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| Currency Watch | | | |
|---|---|---|---|
| USD | EUR | GBP | JPY |
| 83.87 | 93.27 | 109.94 | 0.58 |

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# INTERNATIONAL NEWS

## China to deepen cooperation with Africa on industrial, supply chains

China will expand institutional opening up to Africa and deepen cooperation on industrial and supply chains to further advance economic cooperation and development linkage, the former's assistant minister of commerce Tang Wenhong recently said.

He was addressing a press conference detailing the progress and achievements under the nine cooperation programmes China announced during the 8th ministerial conference of the Forum on China-Africa Cooperation (FOCAC) held three years ago in Senegal.

These nine programmes cover poverty reduction, agricultural development, trade and investment promotion, digital innovation, green development and capacity building, among others.

Tang said China and Africa will discuss cooperation plans during the FOCAC 2024 Summit, scheduled to be held in Beijing from September 4 to 6.

As of 2023 end, China's direct investment stock in Africa exceeded $40 billion, making it one of Africa's major sources of foreign investment, he said.

China-Africa trade reached $282.1 billion last year, up by nearly 11 per cent compared with 2021.

In the past three years, Chinese companies have created more than 1.1 million jobs in Africa in sectors like agriculture, processing and manufacturing and trade logistics, and helped increase the continent's tax revenues and foreign exchange earnings from exports, state-controlled media outlets reported.

Chinese companies have also implemented a large number of clean energy projects in Africa.

Shen Xiang, director of the West Asia and Africa department under the ministry of commerce, said China has been actively exploring new models of financial cooperation with Africa and is committed to providing support for the sustainable economic development of African countries.

Source: fibre2fashion.com– Aug 22, 2024

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# US Upland cotton sales at 93,000 bales, Pima totals 8,200 bales: USDA

Net sales of Upland cotton in the US for the 2024-25 season totalled 93,000 running bales (RB), each weighing 226.8 kg or 500 pounds. The sales were primarily noted for Pakistan (24,900 RB, including decreases of 500 RB), India (18,300 RB), Bangladesh (16,800 RB, including decreases of 1,800 RB), Mexico (12,500 RB), and Vietnam (6,800 RB, including 300 RB switched from Thailand). These were offset by reductions in sales to Costa Rica (6,600 RB) and El Salvador (200 RB). The new season began on August 1, 2024.

According to the USDA's export sales report for the week ending August 15, net sales of 4,900 RB for the 2025-26 season were reported for Mexico (3,300 RB), El Salvador (1,200 RB), and Japan (400 RB).

Exports of 168,800 RB were primarily to Vietnam (35,700 RB), Pakistan (30,600 RB), China (19,200 RB), India (15,800 RB), and Turkiye (11,900 RB).

Net sales of Pima cotton for the 2024-25 season totalled 8,200 RB, primarily for India (3,300 RB), Peru (1,700 RB), Bangladesh (1,500 RB), Pakistan (900 RB), and Vietnam (300 RB). Exports of 5,100 RB were primarily to Pakistan (1,300 RB), Vietnam (1,100 RB), India (700 RB), Peru (500 RB), and Taiwan (400 RB).

The USDA had earlier reported that a total of 979,900 running bales of Upland cotton were carried over from the 2023-24 marketing year, which ended on July 31, 2024.

Source: fibre2fashion.com– Aug 22, 2024

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# Uzbekistan to set up trade house for its textile products in Madrid

Uzbekistan and Spain recently agreed to develop pilot projects for testing Uzbek textile products in the Spanish market and set up a trade house for such products in Madrid.

The agreements were arrived at when an Uzbek business delegation, which included representatives from the ministry of investments, industry and trade and representatives from textile companies, held a series of meetings with major Spanish firms in Madrid.

The delegation discussed with Alejandro Pastrana, chief executive officer of Gedepsa, promoting Uzbek products in the Spanish market.

In negotiations with international consultant Albert Hernandez, strategies for promoting Uzbek products, logistics and distribution issues were addressed. The consultant agreed to assist in establishing contacts with Spanish fashion companies and organising Uzbek producers' participation in Spanish tenders, an Uzbek media outlet reported.

Discussions with the global procurement departments of El Corte Ingles and Tendam explored opportunities for placing Uzbek textile products in retail chains.

Spanish companies showed readiness to participate in international textile exhibitions scheduled to be held in Uzbekistan in Fall 2024.

Source: fibre2fashion.com– Aug 22, 2024

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# Canada Enforces Arbitration in Rail Labor Dispute, Trains to Resume 'Within Days'

Less than a day into a nationwide railroad shutdown, the Canadian federal government is intervening by calling on an independent arbitrator to hash out a long-running contract dispute between the country's two major railroads and their union workers.

Labour Minister Steve MacKinnon announced Thursday afternoon that he has sent the ongoing labor negotiations to binding arbitration and ordered operations on both Canadian National Railway (CN) and Canadian Pacific Kansas City (CPKC) to resume as quickly as possible.

This means the Teamsters-represented 9,300 workers across both railroads that have been locked out since 12:01 a.m. Thursday will be back on the job—but it won't be immediately.

MacKinnon said during a press conference that he thinks trains will begin rolling again "within days," and that he expects a resolution "very quickly."

Sourcing Journal reached out to CN and CPKC. CN officially ended its lockout at 6 p.m.

A labor stoppage, either by an anticipated strike or a lockout by the two railroads, temporarily backlogged the movement of goods across the country's supply chain, including grain, lumber, iron ore, coal and consumer goods. One report from research firm Anderson Economic Group said a three-day strike would cause $407 million Canadian dollars ($300 million) of economic damage.

In total, $1 billion Canadian dollars ($732 million) of goods are transported by rail each day, according to the Business Council of Canada.

"It is a big deal for the economy," Matt Muenster, chief economist at transportation management solutions provider Breakthrough, told Sourcing Journal Wednesday afternoon before the lockout went into effect. "I think the major impact is that headline number is probably going to drive the federal government to act sooner rather than later, and ensure that this doesn't last very long, because it's in their best interest to keep this freight moving on the rail."

Ahead of the arbitration decision, Danny Ramon, director of intelligence and response at supply chain risk management provider Overhaul, said Thursday that he expected "minimal" disruption if there was a resolution to the shutdown this week.

"If it were to end tomorrow, we probably see pretty minimal disruption, except for the fact that we'd still have very high spot rates for the next probably week or two, for trucking in these areas," Ramon told Sourcing Journal. "A lot of the forward-looking shippers and logistics companies have already made contingency plans for this, and they're already moving things through alternate methods other than the rail so that capacity has kind of already been set. Those spot rates have already been set."

Pressure on the federal government had come from lawmakers and industry associations alike to enforce arbitration from a third party as the talks got contentious. Both railroads had offered the Teamsters binding arbitration throughout the summer-long negotiations, with the union denying the proposal each time. CN had formally called on the federal government to select an arbitrator after the denial, but the request was denied ahead of the lockout.

Parties bargained late into the night Wednesday at hotels in Montreal and Calgary before talks broke off shortly before midnight.

Thursday morning, MacKinnon shared in a post on X that he "just spoke" with U.S. counterpart Acting Labor Sectary Julie Su regarding work stoppages in the rail sector. The parties "discussed the importance of the sector and its workplaces to countries' economies," he said.

Two years ago, government intervention in the U.S. prevented a nationwide rail strike, putting an end to a nearly three-year collective bargaining process.

The two prior collective agreements expired on Dec. 31, 2023, but have been extended under Canadian law until the parties reach a new deal.

The Teamsters said the parties were "far apart" in negotiations on Thursday morning, with the union and both railroads accusing each other of being unable to negotiate seriously. MacKinnon agreed, saying during the news conference that "the parties remain very, very far apart on these issues."

CPKC and CN said their contract offers have included raises consistent with recent deals in the industry. Engineers at CN make about $150,000 a year, whereas conductors earn $120,000. CPKC says its wages are comparable.

Other areas beyond wages remained sticking points for the Teamsters, including the implementation of rest periods, fatigue management and scheduling.

Source: sourcingjournal.com– Aug 22, 2024

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# 'Something is Boiling': East Coast Cargo Rates Set to Soar

The potential for an East Coast port strike on Oct. 1 is concerning for global trade, retail and consumers alike, but the container shipping industry may be in for another income boost if dockworkers representing the International Longshoremen's Association (ILA) walk off the job.

While ocean freight rates have largely deescalated from their 2024 highs in mid-July and were suspected to have plateaued, a strike would force more containers westward and create more cargo capacity constraints that would again drive up demand—and therefore, prices.

"If a strike is confirmed at all U.S. East and Gulf Coast ports, there will be limited alternative routes available to shippers on a large scale," said Philip Damas, managing director of Drewry Supply Chain Advisors. "In our view, a port strike will likely push up ocean freight rates by several hundred dollars on both the Asia-U.S. East Coast and Europe-U.S. East Coast routes, with the quantum dependent on the duration of the port closures or port slowdowns."

As of Aug. 15, Drewry's World Container Index (WCI) says that the rate for a 40-foot container on the Shanghai-to-New York route is $8,764 per 40-foot container, while the Rotterdam-to-New York price is a much cheaper $1,961 per container.

The Shanghai-to-Los Angeles route is $6,303 per container on average—a differential of nearly $2,500 between containers entering the East Coast and West Coast.

Another major benchmarking platform for spot freight rates, Xeneta, measured an approximate $2,900 gap between the coasts, with East Coast inbound cargo coming in at $9,651 compared to $6,739 on the West Coast.

Xeneta's chief analyst Peter Sand told Sourcing Journal that the wide spread means "something is boiling" on the East Coast, which works heavily in the ocean carriers' favor.

"Shippers have been frontloading into the U.S. East Coast, opening the spread for a normal $900 per FEU to an abnormal $3,000 per FEU," Sand said. "This is the silver lining for the carriers—the opposite for shippers who face another costly disruption."

Carriers at large have been assuming some disruption will happen or expect that shippers will pull cargo forward, according to Damas. That would stay in line with the trend that has occurred since before the summer, when retailers began ordering cargo earlier in the wake of the potential labor strike, as well as then-rising freight rates.

"We already have seen carriers announce various general rate increases or peak season surcharges on the trans-Atlantic route," Damas said. For example, Mediterranean Shipping Company (MSC), Maersk, Hapag-Lloyd and CMA CGM have all implemented a peak surcharge out of northern Europe or the Mediterranean Sea—all of which are kicking in starting September.

Container shipping giants have already made significant profits in 2024 due to the pricing impacts brought on by the Red Sea crisis, which has forced ships to divert around Africa instead of traveling through the Suez Canal. In the first quarter, the industry brought in $5.4 billion in net income, and is expected to bring in more in Q2, according to analysis from container shipping expert John McCown.

There's a low chance of a crossover between a likely rail shutdown in Canada Thursday and a work stoppage at the East Coast ports at the beginning of October. But Christian Roeloffs, co-founder and CEO of Container XChange, agreed that on the rarity that such a scenario would occur, that an uptick in freight rates would be "immediate."

"In the mid-term, we could face increased volatility in freight rates, with potential spikes driven by supply chain bottlenecks and congestion," Roeloffs said in a statement. "Shippers and cargo owners should prepare for higher costs and possible delays as the industry adjusts to these challenges."

As shippers monitor the gap in price between cargo entering both U.S. coasts and analyze their options, they'll see more capacity being deployed into the West Coast from the Far East in coming weeks, Sand said. The Ports of Los Angeles and Long Beach have already felt this influx of cargo in July, with the twin gateways respectively bringing in a massive uptick of 37.6 percent and 60.5 percent more inbound cargo than the year prior.

But despite the larger trend to shift cargo west ahead of a Sept. 30 negotiation deadline, Sand warned that many will still "'bet on a swift solution' to whatever problems come about on the East Coast and Gulf Coast—a risky approach if that's the only thing you are doing."

Even for trans-Atlantic trade, shippers are going to be in a bind as there are just 41 days until a strike can occur, as of Wednesday.

According to Xeneta, a typical route from Genoa, Italy to the Port of Savannah would take 24 days from port to port, and another 10 days' worth of land operations at either end—illustrating that shippers still looking to bring in product on that route must act soon.

"European imports are arguably even more at risk that Asian imports into the East Coast, as the alternatives are appallingly poor," Sand said.

The ILA has not returned to the bargaining table with their maritime employers, the United States Maritime Alliance (USMX), since contract negotiations stalled in June. The union expects to outline its contract demands to delegates on Sept. 4-5.

Source: sourcingjournal.com– Aug 22, 2024

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# Yarn Expo Autumn to open in Shanghai next week with 500+ exhibitors

Counting down 5 days to the fair's opening in Shanghai, exhibitors, visitors and industry experts from near and far are preparing to form valuable connections and seal business deals on the show floor. From 27 to 29 August, with spotlights on an array of innovative, green, and quality products, over 500 suppliers from 15 countries and regions will converge under the India Pavilion, Pakistan Zone and various other zones, including the Chemical Fibre Zone, Cotton Yarn Zone and Fancy Yarn Zone. Also accelerating industry advancement will be diverse fringe events, such as trends displays, a themed forum, and various product presentations, amplifying applications of various yarns and fibres. In Hall 8.2 of the National Exhibition and Convention Center, the upcoming edition of Asia's leading yarn and fibre trade platform is set to draw further industry attention by leveraging the synergy of the 30th anniversary of Intertextile Apparel.

Yarn Expo's overseas contingent is set to play a strong role next week, with the participation of various key suppliers including Arkema France (France), Purecot Linen Textile (UAE), Rütex (Germany), Thai Acrylic Fibre (Thailand), The Movement (the Netherlands) and many more, alongside the notable India Pavilion and Pakistan Zone:

India Pavilion – With its highest exhibitor number in 10 years, the Pavilion will welcome 40+ enterprises from across the country, showcasing, amongst other products, an extensive collection of traditional and eco-friendly cotton[1].

The Pavilion is once again organised by the Cotton Textiles Export Promotion Council (TEXPROCIL), with Indo Industries, Padwa Worldwide, Texperts India, Niva Organics and other members exhibiting under the banner.

Pakistan Zone – Multiple Pakistan exhibitors, including Abtex International, Masood Textile Mills, and Xiamen Naseem Trade, are set to capture demand with their fancy yarns, cotton yarns and greige, as well as organic cotton products.

Domestic product zones bolstering the variety of offerings onsite

Joining the International Yarn Zone are six other major zones under various product categories. The Linen Yarn Zone, Silk Yarn Zone, and Wool Yarn Zone will integrate technology with fashion and feature an extensive showing of nearly 30 exhibitors, together with:

Chemical Fibre Zone – Covering four thematic exhibition areas – namely Chinese Fibre Trends, Green Environmental Protection, Healthy Functions and Industrial Alliance – the zone will display eco-friendly, functional, health-related and fashionable products. Within the zone nearly 200 companies, including Fujian Eversun Jinjiang, Shenghong Group and Sateri Group, will display the high-quality development of Chinese fibre.

Cotton Yarn Zone – 100+ cotton spinning enterprises, such as Linqing Sanhe Textiles Group, Suzhou Jingyi Textile Import and Export, and Xinhuayuan Textile will demonstrate cotton yarn's advantages, green potential and innovation capabilities.

Fancy Yarn Zone – Dongguan Jintai, Shanghai Hoyia Textile, Qingdao Xinwei Textile, and 100+ other companies will showcase their latest, in-demand seasonal yarns, providing buyers with trendy offerings for applications in socks, scarves, shawls and more.

Trendsetting fringe events to steer industry development

Complementing the business activities onsite will be a range of fringe events, engaging industry players with innovations, insights, as well as upcoming designs and trends. Highlighted events across the three-day fair include: Tongkun – China Fibre Fashion Trends 2024/2025 Display Zone, China Yarn Fashion Trends Display Zone 2024/2025 Press Conference, New Fibre New World – Textile Materials Innovation Forum, and various product launches.

At the fair, the Fibre Display Zone will showcase hundreds of new fibre samples to reflect the latest fashion trends, while the Innovation Forum will gather university professors, scholars, enterprise leaders and industry experts to share valuable insights.

Yarn Expo Autumn will be held concurrently with Intertextile Shanghai Apparel Fabrics – Autumn Edition, CHIC, and PH Value. The four fairs will bring the fibre and yarn, apparel fabrics and accessories, fashion, and knitted garments industries together under one roof, with the resultant synergy allowing exhibitors and buyers to maximise their business opportunities.

Yarn Expo Autumn is organised by Messe Frankfurt (HK) Ltd and the Sub-Council of Textile Industry, CCPIT.

Yarn Expo Autumn will be held from 27 – 29 August 2024.

Other upcoming shows:

Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies

26 – 28 February 2025, Ho Chi Minh City

Intertextile Shanghai Apparel Fabrics – Spring Edition, Yarn Expo Spring, and Intertextile Shanghai Home Textiles – Spring Edition

11 – 13 March 2025, Shanghai

Source: fibre2fashion.com– Aug 22, 2024

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# Vietnamese textile industry could benefit from disruptions in Bangladesh, but long-term strategies remain crucial

Vietnamese textile industry could benefit from disruptions in Bangladesh, but long-term strategies remain crucial

Bangladesh's ongoing political instability has led to widespread disruptions in the country's textile industry, which contributes nearly 90 per cent of its export turnover.

According to the Việt Nam Textile and Apparel Association (Vitas), this turmoil could prompt international buyers to consider shifting their orders to other countries, potentially offering certain advantages to Vietnamese enterprises.

Since the beginning of August, a series of protests and violent incidents have severely impacted Bangladesh's production activities, forcing many textile factories to close temporarily.

The Bangladesh Textile Mills Association, citing the local Business Standard, reported that all member factories were shut down for three days, following a government-mandated holiday. As a result, many Bangladeshi textile exporters have witnessed a 25 to 40 per cent decline in orders.

The reduction in orders is not solely due to internal conflicts, but also stems from decreased demand in major markets such as Western Europe and Russia, where inflation has curtailed consumer spending. Bangladesh, the world's second-largest textile exporter after China, faces additional challenges as it attempts to maintain its market share.

Approximately 80 per cent of Bangladesh's textile exports are destined for North America and the European Union. The country's primary exports include garments for leading European fashion brands such as H&M and Zara. However, the ongoing political unrest and rising labour costs due to demands for higher wages are undermining Bangladesh's competitive advantage in cheap labour.

In this context, Vitas suggests that Vietnamese textile enterprises may have opportunities to receive new orders, particularly as Bangladesh's production capacity is expected to decline during the peak season for winter clothing. Buyers may consider shifting their orders to other countries, including Việt Nam, to compensate for the shortfall in Bangladesh. Additionally, political instability may erode customer confidence in Bangladesh's production reliability.

However, industry experts caution that a massive order shift from Bangladesh to Việt Nam is unlikely. The extent of any shift will depend on various factors, including the nature of the orders and the preferences of international buyers. Bangladesh continues to enjoy significant cost advantages, including low labour costs, favourable interest rates and duty-free access to EU markets. Furthermore, the Bangladeshi government provides subsidies for energy costs to bolster exports.

Despite the potential short-term benefits, Vietnamese enterprises are advised to focus on enhancing their competitiveness and pursuing long-term strategies. Unlike Bangladesh, which primarily relies on processing orders for foreign brands and competes on low labour costs, Việt Nam aims to develop a textile industry with higher added value, including fashion and design.

Phạm Văn Việt, Chairman of the Board of Directors at Việt Thắng Jean Co., Ltd., and Vice Chairman of the HCM City Association of Garment, Textile, Embroidery and Knitting, noted that while disruptions in Bangladesh could theoretically benefit Việt Nam, the country's primary goal is not merely to receive additional processing orders. Việt Nam's textile industry is increasingly investing in automation, technology and research and development to create its own brands and target higher market segments.

Before the unrest in Bangladesh, Việt Nam's textile exports were already showing a strong recovery.

In July alone, export turnover reached nearly US$4.3 billion and the cumulative export value for the first seven months of the year was US$23.9 billion, up 5.9 per cent year-on-year. The industry is optimistic about the coming months, with key export markets such as the US, Japan, South Korea and China showing strong growth. The target of US$44 billion in textile exports for this year is within reach and if favourable conditions continue, the figure could rise to US$46 billion.

Most Vietnamese enterprises have secured orders for production through the end of the year, with some already negotiating contracts for the first half of 2025.

Source: vietnamnews.vn – Aug 23, 2024

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# Global apparel retail navigate choppy waters in 2024

The global apparel industry has experienced a year of mixed fortunes in 2024, with various brands and markets displaying a wide range of performances. While some brands have thrived amidst economic headwinds, others have struggled to maintain their footing. Luxury brands continued to shine, fast-fashion giants face headwinds, and emerging markets offer a glimmer of hope amidst economic uncertainties.

Luxury thrives, fast-fashion falters

High-end brands like LVMH, Kering (parent company of Gucci), and Hermès have consistently posted strong growth. LVMH, for instance, saw a 15 per cent increase in revenue in the first half of 2024, with its fashion and leather goods division leading the charge. This is attributed to robust demand from affluent consumers, particularly in China and the Middle East, who remain largely unaffected by economic fluctuations.

Conversely, fast-fashion retailers such as H&M and Zara have seen their profits squeezed due to a confluence of factors. For example, H&M's profits fell 20 per cent in the second quarter of 2024, as the company struggled to pass on higher costs to consumers. Rising production costs, increased competition from online retailers, and changing consumer preferences toward sustainability have all played a role.

Athletic & athleisure brands resilient

Athletic and athleisure brands like Nike and Lululemon continue to perform well, benefitting from the ongoing trend of health and wellness. In fact, brands like Nike and Adidas have sustained their growth momentum, thanks to the continued popularity of athleisure wear and a focus on product innovation and digital engagement. Nike's digital sales grew 30 per cent in the first quarter of 2024, highlighting the importance of e-commerce in the current retail environment. Nike's success in navigating the challenging market is largely attributed to its focus on digital transformation. By investing heavily in e-commerce and direct-to-consumer sales, the company has been able to mitigate the impact of declining foot traffic in physical stores. "Nike's digital strategy has allowed us to stay connected with consumers and drive growth even in a difficult retail environment," explains John Donahoe, CEO of Nike.

Market performance, regional disparities

The performance across regions have varied, the Chinese market for example has rebounded strongly in 2024, with pent-up demand following the easing of COVID-19 restrictions. This has benefited luxury brands and those with a strong presence in the country. Despite concerns about a slowing economy, demand for high-end goods remains robust.

The US and European market on the other hand has experienced a slowdown in 2024, with consumer spending impacted by inflation and economic uncertainty. This has particularly affected fast fashion brands reliant on price-sensitive shoppers. Even now, inflation and concerns about a potential recession are weighing on consumer sentiment. At the same time, emerging markets like India and Southeast Asia continue to offer growth opportunities for apparel brands, thanks to a growing middle class and increasing disposable incomes.

In India especially, international fast-fashion brands have seen tremendous success in India, capitalizing on the country's young and fashion-conscious population. H&M, Zara, and Uniqlo have all reported double-digit growth in the Indian market. "India is one of our fastest-growing markets, and we see tremendous potential for further expansion," says an H&M spokesperson.

Click here for more details

Source: fashionatingworld.com– Aug 23, 2024

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# EU and Fiji finalise trade agreement implementation

The European Union (EU) and Fiji have further solidified their trade relationship through the full implementation of the interim Economic Partnership Agreement (IEPA). This move was announced by ValdisDombrovskis, the European Commission's Executive Vice President, and ManoaKamikamica, Fiji's deputy Prime Minister for trade.

The IEPA, initially signed in 2009, is designed to promote sustainable development and facilitate Fiji’s integration into the global economy. Under the agreement, the EU has already eliminated customs duties and quotas on imports from Fiji. In return, Fiji has now committed to gradually phasing out duties on a select group of imports from EU Member States.

While tariffs will remain on certain imports to protect domestic industries, the agreement is expected to boost trade opportunities and enhance the competitiveness of Fijian products by providing access to cheaper inputs. The IEPA also supports cooperation on trade and investment, particularly through the EU’s 'Global Sourcing' provision, helping Fiji comply with EU market standards and improve its business environment.

This final phase of tariff liberalisation marks a significant step in strengthening and diversifying trade ties between the EU and Fiji.

Source: fashionatingworld.com– Aug 22, 2024

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# Shein revolutionizes denim production with water-saving innovation

Traditional denim production consumes enormous amounts of water, especially during the dyeing and aging processes. To address this, Shein partnered with NTX in 2021 to introduce Cool Transfer Printing, an innovative technology that drastically reduces the water footprint in denim manufacturing.

Unlike conventional methods that require multiple washes to achieve the desired look, Cool Transfer Printing digitally simulates these effects instantly, eliminating the need for water-intensive processes. As a result, Shein's suppliers have reduced water usage by 70.5 per cent, a figure verified by Bureau Veritas in October 2023.

This innovation not only conserves water but also enables on-demand production of stylish denim in a variety of colors and designs. The technology allows for direct digital printing with reactive ink, making the creation of intricate patterns more efficient and cost-effective.

By integrating Cool Transfer Printing into its agile supply chain, Shein offers a diverse range of affordable, sustainable denim products. The company remains committed to leveraging technology to create more eco-friendly production methods, bringing it closer to its sustainability goals.

Source: fashionatingworld.com– Aug 22, 2024

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# NATIONAL NEWS

## India's GDP expected to grow by 6.8% in FY25: ICRA

India's gross domestic product (GDP) is expected to grow by 6.8 per cent in fiscal 2024-25 (FY25), lower than 8.2 per cent in the last fiscal, according to ICRA.

The country's GDP growth slowed down to a six-quarter low of 6 per cent in the first quarter (Q1) of FY25 (April-June) from 7.8 per cent in Q4 FY24 amid a contraction in government capital expenditure and a dip in urban consumer demand, the credit rating agency recently said in a statement.

Growth in Q1 FY24 was 8.2 per cent.

Q1 FY25 saw a temporary lull in some sectors due to parliamentary elections and sluggish government capital expenditure at both the central and state levels, a news agency cited ICRA chief economist Aditi Nayar as saying.

The Reserve Bank of India's Consumer Confidence Survey revealed a 'surprising downtick' in urban consumer confidence, she said. Meanwhile, the lingering impact of last year's unfavourable monsoon and an uneven start to the 2024 monsoon prevented a broader improvement in rural sentiment.

Lower volume growth combined with diminishing gains from commodity prices weighed upon the profitability of some of the industrial sectors, she said.

"On balance, we foresee a transient moderation in India's GVA [gross value added] and GDP growth in Q1 FY25 to 5.7 per cent and 6 per cent respectively," she added.

Source: fibre2fashion.com– Aug 23, 2024

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# India-Africa are exploring rupee trade, to improve commerce: Noel Tata

New Delhi: Noel Tata, Chairman of the CII Africa Committee and Chairman of TATA International Ltd. emphasized the growing need for innovative financial strategies to overcome challenges in India-Africa trade at the 19th edition of the CII India-Africa Business Conclave in New Delhi.

He particularly highlighted the concept of Rupee trade as a potential solution, stating, "To address these challenges, we are exploring the concept of Rupee trade."

Tata underlined the importance of building mutual trust between financial institutions in India and Africa, stressing that this would pave the way for broader private-sector participation.

"Our goal is to build mutual trust between our (India and Africa) financial institutions and expand private sector participation, thereby facilitating the implementation of innovative financial solutions," he added.

Tata further articulated India's long-term vision of strengthening its economic partnerships within multilateral frameworks like the African Continental Free Trade Area (AfCFTA).

He pointed out that maintaining and enhancing these partnerships would help solidify India's role as a "Biswabandu" or "Friend of the World," a position India aspires to uphold on the global stage.

"Our goal is to maintain and enhance our partnerships with multilateral frameworks such as the African continental free trade areas. Our aim is to solidify India's position as a Biswabandu of the world," Tata remarked.

Sanjiv Puri, President CII and Chairman ITC in his address, focused on the agricultural sector, which has emerged as a promising area for India-Africa collaboration.

Puri highlighted joint ventures in agro-processing and seed technology transfer as critical avenues for enhancing agricultural productivity and ensuring food security across Africa.

"Joint ventures in agro-processing and seed technology transfer and also agri transformation from digital offer promising avenues for collaboration, adding to agriculture productivity and enabling food security," Puri stated.

Puri also reaffirmed the Indian industry's commitment to align with the Indian government's approach of providing "appropriate, affordable, and adaptable solutions" tailored to Africa's specific needs. He emphasized the immense potential of Africa's rich resources in promoting sustainable solutions globally, with India ready to partner in this endeavour.

"The Indian industry is committed to aligning with the Indian government's mantra of appropriate, affordable and adaptable solutions in line with Africa's needs," Puri noted.

He added, "Africa's rich resources hold immense promise for supporting the development and promotion of sustainable solutions across the world, and India is keen to partner in this endeavour."

Furthermore, Puri pointed out that the African Continental Free Trade Area presents new opportunities for Indian industries. He encouraged Indian businesses to explore these possibilities by developing regional production networks and actively participating in African industrial commerce.

"The African continental free trade area opens up many new possibilities for Indian industry in developing regional production networks and participating in African industrial commerce," Puri concluded.

Source: economictimes.com– Aug 21, 2024

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## Growth of e-commerce should be citizen centric: Union Minister Shri Piyush Goyal

Union Minister of Commerce and Industry Shri Piyush Goyal said that we must ensure that the growth of e-commerce is citizen centric. While attending the launch of a report on 'Net Impact of E-Commerce on Employment and Consumer Welfare in India' of Pahle India Foundation as the Chief Guest in New Delhi today, the Minister said that the growth of e-commerce must democratize the distribution of benefits amongst the larger section of society.

Shri Goyal said that technology is a means to empower, to innovate and means to meet consumer requirements - sometimes more efficiently. But this growth must be in an orderly fashion, he said, adding that in the race for market share, we must not cause disruption for the 100 million small retailers across the country.

Shri Goyal underscored the importance of protecting India's developing economy and supporting those who still need affirmative action. "There's a large section out there who still deserves our help. When it comes to jobs and opportunities for the future of India, I think all of us will have to play our part," he said.

Shri Goyal expressed his concerns regarding the growing influence of e-commerce on India's traditional retail sector and its potential impact on employment. The Minister highlighted the possibility that half of India's market could become part of the e-commerce network in the next decade, a development he described as "a matter of concern."

Reflecting on the broader implications of e-commerce, Shri Goyal urged a dispassionate and data-driven analysis of its impact. Drawing comparisons with the Western countries, Shri Goyal noted the decline of traditional "mom and pop" stores in countries like the United States and Europe due to the rise of e-commerce. He pointed out that Switzerland has a cautious approach to e-commerce.

"I'm not wishing away e-commerce. It's here to stay," Shri Goyal emphasized, "but we have to think very carefully and cautiously about its role. Is predatory pricing good for the country?"

The Minister expressed his concern about the impact of e-commerce on local businesses and employment, particularly in sectors like pharmacies and mobile phone repair shops. Concluding his remarks, he urged the business community and experts to carefully study and evaluate the impact of E-commerce in context of needs of the country in a detailed and scientific manner.

Source: pib.gov.in– Aug 21, 2024

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# Shri Amardeep Singh Bhatia takes charge as Secretary, Department for Promotion of Industry and Internal Trade

Shri Amardeep Singh Bhatia, IAS has assumed the charge of Secretary, Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry vice Shri Rajesh Kumar Singh, lAS consequent upon his appointment as Officer on Special Duty, Department of Defence. Prior to this, he was serving as Additional Secretary, Department of Commerce, Ministry of Commerce and Industry.

Shri Amardeep Singh Bhatia is an Indian Administrative Service Officer of 1993 Batch from Nagaland cadre. In Central Government, he has held many important positions in the Ministries of Corporate Affairs and Health & Family Welfare. In the State Government, he has handled Departments of Planning & Coordination, Health & Family Welfare, Environment & Forest, Municipalities and Local Self Government and Home amongst others.

Source: pib.gov.in– Aug 21, 2024

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# The case for a new industrial policy

*India needs a policy that will facilitate sustained economic growth and transform the country into a global manufacturing hub*

Industrial policy often walks a tightrope between overreach and neglect. Excessive government intervention can lead to market distortions, dampen competitive dynamics, and foster inefficiencies, turning the economy into a bureaucratic drag. Yet, a laissez-faire approach can leave market failures like negative externalities and public goods under-provided, destabilising the economy.

The key is to apply just the right amount of regulatory nudge — enough to correct market failures and guide resource allocation efficiently, but not so much that you kill the goose that's supposed to lay the golden eggs.

India's industrial policy post-Independence, much like the absurdity in Alice in Wonderland and the oppressive control in Orwell's 1984, created a system where progress was trapped in a maze of bureaucracy. The Industries (Development and Regulation) Act of 1951 birthed the "license-permit raj," where every industrial decision required government approval, turning ambition into a bureaucratic hurdle.

The Monopolies and Restrictive Trade Practices (MRTP) Act of 1969 and the Foreign Exchange Regulation Act (FERA) of 1973 further restricted growth and isolated Indian industries from global competition.

Intended to protect and foster growth, these policies instead stifled innovation and redirected business efforts towards navigating regulatory obstacles rather than competing in the market. This legacy of excessive control and inefficiency is precisely why industrial policy has earned a bad name in India. It is often vilified as a harbinger of inefficiency and protectionism.

However, the recent resurgence of industrial policy, after a period of decline, is driven by a global rethinking of market-driven approaches and the challenges posed by technological disruption, economic stagnation, and geopolitical competition, particularly with China.

Developing countries, disillusioned with the Washington Consensus, seek proactive government interventions to diversify and upgrade their economies, while advanced economies grapple with declining manufacturing employment and the lingering effects of the financial crisis. China's rapid industrialisation, coupled with rising concerns about technological transfer and competition, has prompted both protectionist measures and calls for stronger industrial strategies in the US and Europe. Technological changes, including automation and digitalisation, further emphasise the need for government involvement in shaping economic activities.

But what is industrial policy? Juhász, Lane and Dani Rodrik (2023) conceptualise industrial policies as government interventions specifically designed to alter the composition of economic activities in pursuit of predetermined public objectives. These objectives typically encompass enhancing innovation, increasing productivity, and fostering economic growth.

However, they may also extend to objectives such as facilitating the climate transition, improving labour market outcomes, reducing regional disparities and expanding export capacity. A defining feature of industrial policy is its inherent selectivity, wherein policymakers exercise allocative discretion — strategically prioritising certain sectors or industries over others to induce structural transformation, albeit with the implicit trade-off that some sectors may be de-prioritised.

While the Production Linked Incentive (PLI) scheme is often seen as an industrial policy, it primarily offers financial incentives to boost manufacturing in specific sectors and does not fully address the broader structural challenges needed to transform India into a global manufacturing hub.

There are several reasons why India needs an industrial policy. The first reason is grounded in straightforward, undeniable logic. Structuralist economists like W Arthur Lewis and Albert O Hirschman emphasise that economic development involves transitioning from agriculture to manufacturing and services. India's economic structure remains skewed towards agriculture, which employs a disproportionate workforce despite contributing a declining share of GDP.

Why go for a new policy

A well-designed industrial policy can guide this structural transformation, facilitating the shift towards more productive sectors essential for sustained economic growth. There are three reasons why India should come up with a new industrial policy

First, Romer (1990) and Lucas (1988) provide a basis for understanding how government intervention can foster innovation and knowledge spillovers, leading to sustained economic growth.

Second, Stiglitz and Greenwald (2014) in “Creating a Learning Society” provide a theoretical foundation for industrial policy by demonstrating how learning and innovation are endogenous processes that require government support. Their work is backed by data on productivity growth in sectors where state intervention facilitated technology transfer and skills development, particularly in industries such as electronics and automotive manufacturing in countries like Japan and Germany.

Third, Joseph Stiglitz and George Akerlof have extensively written about the inefficiencies in resource allocation driven by information asymmetries, externalities, and the public goods problem. In India, these market imperfections are particularly evident in sectors such as research and development (R&D) and infrastructure, where private firms underinvest because they cannot fully capture the returns on their investments.

Information asymmetry leads to suboptimal investment in R&D, while the non-excludable nature of infrastructure deters private sector involvement, resulting in gaps in essential services. However, instead of broad government intervention, a market-oriented industrial policy can strategically target these inefficiencies by providing selective incentives and fostering a more favourable business environment.

Fourth, empirical studies in this domain show that countries with active industrial policies tend to experience higher rates of total factor productivity growth, as seen in the case of China’s strategic investments in high-tech industries (Lin, 2012). The phenomenon of premature deindustrialisation, as discussed by Dani Rodrik, occurs when developing countries begin to deindustrialise at much lower income levels than historically industrialised nations. This can lead to a situation where economies fail to fully exploit the productivity gains from manufacturing before transitioning to a service-dominated economy, resulting in lower overall growth and limited job creation.

Fifth, the Developmental State Theory of Amsden (1989) and Johnson (1982), provides historical evidence of the effectiveness of industrial policies in driving rapid industrialisation in East Asia, with data showing significant increases in GDP per capita and manufacturing value-added in these economies during the periods of active state intervention.

Sixth, geoeconomics, a field explored by scholars like Edward Luttwak, emphasises using economic instruments to achieve geopolitical objectives. Economic strength is a critical component of national security in a multipolar world. India's industrial capabilities, particularly in strategic sectors like defence manufacturing, telecommunications, and critical technologies, are essential for maintaining strategic autonomy and reducing dependency on foreign powers. An industrial policy that prioritises these sectors can align economic growth with national security objectives.

The writer is Officer on Special Duty, Research at Economic Advisory Council to the Prime Minister. Views are personal

India's economic structure remains skewed towards agriculture, which employs a disproportionate workforce despite contributing a declining share of GDP

Source: thehindubusinessline.com– Aug 22, 2024

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# India, Africa should target USD 200 bn trade in next 7 years: Piyush Goyal

There is a huge potential to increase economic cooperation between India and Africa as both regions can look at doubling two-way trade to USD 200 billion in the next seven years, Commerce and Industry Minister Piyush Goyal said on Wednesday.

Speaking at CII's India-Africa business conclave, Goyal said the main sectors where businesses of the two sides can collaborate include agriculture, pharmaceuticals, mining, tourism, auto, critical minerals, and renewable energy.

"I would like to suggest six areas for collaboration and cooperation as a way forward to take this relationship to the next level," he said, adding, "can we look at doubling our trade. So far we have only a few African countries who trade with India".

He said as many as 33 countries do not participate in the duty free tariff preference (DFTP) scheme of India.

"Can we look at getting more and more countries to enjoy the fruits of this partnership and set a benchmark to double this trade number from USD 100 billion to USD 200 billion between India and Africa. I think we should look at doing that in seven years," Goyal said.

He added that opportunities are there in increasing collaborations in the IT sector as India can help African nations in infrastructure development, health, and financial inclusion needs.

"There is a potential in the entertainment sector also given our mutual strengths. Sports also, we can increase cooperation," he said, adding that mineral rich Africa can complement India's increasing needs for critical minerals, particularly for the EV sector.

Critical minerals, such as cobalt, copper, lithium, nickel and rare earths, play a crucial role in the production of clean energy technologies, from wind turbines to electric cars. Critical minerals are particularly in demand for the production of batteries for electric cars.

Sustainable practices in mining can become an area of collaboration and value addition in minerals both in India can be taken through joint partnerships, he said.

"On food security, India has several offerings for Africa and we have demand for oil seeds, pulses, lentils," he said.

He added that both sides are working towards increasing cooperation in MSMEs and startups ecosystem.

Source: economictimes.com– Aug 21, 2024

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# India extends Quality Control Order on cotton to 2025

The Indian government has postponed the implementation of the Quality Control Order (QCO) on cotton for another year. Originally set to take effect in 2023 and then delayed to 2024, the QCO will now come into force on August 27, 2025, according to a recent notification from the Ministry of Textiles.

The QCO mandates strict quality standards for cotton, including moisture and trash content, as prescribed by the Bureau of Indian Standards (BIS). However, the country's ginning industry, largely composed of MSMEs, is struggling to meet these requirements. The industry operates with outdated machinery, and modernizing to comply with the QCO would require significant investment, which many small units cannot afford.

While the QCO has already been implemented for polyester, viscose, and other fibres, cotton has been given more leeway due to these challenges. The Cotton Association of India (CAI) and other industry bodies had urged the government to extend the deadline, arguing that a phased approach is more practical given the industry's current limitations.

This extension is seen as a temporary relief for the ginning sector, allowing more time to upgrade facilities and meet the stringent standards that will eventually be enforced.

Source: fashionatingworld.com– Aug 22, 2024

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## Shein is back in India. Will this dim away Zara, H&M and Urbanic's lustre?

Reliance Retail in July announced its plans to bring back the China-based brand Shein. The company, which was banned from India in 2020 by MeitY, is known for its extremely affordable pricing. What does its re-entry mean for India's fast-fashion market?

Reliance Retail is planning to get Shein back to India.

For those unaware, Shein is a China-based fast-fashion brand that took over market leaders like Zara in the US, last year. Known for its super affordable pricing and trendy designs, Shein gets you the latest outfits at one-third the price of Zara or H&M.

The China-based apparel retailer was banned in India by Ministry of Electronics and Information Technology (MeitY) in 2020 along with 58 other Chinese apps.

While a lot of Shein lookalikes tried to fill in the void left by the brand's ban — promising latest designs at affordable rates — none of them so far have quite matched the hype around the Chinese seller.

But the company's ban was hardly a problem.

Shein's first stint in India started in 2017. By 2018, the company was receiving nearly 20,000 orders a day on average. It was in 2019 that it got into trouble with the Mumbai Custom's department.

Shein's pricing and business model have come under scrutiny multiple times. ET Prime in October 2019 published a deep dive about the company's alleged misuse of the Custom department's gifting laws to evade taxes and make its products as cheap as they were.

But a lot has changed for Shein in the last 5 years.

- Shein's headoffice location has changed from China to Singapore.
- The company has generated GMV (gross merchandise value) worth USD45 billion, and profits of USD2billion, as per industry reports.
- It has surpassed sales of the two largest fast-fashion brands of the world in the US market — Zara and H&M — in 2023.

- Has managed to generate one-fifth sales of the world's fast-fashion market, as reported by Reuters.
- Is now planning to list its IPO.
- And now, Shein is going to be available in India again, very soon.

What does this mean for the existing fast-fashion brands of the country?

Why is Reliance Retail bringing Shein back? ET Prime uncovers.

The New Age brands

Fast fashion is defined as the category of fashion brands that get the designs from ramp to shelves in the least amount of time. Before fast fashion, the usual fashion cycles for new launches by most retailers would follow the same pattern and frequency of that of couture fashion, and the summer/spring and autumn/winter collection.

Fast fashion changed all that. And it is driven by two things: price and speed.

The speed is defined by the time taken by the fashion brand or retailer to get the designs from ramp to shelves. And how quickly a brand can update its inventory decides its future. In India, the fast-fashion market is dominated by Zudio and Zara, both operated by Tata Group; H&M; and UK-based brand Urbanic, which was launched in India in 2019. It was made available on Myntra's platform in 2021.

Urbanic caters primarily to Gen Z. The brand, while has a partnership with Myntra, is doubling down on its direct-to-consumer channel as well — a move that allows brands to have data of the consumers, which in case of marketplace retail model, the brand would not have.

"India's e-lifestyle market has come of age in the last few years, with a diverse shopper base — two in three online shoppers are from beyond top 50 cities, one in two are from non-affluent segments, and one in three are Gen-Z. There still exists massive penetration headroom. One in five dollars spent on lifestyle will be online," said Shyam Unnikrishnan, partner at Bain & Co, in a Bain & Co research report done in collaboration with Myntra.

The increasingly young population of the country along with the deep penetration of online sales has made trendy fast fashion a lot more accessible to consumers. Being trend-first, and not just price-first is imperative for success.

The Bain & Co report mentions, "The online share of trend-first fashion is projected to increase to 50%-55%, up from the current 30%-35%."

Bengaluru-based Fireside Ventures, a consumer VC firm, recently invested USD8 million in two rounds, in an Indian fast-fashion brand called Newme. India, despite having a thriving unbranded clothes market, has not had a lot of homegrown fast-fashion brands yet. And investors are betting on the growth story of fast fashion, driven by the Gen Z population that is emulating the same fashion trends as their western counterparts.

"The three market leaders of fast fashion in India raise revenues worth INR6,000 crore - INR7,000 crore approximately. Urbanic, which is relatively the newest entrant, is perhaps INR1,500 crore in terms of sales. And it's been in the country since 2019," says Dipanjan Basu, co-founder and partner, Fireside Ventures.

"Zara is expensive in India. Plus, they generally tend to focus on millennials. Newme is categorically only focusing on Gen Z, which is the age group of 18-25 years. And the average order value for Newme is more affordable than other international fast-fashion brands," Basu adds.

Newme's average order value from their online channel is nearly INR1,500, and from their offline stores is almost INR2,000.

Based on ET Prime's research, the average order value for Shein back in 2019 was around INR1,000 - INR1,200.

Sumit Jasoria, CEO and co-founder, Newme, says, "We are a mix of Shein and Zara. We learnt the skill and speed from Shein, and retail and process from Zara. In the last two years, we have managed to service nearly 8,00,000 consumers, and we have a repeat purchase of 50% by our consumers."

Newme as of today has 8 company-owned, company-operated stores operational already. Jasoria tells ET Prime that by the end of FY25 that number will be 15. The company is leaning on omnichannel approach, and currently sources 40% of its production from India, and the remaining is coming from China.

Currently, the inventory management timeline for Newme from ramp to shelves is 15 days. Jasoria believes they will be able to bring it down to 7 days soon.

Tata's Zudio: a challenger on its own

The competition against Shein in India is not limited only to international fast-fashion brands. Brands by traditional players such as Tata Group's Zudio is one of the toughest competitors for Shein in India. The company, which has been consistently receiving a 'buy' recommendation from brokerage houses, is growing faster than most other apparel retailers of the country.

As of Q1 FY25, Zudio had a total of 559 stores covering a retail area of 5.2 million sqft, across 164 cities. Its stock price as of August 22, 2024, was INR6933.65. This has grown from INR2,028.85 same time last year, registering a growth of 242% in the last one year.

The reason attributed to Zudio's enormous success has been the pace at which it refreshes its inventory. This is usually in just about 15 days.

Speed really is the key to success in fashion at this point.

Reliance Retail also launched Yousta (in 2023) and Azorte (2022) to combat the competition from the Tata Group.

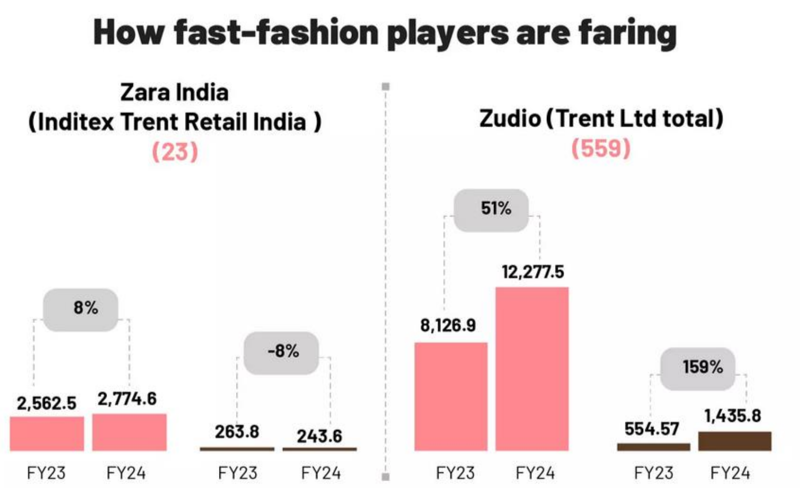
The Shein and Reliance partnership

Founded by Xu Yangtian, or Chris Xu, in 2012, Shein in a little over decade has created a storm in the world. Its USP is its pricing. It is often compared with Temu, another China-based e-commerce player whose product portfolio is more like Amazon.

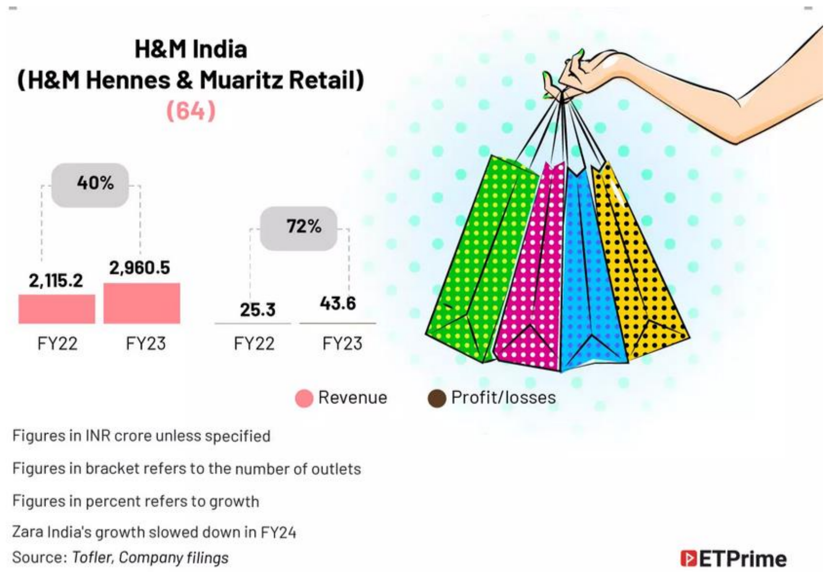
Shein a privately held company, which is on its way to a public float. Its IPO listing destination has moved from New York (a couple of months ago) to London.

As per Tracxn, the company as of May 17, 2023, raised USD3.19 billion and has investors such as Sequoia Capital China, General Atlantic, Tiger Global Management and Mubadala Investment Company among others.

Abu Dhabi-based Mubadala Investment Company invested INR6,247 crore for 1.4% in Reliance Retail in October 2020. Reliance Retail, as of 2023, had a valuation of USD100 billion, and is aiming for a third round of institutional fundraise this year hoping to get to the valuation of USD160 billion, as per industry reports.




Reliance Retail is the largest retailer of the country, with presence in fashion, footwear, electronics, supermarkets, and e-commerce, covering both Reliance's own brands and international brands such as Hamley's, Marks & Spencer, Muji and many others.




According to its annual report as of March 2023, the company operated 17,053 outlets covering nearly 62 million sqft.

Industry sources report that the company plans to launch Shein in India to help the latter source its supply-chain requirements in terms of textiles and garments from India.

This relaunch will allow Reliance Retail a shot at benefiting from the export's opportunity worth INR50,000 crore, even if Shein only sources 25% of its existing global demands from India.

Shein in return is expected to help the retail giant with tech-enabled integration of Reliance's MSME network, thereby working with Reliance Retail to create a global supply chain based out of India.

According to a senior executive aware of the developments, the operations of Shein will be run completely by Reliance Retail Ventures Ltd. Shein app and the technology used will be hosted by India, and the data will be stored here. The Chinese retailer will be paid only a licence fee from the profits made by the Indian operations.

Fast fashion in the fast lane

According to RedSeer, the total fast-fashion market of India in FY23 was estimated to be USD10 billion. This was about 7.5% of the total fashion retail market of the country. Fast fashion grew nearly 30%-40% on a year-on-year basis. In comparison, the overall apparel and fashion industry, if we remove fast fashion as a category, has been growing at about 6%.

The market research firm estimates that the fast-fashion market size will reach USD50 billion by FY31, contributing nearly 25%-30% of the total fashion retail market of the country.

The industry has been growing in the western markets since 1970s with the production of fast fashion becoming faster. But the Indian markets are slightly different. Consumers may not have been buying branded fast fashion all these years, but they have been happily buying unbranded, trendy yet affordable fashionable clothes for decades.

While the growth prospects of fast fashion are undisputable, another challenge for Shein would be how Indians don't buy and discard clothes as often as the changing inventory. India is

"Indian consumers at large are less driven to update their wardrobes. The concept of wearing a particular piece of clothing only a few times, and then upgrading the same with the latest design is restricted to a narrow slice of the market, due to the lower spending power. While India is a huge apparel market, we still spend much less on a per-capita basis," says

Devangshu Dutta, founder, Third Eyesight, a specialist management consulting firm.

“If you combine the lower frequency of fashion purchases, along with the existence of unbranded market and lower per-capita expenditure on clothes, fast fashion will grow but it will take a while before making a marked impact,” adds Dutta.

The shift to branded fast fashion in India has just about started.

“Fast fashion in India for the longest time was driven only by international players. Indian fast fashion brands are just about entering the market. Almost 70% of the total apparel market of the country is still dominated by unbranded players. Hence, the potential for growth for tech-driven supply-chain fast-fashion brands is very high,” concludes Basu.

Source: economictimes.com– Aug 22, 2024

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## India's Andhra Pradesh govt to release new textile policy: Minister

India's Andhra Pradesh state will release a new textile and garments policy to attract substantial investments in the sector, which the government has identified as a key driver for jobs and economic growth, according to state textile minister S Savitha.

She said this while addressing a video conference with textile industry leaders from the secretariat recently.

She said the textile industry is keen on investing in the state and the government has been working to foster a conducive environment for attracting investments.

She said many industrialists had fled the state or shut down operations during the previous government's tenure, according to media reports from the state.

There are many opportunities to set up textile units in agro textiles, geo textiles and mobile textiles sub-sectors in the state, she said.

She said the state ranks second in the country in silk production, sixth in cotton production and seventh in jute production. There are nine textile and apparel parks in the state, including three in the private sector.

Source: fibre2fashion.com– Aug 21, 2024

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