the ETCA (that were stalled in 2018 after two years of negotiations), India and Sri Lanka re-started the negotiations in Colombo on October 30, 2023.

Colombo also hopes that the pact with India would help in its efforts to deal with the economic crisis it has been grappling with since the Covid-19 pandemic devastated its economy.

Bilateral FTA

The India-Sri Lanka ETCA seeks to build upon the bilateral FTA signed in 2000 which already helped Sri Lanka in increasing its exports to India in several key commodities.

The proposed ETCA has various chapters including trade in goods, trade in services, technical barriers to trade, sanitary and phytosanitary measures, rules of origin, customs procedure & trade facilitation, trade remedies, economic and technological cooperation and dispute settlement. It also seeks to eliminate non-tariff barriers and enable greater trade facilitation.

India hopes the ETCA will help it gain greater market access in items such as automobiles, auto parts, pharmaceuticals, certain textile products, chemicals as well as various services. Moreover, research by some industry bodies suggest that Sri Lanka could become a significant part of the Indian supply chain enabling Indian manufacturers to set up factories in the country to manufacture and export products to nations with which Sri Lanka has or is planning to have Free Trade Agreements.

“The Commerce Department has asked various industry sectors to examine the proposed rules of origin (that determine how much value addition is needed for a product to be eligible for preferential tariff benefits) to see if there is a need of product specific rules (flexibilities) to either grant them more access in the Sri Lankan market or protect the domestic industry. It is very important to be precise in the demands put forward,” the official said.

India and Sri Lanka are also weighing the demands made by both sides in terms of implementation issues flowing from the India-Sri Lanka FTA. These include removal of import quotas on certain commodities, SPS notifications on dairy, market access for vehicles and certain issues on movement of professionals.

In 2023-24, India’s exports to Sri Lanka were valued at $4.11 billion while its imports were at $1.42 billion, per government data.

Source: thehindubusinessline.com– Aug 02, 2024

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India, EFTA trade pact under ratification process: Jitin Prasada

The government on Friday said the free trade agreement signed between India and the four European nation bloc EFTA in March is under the ratification process in those countries. In a written reply to the Rajya Sabha, Minister of State for Commerce and Industry Jitin Prasada said that there is no fixed time frame for the ratification, as the process is different in each of the EFTA (European Free Trade Association) countries.

In March, India and EFTA signed a Trade and Economic Partnership Agreement (TEPA).

Under the pact, India will receive the investment in 15 years from the grouping while allowing several products such as Swiss watches, chocolates and cut and polished diamonds at lower or zero duties.

The EFTA members are Iceland, Liechtenstein, Norway and Switzerland.

"The TEPA agreement is under the ratification process in the national parliament or legislature of each EFTA country," Prasada said.

In India, such trade pacts are approved by the Union Cabinet.

According to the data provided by the minister in his reply, the two-way trade rose to USD 24 billion in 2023-24 from USD 18.66 billion in 2022-23.

It was USD 27.23 billion in 2021-22 and USD 20.5 billion in 2019-20.

EFTA countries are not part of the European Union (EU). It is an inter-governmental organisation for the promotion and intensification of free trade. It was founded as an alternative for states that did not wish to join the European community.

India's exports to EFTA countries during 2023-24 were only USD 1.94 billion as against USD 1.92 billion in 2022-23 and USD 1.74 billion in 2021-22. Imports aggregated at USD 22 billion in 2030-24, USD 16.74 billion in 2022-23 and USD 25.5 billion in 2021-22.

The trade gap is in favour of EFTA.

Replying to a separate question, Prasada said that India's imports from China have shown a mixed trend in the last 5 years (2019-20 to 2023-24).

"While imports decreased during the first two years (2019-20 and 2020-21), these increased during the next three years," he said.

Source: economictimes.com– Aug 02, 2024

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CCI procures 33 lakh bales cotton at MSP during current season

The Cotton Corporation of India (CCI) has procured 33 lakh bales of cotton at Minimum Support Price (MSP) from farmers during the current cotton season that will end next month.

CCI CMD Lalit Kumar Gupta told The Hindu that it holds two e-auctions every day - one for textile mills and another for all buyers. The offtake by mills was low reportedly because of yarn stocks with the mills and slowdown in demand. It sold only 25,000-30,000 bales of cotton for almost 25 days. However, the sales picked up on Thursday when it sold 20,000 bales. The CCI currently holds almost 20 lakh bales stock.

“We need to be prepared for the next cotton season (that will start in October) as we expect heavy MSP operations,” he said.

In order to boost sales to textile mills, the CCI allows the mills to take delivery in 60 days from August 1 and has appealed to the mills to cover their stock requirements for the current cotton season.

Source: thehindu.com– Aug 03, 2024

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India-UK FTA: Weaving a brighter future for textiles and apparel

India and the United Kingdom are in the final stages of negotiating a Free Trade Agreement (FTA), with the textile and apparel sector poised for significant benefits. The deal has the potential to reshape trade flows, boost exports, and create a win-win situation for both nations. Rajeev Saxena, Joint Secretary, Ministry of Textiles opines, "The FTA will provide a level playing field to Indian textile exporters and help exports grow significantly. We are confident that the FTA will be a win-win for both India and the UK."

Current state of play

India and the UK share a long-standing trade relationship in the fashion, apparel, and textile sectors. However, existing tariffs and regulatory hurdles have somewhat constrained the full potential of this partnership. India is currently the fifth-largest apparel supplier to the UK, with exports valued at approximately $1 billion annually. The sector faces challenges due to the 10 per cent duty imposed on Indian apparel exports to the UK, putting it at a disadvantage compared to competitors like Bangladesh, which enjoys duty-free access under the Least Developed Country (LDC) scheme. As Sanjay Jain, Managing Director of TT Ltd and former Chairman of CITI points out, "The FTA with the UK is a much-needed boost for the Indian textile industry. It will level the playing field with Bangladesh and enable us to tap into the full potential of the UK market."

Table: India's apparel exports to the UK

Year	Value ($ mn)	Growth rate (%)
2019	950	3.2
2020	820	-13.7
2021	1050	27.4
2022	1120	6.7

The FTA is expected to eliminate tariffs currently ranging from 4 to 12 per cent on Indian textiles and apparel entering the UK market. This can significantly improve the competitiveness of Indian products, potentially leading to a $5 billion gain in exports according to the Global Trade Research Initiative (GTRI).

FTA, a catalyst for growth

Industry leaders believe the FTA can be a game-changer, unlocking new opportunities for both countries.

Tariff reduction: The elimination or substantial reduction of tariffs on textiles, apparel, and fashion products is expected to make Indian exports more competitive in the UK market.

Level playing field: The FTA is anticipated to level the playing field with competitors like Bangladesh, enabling Indian exporters to offer more competitive prices.

Rule of origin: Clear and simplified rules of origin will facilitate trade and boost investor confidence. Moreover Indian exporters can explore new product categories and cater to the evolving preferences of UK consumers.

Investment facilitation: The FTA is anticipated to encourage investments in the textile and apparel sector in both countries, leading to job creation and technology transfer.

Intellectual Property Rights: Strong IPR protection will safeguard the interests of fashion designers and brands.

The FTA is also expected to significantly boost Indian exports of apparel, textiles, and fashion accessories to the UK.

Table: Projected growth in Indian exports post FTA

Product category	**Projected growth (%)**
Apparel	25-30
Textiles	20-25
Fashion Accessories	30-35

In terms of product segments, India has a strong foothold in women's apparel, with a wide range of products from ethnic wear to contemporary fashion. The UK is a major market for home textiles, and Indian exporters are well-positioned to capitalize on this demand.

Moreover, India's cotton production prowess can be leveraged to increase exports of cotton-based apparel and textiles. As the negotiations for the India-UK FTA progress, the fashion, apparel, and textile sector is eagerly awaiting the final agreement, which is expected to unlock new avenues for growth and prosperity.

Source: fashionatingworld.com– Aug 02, 2024

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Mandi tax worries cotton ginning units

Indore: Ginning units of Indore region have commenced preparations with the approaching new season beginning from last week of September though uncertainty over demand amid uncompetitive prices have dampened the sentiment in the sector.

There are close to 200 ginning units in Madhya Pradesh of which close to 100 operate from Nimar region.

Shrikrishan Agrawal, owner of a ginning unit in Bhikangaon village in Khargone district said, "Ginning units have started preparations for the new season processing though capacity utilization at units may suffer because local units fail to compete due to higher prices with other states." Ginners said the mandi tax levied by the MP govt makes procurement of raw cotton and finished goods lint cotton more expensive than other states.

Lint cotton from MP is sold to Maharashtra, Andhra Pradesh, Tamil Nadu and in local markets.

Ginners said mandi tax should not be more than 0.50 per cent as against 1.20 per cent levied by the MP govt.

Kailash Agrawal, a cotton farmer and ginner from Khargone said, "Selling cotton lint to other states becomes difficult because prices of our finished goods remain higher than other states due to high mandi tax. This affects the processing and ginning units cut down processing." New season cotton is expected to start arriving in the local markets from September end or October.

In the Indore division, Khargone, Khandwa, Barwani, Manawar, Dhar, Ratlam and Dewas are the leading cotton growing belts.

The Cotton Association of India, an apex trade body, has estimated the cotton pressing at Madhya Pradesh at 18 lakh bales (1 bale is 170 kg) for 2023-24 season.

Source: timesofindia.com– Aug 03, 2024

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India UP state to set up 33 IMLCs in 30 districts along 5 expressways

India's Uttar Pradesh state will set up 33 integrated manufacturing and logistics clusters (IMLCs) along five major expressways in 30 districts. The expressways are Ganga, Bundelkhand, Agra-Lucknow, Gorakhpur Link and Purvanchal.

The key districts along the Ganga Expressway include Meerut, Hapur, Amroha, Sambhal, Badaun, Shahjahanpur, Hardoi, Unnao, Rae Bareli, Pratapgarh and Prayagraj.

Industrial corridors will be established as IMLCs in Firozabad, Etawah and Kannauj, a press release from the state government said. An industrial corridor will also be constructed in Kanpur and Chitrakoot.

The districts along the Bundelkhand Expressway are Banda, Hamirpur, Mahoba, Jalaun and Auraiya.

The plan also includes developing an industrial corridor in Gorakhpur and Ambedkar Nagar, media reports from the state say.

The Uttar Pradesh Expressways Industrial Development Authority (UPEIDA) has initiated a request for proposal process to select a consulting agency as environmental and forest clearances are required for all projects.

Source: fibre2fashion.com– Aug 03, 2024

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