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IBTEX No. 142 of 2024 **September 04, 2024**

Currency Watch			
USD	**EUR**	**GBP**	**JPY**
83.97	92.84	110.10	0.58

NATIONAL NEWS	
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1	DGFT updates the SCOMET List with recent policy changes and updates in the multilateral export control regimes
2	World Bank raises India's growth forecast for FY25 to 7%
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9	Textiles Park proposed in Kalaburagi will generate one lakh direct jobs: Karnataka Minister
10	Flipkart expands operations in Uttar Pradesh with 2 new FCs
11	Retail major Apparel Group to open 750 stores over the next 3 years

INTERNATIONAL NEWS

Solid decline in eurozone manufacturing operating conditions in Aug

Manufacturers in the euro area remained under pressure in August, with downturns in factory output continuing across the majority of nations covered by the Hamburg Commercial Bank (HCOB) eurozone manufacturing purchasing managers' index (PMI) survey.

Overall new order inflows fell at the sharpest rate so far this year, leading retrenchment efforts to continue as manufacturers reduced input purchasing, employment and inventories. In addition, business confidence slipped to a five-month low.

Nevertheless, despite a rapid contraction in sales, prices charged for eurozone goods increased for the first time since April 2023 amid a third consecutive monthly rise in operating costs.

The manufacturing PMI compiled by S&P Global registered 45.8 in August, as was also the case in both June and July, thereby signalling another solid deterioration in operating conditions across the euro area manufacturing sector.

The headline index has registered in sub-50.0 territory on an ongoing basis since July 2022, S&P Global, which compiled the survey data, said in a release.

It was the euro area's big-two economies Germany and France that provided the strongest drags on aggregate factory performance in August. In both instances, manufacturing conditions worsened.

The only countries that registered growth were Greece, Spain and Ireland, although in the former two, rates of improvement slowed.

Factory performance was dented by a further steep contraction in new orders during August. The decline in total sales was the most pronounced in the year-to-date and broadly in line with that seen on average across the current 28-month period of shrinking demand.

Weaker intakes of new export business were also recorded, with the rate of decline its steepest for eight months.

A sharper downturn in sales placed a greater onus on eurozone manufacturers' backlogs as a means to support production.

Outstanding business volumes fell at the fastest rate since February. The decline in output slowed slightly and was markedly softer than that for new orders.

Retrenchment and cost-cutting efforts were seen across the survey data in August. Purchasing quantities decreased at a pace that was not only substantial, but also the strongest since April.

For a nineteenth month in a row, the volume of inputs held as stock contracted, while inventories of finished products likewise fell. Rates of decrease did slow in both cases, however.

Meanwhile, factory employment levels within the eurozone were reduced further midway in the third quarter, extending the current run of job cutting to 15 months. Lower staffing numbers coincided with another month in which business confidence weakened.

Overall expectations for output growth in the year ahead were at their weakest since March and below the series long-run average.

For a third consecutive month, eurozone manufacturers reported an increase in their overall input costs. The rate of inflation slowed fractionally but held close to July's 18-month high.

Despite sharp and sustained contractions in new orders, eurozone goods producers lifted their prices charged for the first time since April 2023. The extent of the increase in selling prices was only modest, however.

Source: fibre2fashion.com– Sep 04, 2024

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Better Cotton Transitioning to External Certification Scheme

Better Cotton, the world's largest cotton sustainability program, is becoming a third-party-validated certification scheme.

The move, which will employ external parties to perform assessments and make certification decisions to add a "layer of independence and credibility," will help ensure that the standard can square up against new and emerging legislation, CEO Alan McClay wrote in a blog post last week.

While the program's approach has come under fire for deficiencies in its due diligence process, the use of mass balance to co-mingle conventional and lower-impact fibers and, more recently, what its critics characterize as blind spots with issues of land ownership, the rights of local communities and illegal deforestation in Brazil, McClay said that "key" regulations such as the European Union's directive on empowering consumers for the green transition were the "impetus" for the shift.

Better Cotton, which is grown by more than 2 million farmers using less water and fewer synthetic inputs in 22 countries across the world, accounted for 22 percent of global cotton production in the 2021-2022 season. Nearly half of this originated from Brazil. In contrast, certified organic cotton makes up roughly 1.4 percent of total cotton production, according to the sustainability nonprofit Textile Exchange.

Its current tack involves an amalgamation of assessments by approved third-party verifiers, appraisals by Better Cotton staff members, support visits by program partners such as national or regional producer organizations, and self-assessments by the farmers themselves.

"At this pivotal moment, we see third-party certification bodies as essential to bolstering the credibility of our work and amplifying the good work of cotton farmers globally," McClay said.

"Our transition to certification, combined with evolving traceability capabilities, will not only strengthen the value chain, but also increase demand for more sustainable cotton."

Where Better Cotton's transition will culminate is a new product label, one that McClay says will allow its more than 300 brand and retailer partners, including boldface names such as Adidas, Gap Inc., H&M Group and Zara owner Inditex, to "proudly showcase" their commitment to sustainable cotton.

Better Cotton will be conducting public consultations on some of the changes to its assurance approaches, as well as providing updates about its chain of custody and claims framework.

"From farm to consumer, we are committed to catalyzing the entire sector, supporting continuous improvement, and advancing the lives of cotton farmers worldwide," McClay said. "The success of this transition will be predicated on active engagement from all members across the supply chain."

Source: sourcingjournal.com– Sep 03, 2024

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Brazilian cotton prices drop in August amid increased availability

In August, cotton prices in Brazil experienced a notable decline, falling below BRL 4 (~$0.71) per pound by the end of the month. This downward trend was largely driven by a higher availability of cotton in the domestic market, alongside a decrease in international prices and export parity. As a result, more attractive prices for consumers have led to an increase in liquidity for prompt-delivery trades, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

Over the period from July 31 to August 30, the CEPEA/ESALQ cotton index (with payment in eight days) recorded a 4.65 per cent decrease, closing at BRL 3.8863 (~$0.69) per pound on August 30.

The 2023-24 cotton crop harvest in Brazil is progressing well. According to National Supply Company (CONAB), by August 25, harvesting activities had been completed in Mato Grosso do Sul, and 76.1 per cent of the total area had been harvested nationwide.

In Mato Grosso, Brazil's largest cotton-producing state, dry and warm weather conditions have been favourable for the ongoing harvesting activities, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In August, Brazilian cotton exports also saw a significant drop. Over the 17 production days, 77.7 thousand tons of cotton were shipped, marking a 53.5 per cent decrease compared to the 167.2 thousand tons exported in August 2023. However, the daily export average slightly increased by 0.77 per cent to 4.57 thousand tons, compared to the 4.54 thousand tons per day in the same month last year, according to data from the Secretariat of Foreign Trade at the Ministry of Economy (SECEX/ME).

Source: fibre2fashion.com– Sep 03, 2024

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OEKO-TEX reports 50,000+ certifications in 2023/2024

The international OEKO-TEX association has continued to demonstrate positive business growth, highlighting the critical role of close collaboration and shared commitment in accelerating sustainable change. More than 35,000 textile and leather companies depend on the certificates and product labels issued by OEKO-TEX's independent testing institutes. OEKO-TEX issued more than 50,000 certificates and labels between July 1, 2023, and June 30, 2024 – an increase of 22% over the previous financial year.

For the first time, there are over 40,000 chemical products certified with OEKO-TEX ECO PASSPORT. This reflects the industry's increasing commitment to cleaner, safer textile and leather production. ECO PASSPORT certified chemicals comply with global regulations, including REACH Directive Annexes XVII and XIV, the ECHA Candidate List and the US CPSIA. The certification is also recognized by the ZDHC as proof of MRSL conformity for levels 1 to 3.

The OEKO-TEX ORGANIC COTTON certification, introduced in 2023 with strict supply chain traceability requirements, saw the first finished products on the market in January 2024. In addition, the limit value for genetically modified organisms (GMOs) was reduced from 10% to 5%, a significant tightening of the requirements for purity and quality.

As regulatory challenges intensify, OEKO-TEX has continuously adapted its certifications to ensure they remain compliant with evolving requirements. To address the US CERCLA's ban on per- and polyfluorinated alkyl substances (PFAS/PFC), OEKO-TEX took proactive measures to generally ban the intentional use of these substances. As a solution for the European Due Diligence Directive (CSDDD) and other supply chain requirements, OEKO-TEX introduced the OEKO-TEX RESPONSIBLE BUSINESS certification, which supports companies in fulfilling due diligence obligations throughout textile and leather supply chains.

Source: fibre2fashion.com– Sep 03, 2024

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Egypt's clothing exports up 20% YoY to $1.55 bn in Jan-Jul 2024

Egypt's clothing exports between January and July this year were worth $1.55 billion—a 20-per cent year-on-year (YoY) rise, Marie Louis, president of the Readymade Garment Export Council (RMGEC) recently said.

In July alone, such exports surged by nearly 37 per cent YoY to $268 million from $195 million in July 2023.

Such exports to European countries during the seven-month period rose by 29 per cent YoY to $363 million compared to $281 million in the year-ago period.

Such exports to the United States also saw substantial growth, with a 12 per cent YoY increase to $661 million in the first seven months of 2024, up from $588 million in 2023.

Such exports to Arab countries during the period totalled $291 million—a 31-per cent YoY growth from $223 million in 2023, according to domestic media outlets.

Clothing exports to African countries excluding Arab nations skyrocketed by an impressive 208 per cent YoY, reaching $4.6 million compared to $1.5 million in 2023.

Exports to Saudi Arabia in the period saw a 77-per cent increase to $93 million from $52 million in the year-ago period.

Source: fibre2fashion.com– Sep 04, 2024

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The economic promise of the T-shirt

A plain cotton T-shirt is a pretty ordinary item of clothing. But for Benin, a sliver of a country on the west coast of Africa with little manufacturing tradition, it could be the start of an industrial revolution.

"We call it farm to fashion," says Ramakrishnan Janarthanan, chief development officer at Arise Integrated Industrial Platforms, a Dubai-based industrial group that is investing €550mn in textiles and apparel alongside Benin's sovereign wealth fund and a consortium of local cotton-ginning companies.

The T-shirt, Janarthanan explains, holding up the modest-looking item, has come from cotton that has been grown, picked, ginned, spun, woven into fabric and dyed in Benin, before being cut and stitched. "Can you imagine there are so many processes before you make a shirt? We want to capture the whole value chain," he says.

The apparel industry, which relies on cheap labour once machines have churned out the yarn and fabric, has long been considered one of the most accessible rungs on the ladder of industrialisation, drawing workers from the countryside into factories and putting countries on the road out of poverty.

Benin, a nation of 13mn people, is trying to achieve what few African countries have managed: systematically transform raw materials — not just cotton, but also raw cashew nuts, soya, shea and even human hair for wigs — into finished goods. Until now, like many poor countries, Benin has been trapped in a trading pattern in which it sells cheap raw commodities and imports expensive finished goods.

"The industrialisation that we see now is part of a strategy to bring prosperity to our people," says Romuald Wadagni, the finance minister, a former Deloitte consultant brought into government to help push Benin into the manufacturing age.

Virtually its entire cotton crop, of about 300,000 tonnes of lint cotton, is exported raw, mostly to Bangladesh, where it is transformed into clothing for the world's $1.5tn fast-fashion industry. In selling raw cotton, Benin, Africa's biggest producer, is missing out on more than 90 per cent of the value, according to industry experts.

Twenty years ago, the economist Pietra Rivoli, in her book The Travels of a T-Shirt in the Global Economy, described the cotton mill and the sweatshop as “the ignition switch for the urbanisation, industrialisation and economic diversification that followed”.

Arkebe Oqubay, a government official who was in charge of Ethiopia’s successful, if stalled, attempt to build a shoe and clothing export industry, says that the UK, Germany, Japan, South Korea and China all began their journey towards prosperity via textiles, an industry that has recently triggered economic takeoff in countries such as Bangladesh.

“If any country is thinking of industrialisation, garments is the most important avenue,” he says, adding that the apparel industry is uniquely capable of absorbing what he estimates to be the 30mn new jobs Africa’s bulging young population needs each year.

In the Glo-Djigbé industrial park north of Cotonou, Benin’s commercial capital, the vast air-conditioned integrated textile factory — at 160,000 sq metres equivalent to about 22 football pitches — is filled with rows of whirring machines from Switzerland, Germany and Japan. More than a thousand new recruits are cutting and sewing fabric that is being produced at the rate of 50,000 kilos a day. “If you see a modern factory anywhere in the world, you’ll see exactly the same,” Janarthanan says.

“Today 1,000 people are working here. They did not have these jobs or these skills before,” says Letondji Beheton, chief executive of the company that manages the 1,650-hectare industrial zone, a joint venture between Arise and the government of Benin. “This is how you transform a country.”

Industrialisation in Africa has been a mantra for decades. But in reality, many countries on the continent have gone backwards as their fragile manufacturing sectors have buckled under global competition, especially from China.

Poor roads, corrupt and inefficient ports, lack of power, the high cost of capital and an elite that is often more interested in extracting rent from raw materials or import-export licences have done the rest.

According to the World Bank, the percentage of manufacturing value added in GDP for sub-Saharan African states, excluding high-income countries, has fallen from 18 per cent in 1981 to 11 per cent in 2023. Benin, with a GDP per capita of about $1,400 at market prices, is only at 10 per cent.

A few African countries are bucking that trend. Mauritius, now a high-end tourist destination and financial services hub, began its journey from poverty to upper-middle-income status via the apparel sector. It now has a GDP per capita above $11,000.

Botswana, another upper-middleincome country, with a GDP per capita of $7,200, has achieved relative success through its diamond industry. Instead of exporting uncut diamonds, it has struck progressively better deals with diamond company De Beers to ensure that value-added activities, such as cutting and polishing, is done at home.

In north Africa, Morocco has combined excellent infrastructure, skilled labour and easy access to European markets to build a competitive auto and aerospace industry from scratch.

Benin, under President Patrice Talon — a business tycoon known as the “King of Cotton” for his involvement in the industry — is trying to emulate these success stories. The textile and apparel factory in Glo-Djigbé, which will also produce bed linen, towels and garments such as polo shirts and leggings, is part of a national industrialisation strategy intended to quintuple the country’s manufacturing capacity by 2030.

The finance ministry estimates that manufacturing contributes 9.8 per cent to GDP, but says that more than twothirds of this is artisanal manufacturing. The formal industrial sector, restricted to a few activities such as cotton ginning, contributes only 3 per cent to GDP. If the entire cotton crop were processed into apparel, it would add $12bn to Benin’s $17bn economy, experts say.

Talon says the country’s politicians and business class has traditionally lacked the ambition to industrialise, finding easier profits in trading. “Leaders were always willing to take commissions on the trade of raw materials. They never tried to get into the transformation phase,” he says. “We want to change that.”

Though the president, now in his second term and thought to be contemplating a third, has been criticised by the opposition for curbing civil liberties and stifling democracy, his administration has won grudging praise for its nononsense, business-friendly style that some compare with

Rwanda's president Paul Kagame. Talon's government has simplified the formalities for registering a business, brought in one of Africa's quickest visa procedures, offered incentives to foreign investors and upgraded infrastructure, including roads, power and Cotonou port.

Since Talon became president eight years ago, Benin's growth rate has rarely dipped below 6 per cent, even during the Covid pandemic, making it one of the continent's best-performing economies. Beheton, who runs the Glo-Djigbé industrial zone, vouches for the president's pro-business attitude. "If I call him, I'll say, 'Mr President, we are having this issue.' And he's available 24/7. You can call him at night," he enthuses.

The government, according to the managers at the textile factory, has helped solve many potential obstacles. It supplies electricity at a competitive eight cents a kilowatt hour and has established an on-site one-stop shop to smooth the licence procedures and co-ordinate various government departments. "No more going here and there to avoid any corruption or administrative issues," says Herbert Semassa Moutangou, the industrial zone's senior marketing officer, referring to endless stamps investors often have to obtain.

Gagan Gupta, founder and chief executive of Arise, which has invested in manufacturing in 11 African countries, says Benin's government has impressed him with its seriousness. In just 18 months, five factories have been built to transform the country's entire crop of cashew nuts into packaged goods. Previously they were all sent to Vietnam for processing and packaging, but this change increases their value to Benin's economy 10-fold, he says.

Textiles is the big play, says Gupta, who claims Benin can become a significant textile hub for Europe, the Americas and west Africa. The fact that its cotton is rain-fed, not irrigated, and that raw cotton does not have to spend 45 days on a ship to factories in Asia and 45 days on the return leg means "made in Benin" garments will be up to twothirds less carbon intensive, he says.

As Europe erects barriers to discourage carbon-intensive goods, that ought to become a competitive advantage. The Arise factory will embed a pigment into its fabric that acts like a serial code containing supply chain information, using a patented technology called FibreTrace. Gupta says this will provide buyers with assurances over issues like farm labour and pesticide use.

Arise says Benin's workers have already reached productivity levels on a par with Bangladesh and Sri Lanka and command similar wages of about $140 a month, up to a third cheaper than for similar jobs in China.

Gupta says the factory has already shipped orders for garments such as shirts and trousers to The Children's Place, a US clothing outlet, and Kiabi, a French fashion chain. For woven towels and bedsheets, there are "expressions of interest" from Carrefour, El Corte Inglés, Walmart and others. It has also been making camouflage uniforms for Benin's army far more cheaply than its previous supplier. "In the end you need to be able to produce competitively on a global scale," Gupta says. "Otherwise all this is just a good photo op."

Even if Arise meets its targets, it will only be transforming 40,000 tonnes, or about 13 per cent, of Benin's cotton crop by the end of 2026. To meet Benin's goal of manufacturing its entire cotton crop at home would mean attracting investments in around 25 new factories.

Oqubay, who ran Ethiopia's industrialisation drive and is now an academic at Soas University of London, is sceptical about Benin's chances. Building a manufacturing sector from scratch, he says, adding that scale, single-minded determination and constant adjustment of strategy are required.

Ethiopia — with 120mn people and cheap hydroelectric energy — made steady progress in apparel, leather and shoes, but its success was interrupted by war and its subsequent removal in 2022 from tariff-free access to the US market under the African Growth and Opportunity Act, a heavy blow.

Even before that, it took years of study, experimentation and false starts to get an industry off the ground, Oqubay says. He questions Benin's integrated factory approach, saying it is better to get specialist investors in yarn and fabric to create economies of scale. "My understanding of Benin is that the investment is too small, but it could be a good beginning," he says. "There is no single prescription you can read from a textbook. You need to be pragmatic."

Joe Studwell, who is writing a book on African industrialisation, says he has not studied Benin's efforts specifically. But, he argues, African countries, after years of expanding education, have finally achieved the literacy levels, as well as the population densities, to begin much-delayed industrial take-off.

A big problem in many African countries, he says, has been weak leadership and bureaucracies that are far less competent than those that steered manufacturing revolutions in some Asian countries.

"States continue to be pretty hopeless, so an awful lot of what is happening is driven by the private sector," adds Studwell, an academic who has written extensively on factors leading to industrial take-off in Asian economies.

He singles out Bakhresa, a Tanzanian agricultural processor, with 15 product divisions, and Nigeria's Aliko Dangote, whose company has moved steadily up the industrial value chain, beginning with salt, flour and cement and ending up by building a $20bn oil refinery, Africa's biggest.

Studwell says that, even without strong states, industrialisation can still occur. He cites Cambodia, where Chinese companies have invested as they have looked for lower-cost alternatives to manufacturing at home. "Cambodia is now exporting over $10bn of textiles a year, not because they got their act together but because the Chinese needed somewhere to go."

Dani Rodrik, a Harvard economist, is more pessimistic about the chances of Benin, or any other country, emulating the growth-through-factories model that has been so successful in Asia.

In an age of automation, he argues, there will be fewer manufacturing jobs required for labour in low-cost countries. "The escalator of development has become much flatter."

Ha-Joon Chang, a South Korean economist who has also studied African industrialisation, disagrees. Manufacturing jobs are not disappearing, he says. He points to an academic study by Nobuya Haraguchi of the UN Industrial Development Organization showing that the manufacturing sector's employment and value-added contribution to global GDP has not changed significantly since the 1970s.

Chang says he also detects greater ambition among African governments to industrialise. "There are stirrings. And ambition is the start," he says.

Alongside its aspirations in textiles, factories in Benin's Glo-Djigbé will also produce ceramic tiles and, possibly, electric motorbikes, initially from knockdown kits. Packaging companies have started producing some, not all, of the plastic and cardboard needed to ship finished goods, though even apparently simple items for the apparel sector such as buttons, zips and labels are imported from China and India.

"When people tell me that none of these countries will amount to much, I always draw their attention to the fact that South Korea had less than half the per capita income of Ghana in the early '60s," Chang says. Today, it is eight times richer in purchasing power parity terms, a sign of what Chang says can be achieved through industrialisation.

There is nothing to prevent at least some African countries starting on an Asian-style trajectory, says Studwell. "I don't expect 55 countries to get their act together in unison," he adds. "But if five do, it will have a very positive demonstration effect."

Source: ft.com– Sep 01, 2024

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Impact of heavy rainfall in India and Pakistan on cotton crop development

In 2024, the main cotton-producing countries present a scenario of more rain in the east and drought in the west. There has been speculation about the weather in major U.S. cotton-producing areas such as Texas, but overall, the weak trend in ICE cotton futures prices still reflects expectations of increased production. Drought can only support cotton prices shortly. However, while paying attention to the abundant harvest of U.S. and Brazilian cotton, the cotton growth processes in the two major producers, India and Pakistan cannot be ignored. In particular, recent strong precipitation during the monsoon season may lead to significant price fluctuations in local cotton markets.

According to AGRICOOP, as of the week ending August 28, weekly rainfall in India's main cotton-producing regions was 131.3 mm, which was 88.2 mm higher than normal and 106.6 mm higher than the same period last year. From June 1, 2024, to now, the cumulative rainfall in these regions was 755.5 mm, which was 167.6 mm above the normal level. This means that since June, India's precipitation has been about 30% higher than normal. Meanwhile, neighboring Pakistan is also experiencing heavy monsoon rains. In August, the average rainfall reached 144 mm, with an average temperature of 34.1°C. The southern provinces of Sindh and Balochistan are the main rainfall areas.

Pakistan's cotton crops are in the flowering stage, so excessive rainfall will negatively impact cotton growth. Additionally, prolonged high temperatures will also significantly reduce crop yields. According to media, rainfall in Hyderabad district exceeded 100 mm within just three days, causing urban flooding and crop lodging, resulting in casualties and house collapses. Meteorological departments report that strong monsoon winds will affect the country until the end of August.

Besides the direct impact of flooding on cotton fields, the hot and humid weather conditions can lead to pest infestations, which is another major issue following extensive rainfall. According to reports from the Indian Meteorological Department and foreign media on the 29th, precipitation and hurricane weather have caused flooding in Gujarat, displacing thousands of people and severely damaging cotton and peanut harvests.

According to Cotton Association of India, India's cotton production for the 2023/24 season is expected to be 5.4 million tons, while the USDA estimates 5.7 million tons, which is 300,000 tons higher. The USDA's estimate for India's cotton production for the 2024/25 season is 5.33 million tons, a 6.5% decrease from the 2023/24 season.

As of August 22, 2024/25 India's cotton planting area is 11.14 million hectares, which is 1.117 million hectares lower than the same period last year, representing a 9% decrease. With less than a month remaining until the end of cotton planting in India, a 9% decrease in planting area is almost certain. Therefore, based on this proportion and recent adverse weather conditions, it is reasonable to further adjust India's cotton production for the 2024/25 season to 5.1-5.2 million tons.

The USDA estimates Pakistan's cotton production for the 2024/25 season to be 1.31 million tons, a 10% decrease from the previous season. However, PCGA estimates are 6-6.5 million bales (1.02-1.105 million tons), which is lower than the USDA's estimate, but both estimates indicate a decline in Pakistan's cotton production for the 2024/25 season.

Due to the decrease in planting area and recent flood disasters, concerns about cotton supply in India and Pakistan have increased, leading to a growth in demand for foreign cotton or imported yarn. Although it is expected that the flood damage caused by hurricanes will subside in the coming weeks, there are still market concerns about post-disaster recovery and pest issues in cotton fields. Hope that local governments can effectively address the agricultural disaster issues.

Source: ccfgroup.com– Sep 03, 2024

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Bright outlook for Vietnamese businesses

Having overcome the challenges of early 2024, Vietnamese businesses are now more optimistic about their future operations.

"We are accelerating the construction of 100 automated and high-efficiency factories for foreign investors, which will be fully occupied upon completion," Chairman of Việt Hương Group Hàng Vay Chi said.

These factories mainly serve investors from Taiwan (China). Taiwanese investors are attracted to Việt Nam's competitive advantages, including a young and skilled workforce, a stable business environment, low labour and construction costs and a strategic geographic location. The robust involvement in various free trade agreements (FTAs) is also a significant draw.

Chi said the Vietnamese Government's continuous support in improving the business environment through administrative simplifications and cost reductions has also created favourable conditions for businesses to thrive.

Unlike in 2023, when orders were scarce, Chairman of Thành Công Textile Garment Investment Trading JSC Trần Như Tùng is now able to plan for 2025, given the full order book for the entire year of 2024. The company has also achieved efficient business performance, as revenue and post-tax profit in the first six months of 2024 exceeded the same period in 2023.

Tùng expects 2024 revenue to reach around US$158 million and net profit to nearly $6.7 million, representing increases of 12 per cent and 21 per cent respectively, compared to the previous year. International surveys also show that business optimism is returning, driven by Vietnamese companies receiving more orders, expanding operations and focusing on construction investment.

A report from S&P Global Market on Việt Nam's Purchasing Managers' Index (PMI) indicated that in July 2024, the PMI reached 54.7 points, with order growth outpacing that of June. It signals a strong increase in orders for Vietnamese businesses. “The fact that the Vietnamese manufacturing sector was able to sustain the strong expansion seen in June through into July adds to optimism that we are at the start of a good spell of growth that will help drive the wider economy forward,” Economics Director at S&P Global Market Intelligence, Andrew Harker, said.

"The main issue for firms at present is keeping up with demand," he added. "Manufacturers will need to expand workforce numbers more quickly and continue to secure additional materials should current trends in new orders be sustained in the months ahead."

A recent survey by UOB Bank of hundreds of Vietnamese enterprises found that most companies are positive about business prospects in 2024. They believe that the business environment is increasingly conducive to sustaining revenue growth.

Many Vietnamese companies operating in the industrial, oil and gas, manufacturing and engineering sectors are particularly keen on penetrating international markets. VinaCapital's Chief Economist Michael Kokalari also said that many Vietnamese companies in logistics, aviation, seaports and industrial parks are experiencing rapid growth.

This surge is attributed to the robust growth of exports in the first half of 2024, which has driven up the volume of goods transported by air and sea in Việt Nam.

Higher exports are encouraging more foreign direct investment (FDI).

According to the Foreign Investment Agency, as of July 20, registered foreign investment in Việt Nam reached over $18 billion, an 11 per cent increase year-on-year. Meanwhile, disbursed capital reached over $12.5 billion, up 8.4 per cent year-on-year.

Most multinational manufacturing companies are building factories in industrial parks and those producing high-tech products are driving up industrial park rental prices, as they are often less sensitive to industrial land lease prices compared to businesses manufacturing low-value-added products, such as garments or furniture.

This trend is helping Vietnamese industrial park management companies achieve better business performance.

Source: vietnamnews.vn– Sep 04, 2024

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Subdued demand conditions in Turkish manufacturing in Aug 2024

The Turkish manufacturing sector witnessed subdued demand conditions midway through the third quarter (Q3) of the year, according to Istanbul Chamber of Industry purchasing managers' index (PMI) data.

The headline PMI posted 47.8 in August, up from 47.2 in July but still signalling a moderation in the health of the sector during the month.

Although new orders softened to a lesser extent than in July, the pace of moderation was still solid and led firms to scale back output, employment and purchasing activity, S&P Global, which compiled the data, said in a release.

Moreover, stocks of inputs were reduced to the largest degree in just over a year.

Meanwhile, input costs continued to rise sharply in August and manufacturers increased their output prices at a faster pace than in July this year.

Business conditions have softened continuously since April. Challenging market conditions led to a further softening of new orders in August, the fourteenth in as many months. The rate of moderation was solid, despite easing to the weakest since May.

New export orders returned to growth for the first time since June 2023. With overall demand conditions remaining subdued, firms scaled back their production, employment and purchasing activity in August.

Price pressures exacerbated the slowdown in production, which was the most pronounced since November 2022.

Input costs continued to rise at a marked pace, albeit one that was slightly softer than in July.

Currency weakness was the principal factor leading to higher input prices, while there were also reports of increases in costs for raw materials and logistics.

In response to higher input costs, manufacturers raised their own selling prices. Moreover, the rate of inflation quickened for the second month running to the fastest since April.

Manufacturers displayed a reluctance to hold inventories at a time of subdued new orders, reducing their holdings of both purchases and finished goods during August.

The drop in stocks of purchases was the strongest since July 2023.

Source: fibre2fashion.com– Sep 03, 2024

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NATIONAL NEWS

DGFT updates the SCOMET List with recent policy changes and updates in the multilateral export control regimes

Directorate General of Foreign Trade (DGFT), Ministry of Commerce & Industry, has notified the updated SCOMET list for the year 2024.

India's export control list (SCOMET) has been updated, incorporating the recent changes /updates in the control lists of the multilateral export control regimes, and certain policy amendments in our national system, on the basis of inputs from relevant government organizations and stakeholders.

With the recent update, DGFT has also authorized the Department of Defence Production (DDP), MoD, to be the licensing authority for export of all items falling under Category 6 of SCOMET for military end use, streamlining certain exclusions existing earlier.

India has a robust legal and regulatory framework on strategic trade and related non-proliferation matters, which includes the inter-ministerial SCOMET licensing process, effective enforcement and risk assessment mechanisms, regular outreach to industry and other stakeholders, etc.

India is a member of the major multilateral export control regimes, viz. the Missile Technology Control Regime, Wassenaar Arrangement, and Australia Group, and harmonises its guidelines and control lists with that of these regimes and the Nuclear Suppliers Group.

Accordingly, India regulates the exports of dual use items, nuclear related items, and military items, including software and technology under the SCOMET (Special Chemicals Organisms Materials Equipment and Technologies) list, which is notified by DGFT under the Foreign Trade Policy.

The emergence of Strategic Trade Controls as an important area has been acknowledged in the Foreign Trade Policy 2023, where the SCOMET processes and procedures have been consolidated at one place for better understanding of the Industry, for effective compliance.

As the exports under the SCOMET have increased substantively during the last three years, DGFT has taken several initiatives, based on regular interactions with the industry to facilitate authorized and responsible export of these high end goods and technologies, which includes strengthening DGFT's e-platform for licensing, laying down a liberalized General Authorization policy for items such as drones, dual-use chemicals, telecommunication equipment, information security systems, and for Repairs in India, Repeat Order for Stock & Sale Policy, Intra Company Transfers (GAICT), among many others.

The SCOMET List has been notified by DGFT under Appendix 3 to Schedule 2 of ITC (HS) Classification of Export and Import Items. The policy and procedures under SCOMET are outlined in Chapter 10 of FTP and HBP 2023, and the list is regulated under Chapter IVA of Foreign Trade (Development & Regulation) Act, 1992, as amended in 2010.

Source: pib.gov.in– Sep 03, 2024

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World Bank raises India's growth forecast for FY25 to 7%

Noticing an improvement in monsoon and private consumption, the World Bank on Tuesday upped India's growth forecast for Fiscal Year 2024-25 by 40 basis points to 7 per cent. Its previous forecast was 6.6 per cent.

"Growth is forecast to reach 7 per cent in FY24/25 and remain strong in FY25/26 and FY26/27," the multilateral agency said in the India Development Update (IDU). Further it said that with robust revenue growth and further fiscal consolidation, the debt-to-GDP ratio is projected to decline from 83.9 per cent in FY23/24 to 82 per cent by FY26/27. The current account deficit is expected to remain at around 1-1.6 per cent of GDP up to FY26/27.

The report highlighted India's status as the fastest-growing major economy, with a "remarkable" growth rate of 8.2 per cent in FY23/24. This growth was primarily driven by significant public infrastructure investments and a surge in household investments in the real estate sector. On the supply side, a buoyant manufacturing sector, which expanded by 9.9 per cent, and resilient services activity played crucial roles in offsetting the underperformance of the agriculture sector.

Urban unemployment rates have also seen gradual improvement, particularly among female workers, whose unemployment rate fell to 8.5 per cent in early FY24/25. However, the report notes that urban youth unemployment remains high at 17 per cent. On the external front, India's foreign exchange reserves reached a record high of USD 670.1 billion in early August, equivalent to over 11 months of import cover, bolstered by a narrowing current account deficit and strong foreign portfolio investment inflows

The IDU also highlights the critical role of trade for boosting growth. The global trade landscape has witnessed increased protectionism in recent years. The post pandemic reconfiguration of global value chains, triggered by the pandemic, has created opportunities for India. The report emphasises that India has boosted its competitiveness through the National Logistics Policy and digital initiatives that are reducing trade costs. However, it also notes that tariff and non-tariff barriers have increased and could limit the potential for trade focused investments.

"India's robust growth prospects along with declining inflation will help to reduce extreme poverty," said Auguste Tano Kouame, World Bank's Country Director in India. "India can boost its growth further by harnessing its global trade potential. In addition to IT, business services and pharma where it excels, India can diversify its export basket with increased exports in the textiles, apparel, and footwear sectors, as well as electronics and green technology products," he said.

The IDU recommends a three-pronged approach towards achieving the $1 trillion merchandise export target by reducing trade costs further, lowering trade barriers, and deepening trade integration.

"With rising costs of production and declining productivity, India's share in global apparel exports has declined from 4 per cent in 2018 to 3 per cent in 2022," said Nora Dihel and Ran Li, Senior Economists, co-authors of the report. "To create more trade-related jobs, India can Integrate more deeply into global value chains, which will also create opportunities for innovation and productivity growth."

Pointers

Growth Projections for Fiscal Year 2024-25

(In %)

OECD ----> 6.8

S&P ----> 7

World Bank ----> 7

IMF ----> 7

ADB ----> 7

Moody's ----> 7.2

Fitch ----> 7.2

RBI ----> 7.2

Source: thehindubusinessline.com– Sep 03, 2024

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Textile exports to remain strong amid global shifts, FTA negotiations with UK and EU will offer additional growth opportunities

New Delhi: The Indian textile industry is set to experience developments in 2024, driven by improving demand in export markets, resilient consumer spending in key sectors, and favourable geopolitical conditions, according to the B&K Securities report.

In the ready-made garments (RMG) sector, the demand offtake in export markets is anticipated to show substantial improvement in 2024.

While domestic demand is expected to remain moderate due to lower discretionary spending and overstocking from the previous fiscal year, the recovery in export demand is promising. The domestic market could see a boost in the second half of FY25, supported by an increase in wedding days and festive season, although the rise in realisations is likely to be marginal.

The export growth in RMG is expected to be driven by a combination of factors including restocking by Western retailers, increased demand for spring-summer collections, and a general uptick in retail sales.

The anticipated interest rate cuts in the US will further stimulate demand. India's RMG exports will also benefit from stable cotton prices and uninterrupted supply, enhancing cost competitiveness on the global stage. The ongoing crisis in Bangladesh, a major player in the global RMG market, presents a temporary tailwind for Indian exporters.

However, the benefits for India are expected to be short-lived due to differences in product portfolios and Bangladesh's trade agreements with the European Union.

Over the medium to long term, India could see more substantial gains as global buyers continue to diversify their supply chains away from China and Bangladesh, particularly as Bangladesh faces challenges such as rising wages and the loss of its Least Developed Country (LDC) status by 2029.

The home textiles segment is poised to continue its growth trajectory, primarily driven by robust consumer spending in the United States, which accounts for approximately 60 per cent of India's home textile exports.

The market share of Indian players in the US has been steadily increasing, supported by the China+1 strategy adopted by big box retailers to diversify their supply chains.

India's competitive advantage in raw material costs and increased domestic capacity will likely sustain its dominance in the US home textiles market.

The Free Trade Agreement (FTA) negotiations with the UK and the European Union offer additional opportunities for growth, potentially leading to higher margins and increased market share for Indian players.

While the industry is on a positive trajectory, it faces near-term challenges such as logistical disruptions due to the Red Sea crisis and uncompetitive domestic cotton prices. Moreover, as sustainability becomes a major theme in Western markets, Indian textile companies will need to invest in compliance with these evolving norms to remain competitive.

Source: economictimes.com– Sep 03, 2024

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View: Invest in India and invest in Russia

It is well-known that in recent years India has made substantial progress in Ease of Doing Business rankings and, importantly, in letting the world know about its investment opportunities. Under the influence of global trends and a combination of internal difficulties the volume of FDI in India has been on decline lately, presenting a concern to India's economists and government officials. The long-term trend, however, is positive.

As part of India's consistent efforts to present its diverse investment opportunities internationally, a major investment forum took place in Moscow a few months back, demonstrating to the Russian business circles India's open-to-business sectors such as railways, ports, shipbuilding, chemicals and many others. The Russian companies are actively looking at these opportunities and, in order to support the trend, one of the memorandums signed during Prime Minister Narendra Modi's recent visit to Russia had been between Invest India and its Russian counterpart – The Russian Direct Investment Fund: the agreement focused on helping the Russian companies invest in projects in India.

And what about investment opportunities in Russia? What sectors in Russia already have India's major investment presence, and what other business activities the Indian companies can consider? What would be the best way to take these considerations forward?

The vital Russia-India energy bridge has a major investment component. Before large-scale supplies of crude oil from Russia to India started in 2022, the two countries shared a significant history of cooperation in the field of energy. Some of India's most important oil and gas fields and coal deposits (particularly in the states of Gujarat, East Bengal, Assam, Tamil Nadu, Jharkhand, Chhattisgarh) were discovered and developed with the support of the Soviet scientists and technical experts.

The principal elements of the energy bridge traditionally include cooperation in nuclear power sector and investment into oil and gas assets. Rosatom-NPCIL flagship Kudankulam NPP project is a comprehensive 360* undertaking – from financing to educating personnel. Deepening cooperation in the nuclear energy field featured at July summit in Moscow too, where both sides agreed to discuss and allocate a site for the new VVER-1200 type nuclear power plant in India.

Small nuclear power stations with very deep localisation in India will be in focus as well.

India's largest oil and gas companies such as ONGC Videsh Ltd. (OVL), Bharat Petroresources Ltd., Indian Oil Corporation, Oil India Ltd. invested a total of about USD 16 billion into Russian assets in Sakhalin 1, the Vankor oil and gas field, Taas-Yuryakh Oil and Gas Production, Imperial Energy. Rosneft acquired India's Essar Oil Limited and is now developing the port and oil refinery in Vadinar, as well as a major retail chain. New investment opportunities were presented to the Indian side during the Moscow meetings. Natural gas assets such as Arctic LNG-2 and others likely received special attention. Investments in coal deposits are being looked at too. With the departure of western investors, more lucrative stakes and assets are on offer to Russia's partners again.

Lesser-known examples of existing Indian business projects in Russia include pharmaceuticals, medical equipment, medical materials and disposable products, construction and construction materials, plastics, chemicals (such as silicon carbide, for instance), gold mining, metallurgy, machine tools, logistics, production and exports of linen, development of wastewater treatment systems, diamond processing, supply of ceramic tiles, and others. There are also more traditional areas of Indian business presence such as textiles and ready-made clothing, tea, coffee and spices, agriproducts, restaurant business, ayurveda and wellness. Fruits and vegetables from India are just starting to make their way to supermarkets in Russia – the volumes will surely grow with the improvements of logistics.

For years, bilateral trade between Russia and India was stuck around the level of 10-13 bln USD. In calendar year 2023 it reached record high of 65 bln USD having surpassed the 30 bln USD target much ahead of set time. So Prime Minister N.Modi and President V.Putin have set a new aim of 100 bln USD – by 2030.

The statistics coming in 2024 give ground for optimism – in March and in June Indian exports showed the best monthly numbers ever (441 bln USD and 475 bln USD respectively), indicating improving trend with India's trade deficit with Russia. Russia's exports are growing too and overall trade volume during January-June 2024 increased by 14% to 38,3 bln USD (this is 58% from 2023 trade volume).

The Indian diaspora is an efficient bridge between the two countries, expanding far beyond the capital city of Moscow. Estimations of numbers of the Indian diaspora in Russia vary – from 25000 members to 50000, including students. Prime Minister Modi's July programme in Moscow included an emotional meeting with the diaspora. Throughout his trip Prime Minister received a very warm welcome both from fellow Indians, as well as from the Russian people, who feel a very deep connection with India.

Russia is the country of over 146 million people and estimated GDP growth of 3.9% in 2024. The size of the population may not be that large in comparison with Asia's giants, but these are well-educated people, mainly living in cities. Even Russia's small towns and villages are not what they used to be some 10-15 years back.

Rapid improvements in infrastructure and public spaces, multidimensional digital transformation and growth in disposable income has turned nearly the entire population of the country into demanding consumers. In fact, disbalance between personal investments and consumption is leading to excessive inflation and concerns Russia's financial authorities most, now. Rate of unemployment is at all-time low. Gradual opening of Russia's labour market to qualified personnel from India for specific projects - is the need of the hour and high on agenda of both business and regulators.

Investment opportunities in Russia are endless. There is so much work to be done. From the obvious – Russia needs more Indian restaurants (and one of my friends is looking for good Indian chefs right now) – to the less evident sectors, such as, tourism, for instance. As a destination Russia is in-demand among tourists from friendly countries, including India and China, but most importantly, Russia's domestic tourism flow is growing rapidly.

After travelling all over the world in recent years, Russians are now rediscovering their own country. The wealth of nature, culture, art and history make every corner of the country a marvelous touristic attraction. Russia needs more good hotels and resorts, and the experienced hospitality players from India can find excellent business opportunities in the country. The positive consumer sentiment in Russia towards India will help every project fly.

If, as an Indian business owner, you are considering business opportunities with Russia, there are many institutions that can help. Besides Invest India and Russian Direct Investment Fund, Indian business associations like FICCI and CII have well-established links in Russia. Sectoral exhibitions are always a great channel to approach a market. The Indian diaspora clubs – The Indian Business Alliance and The NRI club of Russia have a wealth of contacts and can help. Russian Trade Mission in Delhi and the Indian Embassy in Moscow are working tirelessly too. Soon Indian consulates in St.Petersburg and Vladivostok will be added with two new important locations – Kazan and Ekaterinburg. Roscongress is the famous conference organiser

in Russia with many large-scale annual events all over the country, including St.Petersburg Economic Forum and Vladivostok Economic Forum, the landmark gateway event to the Russian Far East, taking place on September 3-6 this year. Sber, Russia's largest bank, is expanding its work in India and has very efficient facilitation mechanisms both for the Russian and for the Indian businesses. And, the last but not the least - it is always great to go back to school, even if you run a well-established business. SKOLKOVO India Lab is effectively merging education with consulting: teaching business leaders of both countries about navigating trade, investment and cultural landscape intricacies, adapting business models to new markets and making Russian-Indian partnerships last – the much-needed work.

Source: economictimes.com– Sep 03, 2024

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India lags in filling void left by Chinese export retreat: World Bank

India is missing a crucial opportunity to take advantage of the gap left by China's withdrawal from labour-intensive manufacturing sectors such as textiles, apparel, leather, and footwear, according to a new report from the World Bank.

As China pivots towards high-tech industries, robotics, and new energy, India has struggled to meet the global demand created by this transition.

The report points out that India's share of global apparel exports has decreased from 4 per cent in 2018 to 3 per cent in 2022, mainly due to rising production costs and declining productivity.

This downturn is particularly concerning in light of the overall decrease in India's merchandise exports, which fell to $437.06 billion in the fiscal year ending March 2024, down from $451.07 billion in the previous year.

Auguste Tano Kouame, the World Bank's India Country Director, has said that India could significantly enhance its economic growth by more effectively harnessing its global trade potential.

While the country excels in IT, business services, and pharmaceuticals, there is substantial room to diversify its export portfolio, especially in textiles, apparel, footwear, electronics, and green technology sectors.

Meanwhile, Nora Dihel and Ran Li, senior economists and co-authors of the report, noted, "With rising production costs and declining productivity, India's share in global apparel exports has dropped from 4 per cent in 2018 to 3 per cent in 2022... To create more trade-related jobs, India could integrate more deeply into global value chains, which would also foster innovation and productivity."

World Bank predicts robust GDP growth

Despite these challenges, the World Bank's latest India Development Report remains optimistic about India's economic outlook. The World Bank estimates that India's growth will touch 7 per cent in FY25 and continue to remain robust in the following years.

The report also foresees a gradual reduction in the debt-to-GDP ratio, predicting a decline from 83.9 per cent in FY24 to 82 per cent by FY27, along with a stable current account deficit of around 1-1.6 per cent of GDP over the same period.

Source: business-standard.com– Sep 03, 2024

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India extends Interest Equalization Scheme for MSMEs by 1 month

India has extended the Interest Equalization Scheme (IES) for pre- and post-shipment rupee export credit by one more month, beyond August 31, 2024. The scheme, initially set to expire on June 30, 2024, was first extended for two months.

According to Trade Notice No. 16/2024-2025 issued by the Directorate General of Foreign Trade (DGFT) on August 31, the extension is specifically for micro, small, and medium enterprises (MSMEs). All other terms and conditions remain unchanged. Previously, the scheme's total outlay was capped at ₹750 crore (approximately $89.9 million), and this extension continues under the same terms.

Under the scheme, banks provide loans to exporters at a reduced interest rate, and the government compensates the lenders for the difference. Exporters have also called for an increase in the subvention rates from 3 per cent to 5 per cent due to a sharp rise in repo rates over the past two years.

Source: fibre2fashion.com– Sep 03, 2024

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India's Largest Container Port Backlogged After Heavy Flooding

As India's port workers agreed to a new contract that prevented a nationwide port strike last week, torrential rains wreaked havoc on the western side of the country, resulting in container backlogs at India's largest container gateway.

The extreme weather caused chaos in and near Mundra Port, further pressuring the outward flow of cargo and exacerbating capacity concerns as volume builds up.

Multiple reports from Indian logistics publication Logistics Insider and supply chain publication The Loadstar said shipping operations at Mundra were put at a standstill for three days last week. The reports indicated it could take up to an extra week, or even longer, for cargo flow to improve, subject to weather events fading.

On Aug. 26, the India Meteorological Department (IMD) issued a "red alert" warning for several districts in the western state of Gujarat due to the heavy rains and ensuing flooding ahead of the formation of Cyclone Asna. That alert was extended through Friday. As of Monday, 36 people have died in rain-related incidents. The storm came just days after another system hit neighboring Bangladesh, resulting in the deaths of 71 people.

According to a port operational update from Kuehne + Nagel last Thursday, the storm heavily impacted operations at Mundra, as well as other Gujarat-based ports including Kandla and Pipavav.

India-based logistics services provider FreightMango said in a customer advisory Friday that stakeholders should expect delays in both inbound and outbound shipments until the situation improves.

The adverse weather has not only caused delays in vessel berthing but has also disrupted cargo rail movements in the Saurashtra region of Gujarat, FreightMango said. More than 50 percent of Mundra's volumes moves by rail, or is held at one of its local inland container depots (ICDs).

Mumbai's Jawaharlal Nehru Port, also known as Nhava Sheva Port, also took on some impact as supply chains feel the ripple effects of the flood. The Loadstar report said truckers and freight station owners alike voiced frustration over escalating cargo gate-in and out delays and road closures in recent days, further creating a backlog of shipments.

The Kuehne + Nagel update said that the waiting period for empty pickup was two to three days, and trucker queues were 1.2 miles to 1.8 miles in most yards. In response to the congestion, Nhava Sheva has applied move count restrictions, which limited pre-gate-in requests.

Any impact on Mundra and the surrounding area is a significant concern when accounting for the port's role in facilitating exports out of India.

Mundra managed 7.4 million twenty-foot equivalent units (TEUs) in the 2024 fiscal year ended March 31 amid total cargo volumes of 180 million metric tons. In the first quarter of 2025, Mundra handled the highest ever quarterly volume by any Indian port at 51 million metric tons, according to owner Adani Ports.

In June, Adani Ports and Special Economic Zone Limited (APSEZ) got the environmental regulatory go-ahead to build out a new expansion that would double the port's capacity.

In a project that would cost 45,000 crore rupees ($5.4 billion), APSEZ will expand the port's capacity by 289 million metric tons to 514 million metric tons. Mundra currently has capacity to handle 225 million metric tons of cargo annually, including 9.5 million TEUs.

The APSEZ network of 13 private ports handled roughly 27 percent of India's total cargo and 44 percent of container cargo in 2024.

India breaks ground on $9 billion mega-port

Mundra isn't the only major maritime expansion endeavor in India.

On Friday, Prime Minister Narendra Modi laid the foundation stone of the Vadhvan Port project, a nine-terminal mega-seaport that will cost 76,220 crore rupees ($9.1 billion) to build.

The massive project is anticipated to handle 23.2 million TEUs per year, which would make it one of the top 10 ports by capacity in the world upon completion. Vadhvan is expected to be operational by 2030.

The west coast port is intended to handle ultra-large vessels and cargo ships, strengthening India's trade connection with Central Asia, the Asia-to-Europe International North-South Transport Corridor (INSTC) and Russia—all with the goal to improve India's standing in global maritime trade.

Additionally, the new gateway is expected to reduce congestion at Jawaharlal Nehru Port. Vadhvan is in Dahanu, a coastal town that is roughly 70 miles north of Mumbai.

The port's container terminals will each be roughly 3,300 meters long, and four multi-functional berths. The port will span 3,578 acres of sea area and will include construction of 6.3 miles of offshore breakwater and cargo storage facilities.

Source: sourcingjournal.com– Sep 03, 2024

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CMAI signs MOUs to strengthen garment exports in UP and Rajasthan

The Clothing Manufacturers Association of India (CMAI), the country's leading association representing the garment industry, has signed two strategic Memorandums of Understanding (MOUs) with the Noida Apparel Export Cluster (NAEC) and the Garment Exporters Association of Rajasthan (GEAR).

The agreements, signed yesterday in Mumbai, aim to propel garment manufacturers from Uttar Pradesh and Rajasthan to new heights by leveraging mutual strengths and expanding opportunities in both domestic and international markets.

The primary objective of these MOUs is to mutually promote and support trade interests, facilitate joint programs, enhance knowledge sharing, and encourage participation in trade fairs. Additionally, the collaborations will focus on unified industry representation to both Central and State Governments, advocating for the interests of garment manufacturers in the regions.

Speaking on the MOU with NAEC, Rajesh Masand, President of CMAI, said, "This decisive cooperation will provide UP garment manufacturers, especially those from the Noida cluster, access to CMAI's extensive network of buyers and retailers across India. It will also bolster CMAI's efforts to engage with the garment industry in UP and extend our services to local manufacturers."

Echoing this sentiment, Lalit Thukral, President of NAEC, remarked, "Aligning with CMAI, India's largest association for the garment industry, is a significant step forward for the growth of UP's garment industry. This collaboration presents immense benefits to our exporter members."

Earlier in the day, GEAR renewed its MOU with CMAI, further solidifying a partnership that has already yielded significant advantages for garment exporters in Rajasthan. Zakir Hussain, President of GEAR, commented, "Our past association with CMAI has provided tremendous benefits to our members in Rajasthan. We look forward to strengthening this bond by expanding our scope and access to more trade fairs, knowledge forums, and other industry-driven activities."

Also present on the occasion, Rohit Munjal, Vice President of CMAI, expressed optimism about the growing demand for Rajasthan-made ensembles, stating, “This renewed collaboration will provide more opportunities for manufacturers from Rajasthan to showcase their unique products and design sensibilities, boosting their presence in the domestic retail market.”

These strategic alliances with NAEC and GEAR underscore CMAI’s commitment to supporting garment manufacturers across India, helping them navigate new frontiers and achieve sustained growth in a competitive market landscape.

Source: fibre2fashion.com– Sep 03, 2024

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Textiles Park proposed in Kalaburagi will generate one lakh direct jobs: Karnataka Minister

Rural Development and Panchayat Raj Minister and Kalaburagi district in-charge Priyank Kharge has said that the proposed Textiles Park coming up on 1,000 acres of land in Kalaburagi will generate one lakh direct jobs and two lakh indirect jobs.

In a meeting with Kalaburagi Deputy Commissioner Fouzia Taranum and other senior officers at his office in Vidhana Soudha in Bengaluru on September 3, the Minister said that the government of Karnataka had already allocated ₹50 crores in the current year's budget for the purpose.

The Minister directed the officials to explore options to supply at least 16 million litres per day (MLD) water that the textile park would require, including the options of getting water from the proposed barrage to be built at Madri village, rejuvenating the tank in the proposed textile park premises, and putting a rainwater harvesting mechanism in place.

After looking into the proposals submitted by the Public Works Department (PWD) to develop roads to connect the textile park, the Minister asked the officers concerned to ensure that the roads would last long.

When the officers said that, as per the suggestion made by the Karnataka Power Transmission Corporation Limited (KPTCL), a space for establishing a 220 KV power sub-station within the proposed textile park was identified, Mr. Priyank suggested taking constructive measures to harvest solar energy as well such as solar streetlamps.

Vipul Bansal, the Secretary of Commerce and Industries (Textile), KPTCL Managing Director Pankaj Kumar Pandey, Textile Development Commissioner K Jyothi and other senior officers were present.

Source: thehindu.com– Sep 04, 2024

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Flipkart expands operations in Uttar Pradesh with 2 new FCs

Flipkart, India’s homegrown e-commerce marketplace, has announced the grand opening of two new Fulfilment Centres (FCs) in Uttar Pradesh. The facilities include an FC and sortation centre in Unnao and a sortation centre along with a grocery FC in Varanasi. The technologically advanced facilities, covering over 5 lakh sq ft of storage space, were virtually inaugurated by the chief minister of Uttar Pradesh, Yogi Adityanath.

These new FCs aim to streamline delivery times and increase efficiency across numerous pincodes while creating more than 3,600 direct and indirect employment opportunities. The new grocery FC in Varanasi and the non-large facility in Unnao will provide an expansive selection of products to its customers, ranging from local to established brands, the company said in a press release.

During the virtual inauguration, Yogi Adityanath highlighted the significant role this expansion will play in boosting economic growth in the state. "Flipkart's substantial investment in Uttar Pradesh is a testament to the state's growing reputation as an emerging industrial and entrepreneurial hub. These fulfilment centres are not only generating large-scale employment but also empowering the state's MSME units by providing them with a pan-India reach. Millions of customers can benefit from Flipkart's advanced supply chain, which seamlessly processes a large number of orders every day,” said Adityanath.

“With the government’s continued focus on creating a condusive business environment and fostering innovation, Uttar Pradesh offers enormous potential for entrepreneurial growth and success. It has become one of the leading states in e-commerce adoption and seller empowerment. With our strategic investments in Uttar Pradesh and our wide marketplace ecosystem, we aim to strengthen local communities, MSMEs, farmers, and ancillary businesses by supporting their digital transformation journey,” speaking about the development and echoing these sentiments," Rajneesh Kumar, chief corporate affairs officer, Flipkart Group, said.

“The efforts towards enhancing infrastructure, with a growing network of fulfilment centres, will ensure faster and more reliable deliveries to customers. Through key initiatives like Flipkart Samarth, Samarth Krishi and the launch of the new FCs in the state, Flipkart is creating thousands of employment opportunities, thereby supporting Uttar Pradesh's goal of becoming a $1 trillion economy by 2027. The opening of FCs across cities is also a testament to our commitment to meet the evolving needs of customers efficiently," added Kumar.

Over the years, Flipkart has established a combined area of over 15 lakh sq ft of grocery FCs, Mother Hubs, Last Mile, and Jeeves F1 hubs in Uttar Pradesh, generating over 7 lakh direct and indirect jobs. Flipkart has also partnered with the state government on multiple initiatives fortifying market access, linkage and growth for the MSME sector.

Besides initiatives such as Flipkart Samarth and Samarth Krishi, Flipkart has collaborated with the state government for their ODOP programme where it has created a dedicated microsite for sellers from the districts of Uttar Pradesh, assisting MSMEs on the ease of doing business online. In line with the commitment to the One District One Product (ODOP) programme, Flipkart has supported the sale of district-specific products from Uttar Pradesh, recording over ₹1,600 crore in sales. Flipkart's Jeeves has partnered with the UP Skill Development Mission to certify technicians under Skill India.

Source: fibre2fashion.com– Sep 03, 2024

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Retail major Apparel Group to open 750 stores over the next 3 years

Fashion and Lifestyle retail major Apparel Group plans to expand its presence in India, targeting 1000 stores in the next three years from the current 250 stores.

This expansion strategy aims to capitalise on India's strong growth potential.

Additionally, the company is considering introducing more brands to India in segments such as fast fashion and food and beverages among others.

The Dubai-based retail major has a presence in several markets and the right to operate stores for various global brands. In India, it runs stores under various international brands such as Aldo, Bath & Body Works, Charles & Keith, Victoria's Secret, Beverly Hills Polo Club, and Daiso, among others. It is also known for its own value fashion brand, R&B. It also operates the coffee chain Tim Hortons in India under a JV company, Apparel Gateway Café India.

Nilesh Ved, Co-Founder,Apparel Group, told businessline, " We have a massive expansion planned for the Indian region.We are making significant investments. We have expansion plans for various brands in our portfolio including our own value fashion brand R&B besides Bath & Body Works, Aldo and Tim Hortons.

So for instance in Aldo, with the BIS norms coming in we are manufacturing everything locally now, and hence going to expand to 150 stores from the current 70 stores. Similarly, we have 33 Tim Hortons outlets which will be expanded to 250 outlets. So we have plans across our brands."

Recently, the company also bagged the rights for Crocs in the North and the Eastern part of India."We see great opportunities with Crocs. We have opened the first store under this partnership, and nine of them are on the cards. In the next three years, we could look at 100 stores of the brand," he explained.

The company said that the 750 additional stores across brands will be opened across big cities as well as in tier-2 and tier-3 markets. “The retail ecosystem is rapidly evolving in the country. More and more large format shopping malls are coming up in India as the ecosystem transitions from markets to malls.The next ten years is a golden era for retail and for India,” Ved stated.

Talking about plans for value retail fashion brand R&B in India, he said, “ We see huge potential in the value fashion segment, which will be our one of our key focus areas. For R&B, we will focus on opening atleast 200 stores in the next three years.”

Besides expanding the presence of existing brands, the company is also looking at new brands in certain segments, including the food and beverage space and fast fashion.” We are looking to bring two food and beverage concepts—Sushi Library and Allo Beirut—to India over the next 6-12 months.We also believe there are M&A opportunities in India’s food and beverage space,” Ved added.

He added that the company already works with some fast-fashion brands in the Gulf markets and is discussing bringing one to India.

The company said it has a strong omnichannel playbook and about 33 per cent of its overall sales now come from online channels.

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