TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU TEXPROCIL

TEXPROCIL NEWS CLIPPINGS

An ISO 9001:2015 CERTIFIED COMPANY

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 150 of 2024 **September 17, 2024**

Currency Watch			
USD	EUR	GBP	JPY
83.83	93.30	110.76	0.60

INTERNATIONAL NEWS	
No	Topics
1	US retail sales climb in August amid easing inflation: NRF
2	China's value-added industrial output up 4.5% YoY, 0.32% MoM in Aug
3	Brazilian cotton prices oscillate amid market challenges in early Sept
4	This AI Tool Connects Brands to Suppliers—And Does the Negotiating
5	Global Sourcing Expo to showcase expanding international sourcing in Australia
6	Vietnam records $5.6 bn trade deficit with ASEAN
7	USDA lowers India's cotton production & stocks for 2024-25 season
8	Italian exports fall 0.5% MoM, grow 6.8% YoY in July 2024
9	Dhaka’s importers still facing long waits to get goods from Ctg port
10	Pakistan: Textile, clothing exports rebound in August

NATIONAL NEWS	
No	**Topics**
1	Rising freight costs, container shortages threaten exports; need urgent steps: GTRI
2	Indian commerce dept launches portal to address trade, industry issues
3	Sustaining the cotton revolution is vital for the textile sector's growth
4	Next generation GM seed: Case for transformation of Indian cotton sector and textile economy
5	Automation, emerging technology help Indian ports to scale up capacity

INTERNATIONAL NEWS

US retail sales climb in August amid easing inflation: NRF

Retail sales in the US increased again in August as consumer demand and easing inflation overcame slower job growth, according to the CNBC/NRF Retail Monitor, powered by Affinity Solutions, released by the National Retail Federation (NRF). Clothing and accessories stores were up 2.13 per cent month over month seasonally adjusted and up 11.44 per cent year over year unadjusted.

Online and other non-store sales were up 1.49 per cent month over month seasonally adjusted and up 17.03 per cent year over year unadjusted, the NRF said in a press release.

“Retail sales data shows that consumers continued to spend on household priorities in August,” NRF president and CEO Matthew Shay said. “This is despite a slowing labour market that is expected to prompt the Fed to finally lower interest rates in September. Even with slower employment growth, unemployment is near historical lows and ongoing job and wage gains coupled with lower inflation should keep consumers on solid footing heading into the holiday season. Lower interest rates take time to trickle down and won’t provide an immediate boost but should stabilize the economy.”

Total retail sales, excluding automobiles and gasoline, were up 0.45 per cent seasonally adjusted month over month and up 2.11 per cent unadjusted year over year in August, according to the Retail Monitor. That compared with increases of 0.74 per cent month over month and 0.92 per cent year over year in July.

The Retail Monitor calculation of core retail sales (excluding restaurants in addition to automobiles and gasoline) was up 0.17 per cent month over month in August and up 1.93 per cent year over year. That compared with increases of 0.95 per cent month over month and 1.69 per cent year over year in July. Total sales were up 2.08 per cent year over year for the first eight months of the year and core sales were up 2.33 per cent.

Source: fibre2fashion.com– Sep 17, 2024

HOME

****

China's value-added industrial output up 4.5% YoY, 0.32% MoM in Aug

Industrial output in China saw stable growth in August, with value-added industrial output expanding by 4.5 per cent year on year (YoY) in the month, according to data from the National Bureau of Statistics (NBS). It edged up by 0.32 per cent month on month (MoM) in August.

In the first eight months this year, value-added industrial output saw a stable 5.8 per cent YoY growth.

Industrial output measures the activity of enterprises each with an annual main business turnover of at least 20 million yuan ($2.82 million).

Nearly four-fifths of the industries and over half of products registered YoY increases, NBS spokesperson Liu Aihua told a recent press conference.

The export delivery value of the industrial sector climbed by 6.4 per cent YoY in August, maintaining a fast growth momentum, Liu was cited as saying by state-controlled media outlets.

Source: fibre2fashion.com– Sep 16, 2024

HOME

****

Brazilian cotton prices oscillate amid market challenges in early Sept

In early September, cotton prices in Brazil showed fluctuations due to ongoing difficulties in reaching agreements over prices and batch quality in the domestic spot market. Liquidity remained constrained as sellers prioritised term contracts over spot sales, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

Between August 30 and September 13, the CEPEA/ESALQ cotton index (payment in 8 days) saw a modest increase of 1.2 per cent, closing at BRL 3.9321 (~$0.71) per pound on September 13.

This slight recovery comes after a significant decline in August when cotton prices dropped due to lower export parity and international price decreases. Sellers, needing to improve cash flow, coupled with the progress in both harvesting and processing activities, further drove prices down. From July 31 to August 30, the CEPEA/ESALQ cotton index fell by 4.65 per cent, marking the sharpest drop since March 2024, when prices plunged 6.3 per cent.

According to the Brazilian Cotton Producers Association (ABRAPA), 95.53 per cent of the 2023-24 cotton crop had been harvested by September 5, with 40.3 per cent of the total production already processed, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Globally, data from the International Cotton Advisory Committee (ICAC), released on September 4, projects that global cotton production for 2024-25 will reach 25.62 million tonnes, a 2.7 per cent decrease compared to August 2024 estimates but still 6.21 per cent higher than the previous season. Global consumption remains stable, estimated at 25.87 million tonnes, a 3.56 per cent increase over the 2023-24 crop year.

Source: fibre2fashion.com– Sep 12, 2024

HOME

****

This AI Tool Connects Brands to Suppliers—And Does the Negotiating

One startup wants to use technology take the agitation and high costs out of sourcing and procurement processes.

Cavela, an artificial intelligence-powered sourcing solution, has announced its official launch, along with $2 million worth of fundraising from XYZ Capital.

The platform uses AI to connect fashion brands with suppliers based on a description of the good the brand needs to produce, then negotiates on their behalf to find the best quality at the right price. Thus far, Cavela has integrated with more than 200,000 suppliers and tested with several dozen brands, including workwear brand Western Welder Outfitting.

Anthony Sardain, the company's founder and CEO, said he had been mulling around the idea of building a system like Cavela for some time; his family works in trade, and he focused on trade when completing his master's degree. But he realized there might be a market for the company he eventually launched by helping out a family member.

"The 'aha' moment for me came when I was helping a family member source custom products for a hotel. It was tedious and time consuming, so I built out a small automated tool that helped streamline a number of operational tasks, which happened to work great," Sardain told Sourcing Journal. "By coincidence, that same week, I happened to be talking with a friend who was…sourcing supplements out of India and facing similar issues. Different vertical, different use case, different product, different countries, same pain point, same solution—and that's when I realized we had something."

Sardain said the idea behind Cavela has always been to ease operations for sourcing teams; the companies likely to see the most immediate benefits are small-to-medium enterprises that lack larger, dedicated sourcing teams that a massive brand or retailer might boast. However, Cavela will extend into the large enterprise territory as needed for clients; according to Sardain, the technology can support a variety of clients with mismatched needs.

"We do three things. The first is, we shield the brands from unnecessary communication, and that allows us to engage with many more suppliers on their behalf and get more competitive quotes than they would if they were doing things themselves. Two, we centralized the entire sourcing journey—so no more email chains, WhatsApp messages. The AI collects all the information, puts it all in a feed where it'll alert you, ping you for clarification, let you manage your order… And third and most importantly, we find the best supplier at the optimal cost," he said.

On average, the clients Cavela works with have seen a 37 percent decrease in supplier costs.

Though it has the breadth and depth to support various types of fashion and apparel brands, up to this point, Cavela has stayed away from offering its services to companies in need of highly specialized goods with many parts or ultra-complex production cycles. It plans to move into more complex sectors as Sardain and his team build out the technology further, but in the meantime, he wants to ensure he's providing the best, most accurate service possible to clients.

Brands and retailers aren't the only companies benefitting from Cavela's technology. Suppliers gain from the relationship, too; their customers suddenly become more responsive during their business hours—even on different time zones—and accordingly, negotiations become shorter.

The suppliers Cavela works with are spread all over the world, with a large base in China—even as questions over tariffs, de minimis and regulatory enforcement of laws like the Uyghur Forced Labor Prevention Act (UFLPA) linger, Sardain said many of the brands he works with still have a vested interest in sourcing from China. However, he has also started to see an increase in requests to source from other countries—Mexico, in particular.

As some brands look to nearshoring, Mexico has piqued their interest. Accordingly, Cavela has built out its supplier network in the country. But Sardain said sometimes, the idea of manufacturing in Mexico makes more sense than the reality—both from a cost perspective and a geopolitical perspective.

"Fundamentally, it comes down to an awareness that cost is always a major driver," he said. "When brands are trying to avoid China at all costs…they realize that you can manufacture your clothes in Mexico, but if the fabrics are still coming from China, to what extent do you actually have independence from China there?"

XYZ Ventures, Cavela's investor, also had an interest in the potential for Cavela to connect brands to non-legacy supplier countries as interest in Mexico and Vietnam seems to boom. But Ross Fubini, managing director for the venture capital firm, said that during XYZ's partnership with Cavela, his team has learned that, regardless of where the suppliers are located, sourcing is a historical challenge that didn't have a solid, end-to-end automation option in place.

"A lot of the idea that Anthony I originally had when we started this was about the changing buying patterns and the opportunities in [places like] Mexico, Guatemala…and Vietnam," Fubini told Sourcing Journal. "While that is still true and relevant, it was just shocking to me how much pull there was for a better solution even for existing suppliers or existing regions that [brands] were working with. I hadn't realized the amount of pain people were in, or the amount of joy you can give by connecting them in a better way to their suppliers."

With the funds Sardain secured for Cavela from XYZ, he and his team plan to continue refining the technology behind the solution. To pilot and validate Cavela, the team used out-of-the-box models and built on top of them; now, the company is shifting to training its own models to doubly ensure quality.

"Sourcing is a long and complex process that goes from quotes negotiation to handling samples, quality assurance, tracking of shipments, all of that. All of these have a technology aspect that we are building out, and so that's really our primary focus," he said. "Our focus for the coming months—and I expect that this will be something we're continually looking to improve—is the intricacy of the automations themselves, allowing users to do more by doing less."

Source: sourcingjournal.com– Sep 16, 2024

HOME

****

Global Sourcing Expo to showcase expanding international sourcing in Australia

The Global Sourcing Expo, organized by the International Expo Group, has positioned itself as Australia's premier sourcing platform, with editions in both Sydney and Melbourne. This event plays a crucial role in connecting exhibitors from across the globe with manufacturers, wholesalers, and retailers from Australia, New Zealand, and the Asia-Pacific region. Launched over a decade ago, the expo has grown to become a cornerstone for apparel and textiles sourcing in Australia.
A hub for apparel and textiles sourcing

The upcoming Melbourne edition, scheduled from November 19-21, 2024, at the Melbourne Convention and Exhibition Centre, promises a dynamic experience for attendees. Featuring over 900 exhibitors from countries including India, Bangladesh, Turkiye, and Vietnam, the expo is set to be a global showcase. Co-located with the Footwear and Accessories Show and the China Clothing Textiles Accessories Expo, it offers a diverse range of sourcing opportunities for visitors. The Global Sourcing Seminars program will further enrich the event with a focus on contemporary sourcing trends.

Julie Holt, Global Exhibitions Director of the International Expo Group, emphasized the importance of the Global Sourcing Expo, noting its strong focus on addressing contemporary trends and challenges in global sourcing. She highlighted the event's ability to consistently attract high-quality suppliers from both established regions and emerging sourcing hubs, ensuring that attendees are provided with a dynamic and refreshed experience each year.

Strategic expansion and industry partnerships

The Global Sourcing Expo has seen significant growth in recent years, driven by its strategic partnerships and emphasis on engaging with the industry. Julie Holt credits much of this success to her team's expertise and their dedication to developing a comprehensive audience database. Their strong research and curation efforts have enabled the Expo to deliver top-quality seminar content, carefully tailored to meet the diverse needs of its attendees.

Key to the expo's success is its collaboration with industry stakeholders and visitors. Each edition of the expo introduces new features, such as panel discussions on hot topics and the inclusion of sourcing regions and industry groups previously unexplored. The Australian market is a focus for manufacturers and suppliers globally, and the Expo has leveraged this interest to build strong industry relationships.

Julie Holt emphasized that each edition of the Global Sourcing Expo is designed to offer something new. Whether through updated panels, added features, or the inclusion of different sourcing regions, the expo is continuously refined to align with the evolving needs of its attendees.
Post-pandemic growth and future expansion

Despite a brief interruption due to the Covid-19 pandemic, the Expo has rebounded strongly. Visitor attendance surged by 46 per cent at the most recent Sydney show in June 2024. The demand has grown so significantly that the organizers are now planning a biannual edition in Sydney to cater to seasonal shifts in the industry. The Melbourne edition is also showing strong pre-registration numbers.

Julie Holt highlighted the increase in attendance and interest in both the Sydney and Melbourne editions, indicating a strong demand for expanded sourcing opportunities. She expressed enthusiasm for further developing the Expo into a biannual event, ensuring continuous engagement between buyers and sellers throughout the year.

Focusing on sustainability and innovation

A major shift in the sourcing landscape has been the increasing focus on sustainability. The Global Sourcing Expo has responded to this trend by curating seminars and featuring suppliers that emphasize mindful and responsible sourcing. The Expo is placing greater importance on sustainability, differentiation, quality, and functionality to align with the evolving demands of the market.

The Expo aims to meet the diverse needs of its audience, from beginners in global sourcing to experienced professionals. With tailored seminar content, it offers a comprehensive experience for all attendees. Business matching services also play a pivotal role, helping visitors connect with suppliers that meet their specific needs.

Looking ahead: Building partnerships for long-term success

The future of the Global Sourcing Expo lies in its ability to expand and strengthen partnerships with apex industry organizations, both within Australia and internationally. Holt emphasizes the importance of these relationships in ensuring Australian buyers have access to top-tier sourcing opportunities without needing to travel overseas.

The Expo is set to strengthen its relationships across all levels of the apparel and textiles supply chain. Julie Holt emphasizes that sourcing is a multifaceted process, involving not just buying and selling, but also research, logistics, finance, technology, and design collaboration. She highlighted the Expo's commitment to developing as a key destination for solving challenges across the global sourcing and supply chain ecosystem.

As the Global Sourcing Expo continues to grow and evolve, it remains a key player in the global apparel and textiles industry, providing a critical platform for sourcing, innovation, and sustainability.

Source: fashionatingworld.com– Sep 16, 2024

HOME

****

Vietnam records $5.6 bn trade deficit with ASEAN

Trade turnover between Vietnam and the Association of Southeast Asian Nations (ASEAN) was $54.9 billion during the first eight months this year—up by 12.5 per cent year on year (YoY), with the country posting a trade deficit of $5.6 billion with the bloc, according to the general department of Vietnam customs.

Vietnam's exports to the bloc during the period were worth $$24.6 billion—up by 12.6 per cent YoY.

Thailand was as the country's largest export market during the period, with turnover hitting $5.23 billion—up by 7.2 per cent YoY. It was followed by Indonesia, exports to where were worth $4.15 billion—a rise of 23.6 per cent YoY, and the Philippines, exports to where rose by 17 per cent YoY to $4.07 billion.

Vietnam's exports to Cambodia, Malaysia, and Singapore surged by 3.9 per cent, 4.2 per cent and 26.3 per cent YoY to $3.52 billion, $3.48 billion and $3.46 billion respectively.

Exports to Brunei increased by 569 per cent YoY to reach $197 million and those to Laos rose by 20.6 per cent YoY to hit $429 million during the eight-month period, a domestic media outlet reported.

Vietnam spent $30.2 billion on importing goods from ASEAN during the period—up by 12.4 per cent YoY. Thailand topped, with exports worth $7.8 billion to Vietnam—a YoY rise of 1.3 per cent.

The total Vietnamese import turnover from six ASEAN markets—Thailand, Indonesia, Malaysia, Singapore, Cambodia and the Philippines—reached $28.8 billion during the period, accounting for 95 per cent of the import proportion from the bloc.

Source: fibre2fashion.com– Sep 16, 2024

HOME

****

USDA lowers India's cotton production & stocks for 2024-25 season

The United States Department of Agriculture (USDA) has further reduced its projections for India's cotton production and ending stocks for the 2024-25 season. According to its September 2024 WASDE report, cotton production is now forecast at 30.72 million bales (each weighing 170 kg), with ending stocks projected at 12.38 million bales for the upcoming 2024-25 season.

Recent excessive rainfall has damaged crops in India’s primary cotton-growing regions in the central and southern states. Additionally, cotton acreage has declined across most producing states, primarily due to consistent pest attacks in previous years.

The USDA released its September 2024 WASDE report last Thursday, lowering the production forecast to 30.72 million bales. In the August 2024 report, the projection was 31.36 million bales. For the 2023-24 season, production was estimated at 30.02 million bales, while it was 33.66 million bales in 2022-23. The 2024-25 forecast is down by 0.64 million bales month-on-month and by 2.30 million bales year-on-year.

Projected ending stocks have also been reduced by 0.51 million bales, from 12.89 million bales in the August WASDE report to 12.38 million bales. This represents a decrease of 0.64 million bales from the 13.02 million bales estimated for the 2023-24 season. Ending stocks were 13.85 million bales for the 2022-23 season.

India’s cotton exports are also projected to decline, with a reduction of 0.26 million bales, bringing the new forecast to 1.66 million bales for the season beginning 1 October 2024. In the August report, exports were projected at 1.92 million bales, while current season estimates (October-September) stand at 2.98 million bales, and the previous season’s exports were 1.41 million bales.

On the other hand, the USDA has increased its cotton import forecast for India by 0.38 million bales, bringing the total to 2.94 million bales for the next season. The August 2024 report projected imports at 2.56 million bales. Imports were estimated at 1.13 million bales for 2023-24 and 2.21 million bales for 2022-23.

India’s domestic cotton consumption is expected to remain stable at 32.64 million bales in 2024-25, as per the September 2024 USDA report, the same as projected in August 2024. Cotton consumption was estimated at 32 million bales for 2023-24 and 31.36 million bales for 2022-23.

Source: fibre2fashion.com– Sep 16, 2024

HOME

****

Italian exports fall 0.5% MoM, grow 6.8% YoY in July 2024

Seasonally-adjusted Italian exports decreased by 0.5 per cent month on month (MoM) and increased by 6.8 per cent year on year (YoY) in July this year, while imports increased by 1.1 per cent MoM and 6.3 per cent YoY.

The country's exports decreased by 0.2 per cent MoM and increased by 6 per cent for European Union (EU) countries, and decreased by 0.7 per cent MoM and increased by 7.6 per cent YoY for non-EU countries in July.

Imports increased by 0.5 per cent MoM and 7.9 per cent YoY for EU countries and by 1.9 per cent MoM and 4.4 per cent YoY for non-EU countries, a release from official statistical agency Istat said.

Over the last quarter, seasonally-adjusted data decreased for both exports (by 2.8 per cent) and imports (by 0.5 per cent).

The country's trade surplus in July was €6,743 million—€642 million surplus for EU countries and €6,101 million surplus for non-EU countries. Excluding energy, the trade surplus was €11,535 million.

In July, import prices increased by 0.5 per cent MoM—a drop of 0.1 per cent for the euro zone and a rise of 0.2 per cent for the non-eurozone. Over the last three months, import prices rose by 1.0 per cent quarter on quarter (QoQ)—0.5 per cent for the euro zone and 1.5 per cent for the non-eurozone.

Italy's import prices increased by 1.3 per cent YoY—a drop of 0.1 per cent for the euro zone and a rise of 2.7 per cent for the non-eurozone.

Source: fibre2fashion.com– Sep 17, 2024

HOME

****

Dhaka's importers still facing long waits to get goods from Ctg port

It has been nearly a month that an automobile dealer has been waiting for a container loaded with reconditioned parts to reach the inland container depot (ICD) at Kamalapur, Dhaka from the Chattogram port over railway.

The parts, imported by M/s Partsco Automobiles of Munshiganj's Sirajdikhan from the United Arab Emirates, arrived at the port on August 17, only to add to a massive container backlog.

The yard designated for the ICD-bound containers has been clogged due to a 27-day suspension of railway services since July 18 amidst the countrywide student movement and another five-day suspension in late August for floods.

Around 70 percent of the goods arriving at the port are of importers based in Dhaka and surrounding areas. Of those, around 3 percent are taken away over railways while the rest over roads and river routes.

The yard meant for the Kamalapur ICD-bound containers can run unobstructed at its standard capacity of 1,774 TEUs (twenty-foot equivalent units).

However, till the first week of August, 2,700 TEUs had been crammed inside. Recently railway traffic has somewhat normalised and the situation has improved, according to a senior official of the traffic department of Chittagong Port Authority.

As of yesterday, the yard had 1,278 TEUs, he informed.

However, many of them had been there for anywhere for 17 to 18 days, he admitted on requesting anonymity. At least 3 to 4 trains are departing for the Dhaka ICD daily, said Abdul Malek, railway station master of Chittagong Goods Port Yard (CGPY).

Each locomotive engine pulls 31 wagons. Each wagon can accommodate a fourty-foot equivalent unit, for which a locomotive can take away more than 31 containers if those are the 20 TEUs, he said.

But in case of 20 TEUs containing goods with a lot of weight, such as steel coils, machineries or motor parts, more than one container cannot be loaded onto a single wagon, he said.

Hoping that the situation would further improve in the coming days, the port officials stressed the need for operating more trains daily for speeding up the transport. Such delays are causing immense losses for the importers as it translates to extra port and shipping charges.

Sojib Mridha, proprietor of Partsco Automobiles, said they imported the automobile parts based on a price range, but the market fluctuates as time passes and they were very near to missing out on trending deals.

"If we fail to supply products to customers on time as promised we lose trust which is a huge business loss," he said. "Moreover, we now have to pay huge amount of demurrage to the port authority and shipping agent for the overstay of the container at the port," said Mridha.

"Small importers like us try to open a letter of credit (L/C) for an import with earnings being made on the sale of previous imports. Such long delays are hampering business," said the frustrated businessperson.

Like him, many importers based in Dhaka are now having to wait anywhere from 15 days to well over a month to get their consignments from the Chattogram port.

Staff of the clearing and forwarding agent overseeing the release of Mridha's consignment divulged that two other clients were similarly waiting for imports in containers which arrived at the port on August 26 and August 27.

The situation is improving, but then again it is a long delay for businesses heavily reliant on imports, said Sheikh Md Aslam, vice president of Dhaka Customs C&F Agents Association.

Source: thedailystar.net– Sep 15, 2024

HOME

****

Pakistan: Textile, clothing exports rebound in August

Textile and clothing exports saw a significant rebound in August, recording a nearly 13 per cent increase, according to data released by the Pakistan Bureau of Statistics (PBS) on Monday. The increase comes amid concerns that the industry was facing a downturn. In July, exports from the sector had contracted by 3.1pc, leading many experts to worry that the country's textile and clothing industry could struggle to remain competitive against regional rivals due to stringent taxation policies introduced for the current fiscal year.

June also saw a year-on-year decline of 0.93pc, though exports had rebounded strongly in May, growing by double digits after two months of slower performance. In absolute terms, textile and clothing exports surged to $1.64bn in August, up from $1.45bn in the same month last year. On a month-on-month basis, exports surged by 29.4pc.

For the first two months (July and August) of the ongoing fiscal year, textile and clothing exports increased by 5.4pc, reaching $2.92bn, compared to $2.76bn in the same period a year ago. The government has implemented several measures, including raising the personal income tax rate on exporters for the 2024-25 fiscal year.

The PBS data revealed a 27.8pc rise in the value of readymade garments exports in August, alongside a 7.9pc increase in quantity. Knitwear exports grew by 15.4pc in value and 8.1pc in quantity. Bedwear exports saw a 15.2pc rise in value and a 14.4pc increase in quantity. Towel exports surged by 15.7pc in value and 9.7pc in quantity in August, whereas cotton cloth exports rose by 14.1pc in value and 4.8pc in quantity. However, yarn exports plummeted by 47.7pc in August compared to the same month last year.

On the import side, synthetic fibre imports saw a negative growth of 8.3pc, while synthetic and artificial silk yarn imports declined by 13.6pc. However, other textile-related imports grew by 51.5pc during the month. Raw cotton imports increased by 7.6pc and second-hand clothes imports posted a growth of 22pc. In total, the country's exports grew by 16.8pc in August, rising to $2.76bn, up from $2.36bn in the same month last year.

Source: dawn.com– Sep 17, 2024

HOME

****

NATIONAL NEWS

Rising freight costs, container shortages threaten exports; need urgent steps: GTRI

Increasing freight costs, shortage of containers and dependence on major shipping hubs and foreign carriers pose serious challenges to the country's exports, think tank GTRI said on Sunday.

To address these challenges, the Global Trade Research Initiative (GTRI) recommended that India implement several strategies to boost domestic container production, enhance the role of local shipping companies, promote use of domestic containers, and strengthen local shipping firms.

"India can lower its risk of global supply chain disruptions by boosting domestic container production, encouraging the use of locally made containers, and increasing the use of Indian shipping companies for transporting goods," GTRI Founder Ajay Srivastava said.

Between 2022 and 2024, shipping rates for a 40-foot container have fluctuated significantly.

It said that in 2022, the average cost was $4,942 due to the lingering effects of the Covid pandemic, while by 2024, the rate had stabilized around $4,775, it said adding that these rates are still significantly higher than pre-pandemic levels, where the cost was $1,420 in 2019.

"The elevated freight rates reflect the persistent supply chain challenges that continue to burden global trade," Srivastava said.

He added that there had been unverified reports of China hoarding containers to maximize its exports to the US and Europe ahead of potential trade restrictions and a hike in duties on solar panels, electric vehicles, steel and aluminium manufactured by Chinese firms located in China or elsewhere like in ASEAN (Association of Southeast Asian Nations) countries.

However, the real container shortage issue likely stems from broader logistical inefficiencies like port congestion and Red Sea disruptions rather than deliberate stockpiling, Srivastava said.

Freight costs for Indian exporters shipping goods to Europe and the US have more than doubled in the past year, driven by disruptions in the Red Sea.

The GTRI said that last month, delays in ship arrivals at India port were caused by congestion at Singapore port.

"Indian exporters may soon face another disruption if the US-China trade war escalates in the coming months," it said.

The global container shortage, first triggered by the Covid-19 pandemic, may soon reemerge, causing severe difficulties for Indian exporters.

"To minimise Trade Disruptions Due to US-China Trade War Escalation and other geopolitical events, India must invest in Container Production and Domestic Shipping," it added.

It also said that India's dependence on major shipping hubs and foreign carriers significantly increases costs and risks.

"To cut costs and minimise risks, three key logistics challenges need urgent attention. First, 90-95 per cent of India's cargo is transported by foreign shipping liners, giving them control over access and freight rates, limiting India's ability to manage costs and schedules," it suggested.

About 25 per cent of India's cargo is transshipped through hubs like Colombo, Singapore, and Klang, increasing transit time and freight costs.

India depends heavily on containers made in China, making it vulnerable to supply disruptions and price fluctuations, it said adding "India's dependence on major shipping hubs and foreign carriers significantly increases costs and risks".

The shipping container industry is critical to global trade, and India has been making efforts to expand its container production.

However, the GTRI said that current output is insufficient to meet growing demand.

India produces between 10,000 and 30,000 containers annually, while China, the global leader, produces around 2.5 to 3 million containers per year.

This leaves India with less than 1 per cent of the global market share, making it vulnerable to disruptions in container availability.

"The ownership of shipping containers is dominated by major shipping lines and leasing companies with negligible share of India. Companies like Maersk (Denmark), Mediterranean Shipping Company (Switzerland), and CMA CGM (France) are among the top owners of containers, with millions of TEUs (Twenty-foot Equivalent Units) in their fleets," the GTRi said.

Additionally, China's state-owned shipping giant, COSCO, holds a significant share of global container ownership.

"Indian manufacturers face production costs of $3,500 to $4,000 per 40-foot container, which is higher than China's cost of $2,500 to $3,000. As a result, Indian businesses remain dependent on imported containers, primarily from China. This reliance makes the country susceptible to global supply chain disruptions," Srivastav said.

Key production hubs in India are emerging in Bhavnagar (Gujarat) and Chennai (Tamil Nadu), but significant investments and policy support are required to scale up container production.

In addition to container shortages, India is heavily dependent on foreign shipping companies for its international trade. About 90-95 per cent of India's total cargo is carried by foreign lines, such as Maersk, MSC, and COSCO. Indian shipping companies, led by Shipping Corporation of India (SCI), handle only about 5-10 per cent of trade by volume, it said.

"This reliance on foreign shipping exposes India to rising freight costs, geopolitical risks, and logistical uncertainties. With escalating trade tensions between the US and China, and the increasing cost of shipping, India must urgently develop its domestic shipping industry to handle a larger share of its export and import cargo," it added.

Source: thehindubusinessline.com– Sep 15, 2024

HOME

****

Indian commerce dept launches portal to address trade, industry issues

Indian minister of commerce and industry Piyush Goyal recently launched the department of commerce's Jan Sunwai Portal, designed to streamline communication between stakeholders and authorities, providing a direct and transparent channel for addressing trade- and industry-related issues. The portal offers on-demand video conferencing services, in addition to fixed video conference links for regular, scheduled interactions, an official release said.

The portal was launched at the third meeting of the reconstituted Board of Trade in Mumbai. The portal's accessibility extends across various offices and autonomous bodies under the department.

Goyal also inaugurated the Export Credit Guarantee Corporation's (ECGC) new online service portal, alongside a revamped in-house SMILE-ERP system. These innovations mark a significant leap towards paperless processing and faceless service delivery, benefiting both exporters and banks, the release said.

Key outcomes include full automation of processes, business process integration, quicker claim disposals, enhanced operational control, and a meaningful reduction in the carbon footprint to support sustainability goals.

The Central Board of Indirect Taxes & Customs (CBIC) informed that effective immediately, Remission of Duties and Taxes on Export Products (RoDTEP), Rebate of State and Central Taxes and Levies on Export of Apparel/Garments and Made-ups (RoSCTL) and drawback benefits will be extended to all exports made via courier in the realm of e-commerce exports.

Plans to extend these benefits to postal route exports are also in the pipeline, creating a more equitable environment for e-commerce exporters utilising courier and postal mode.

Source: fibre2fashion.com– Sep 15, 2024

HOME

****

Sustaining the cotton revolution is vital for the textile sector's growth

A consistent downtrend in cotton yield over the past decade is a clear indication that the cotton revolution, triggered by the introduction of gene-altered and pest-protected Bt-cotton hybrids in 2002, has withered away. Though this can be attributed to several factors, notably the emergence of new pests and diseases, the prime reason seems to be the government's imprudent policy regarding genetically modified (GM) crops, which has thwarted the much-needed regular flow of new and upgraded seeds to replace the outmoded ones.

Most of the initial GM cotton hybrids, containing the pest-killer gene borrowed from the soil-dwelling bacteria Bacillus thuringiensis (Bt), have outlived their utility, having lost their vitality and ability to withstand the threats from constantly metamorphosing pests and pathogens, and climate change-induced challenges. Their effective, and even better, alternatives are the need of the hour.

Monsanto, the multinational biosciences company that had pioneered the development of Bt-cotton hybrids, quit India long ago due to the government's ill-disposed approach towards its business operations. (Monsanto has since ceased to exist, having been bought over by Bayer in 2018.)

Most other private-sector seed developers, too, have turned wary of investing in the cost-intensive genetic-modification technology because of the uncertainty of getting approval for commercialising their products. Though some gene-tweaked cotton strains, including the herbicide-tolerant Bt-cotton hybrids, which help reduce the cost of controlling both weeds and pests simultaneously, have become available of late, these are circulating largely through illegal channels, pending the formal approval from the government. India, thus, is almost five to six generations behind other countries in the use of advanced GM cotton seeds.

Unsurprisingly, therefore, the average yield of cotton in India, which had surged markedly from 278 kg per hectare in 2001 to 566 kg in 2013-14, has dwindled to 440-445 kg in recent years. This is far below the global average productivity of nearly 800 kg a hectare. Farmers in countries like Australia, Brazil, and China commonly harvest yields as high as 1,800-

2,000 kg. India ranks below over 30 other cotton-growing countries in terms of average productivity.

However, India's annual cotton production is almost on a par with that of China, the acknowledged world leader in cotton output, but that is basically because this crop is planted here in a much larger area. In fact, India's cotton acreage, around 13 million hectares, is the largest in the world, and almost four times that of China. But the average per-hectare yield is less than one-fourth of that in China.

Interestingly, India enjoys the distinction of being the only country to grow all the four species of cotton — Gossypium arboreum, G herbaceum (both deemed Asiatic cottons or Desi cotton), G barbadense (Egyptian cotton), and G hirsutum (American cotton).

However, almost all the Bt-cotton hybrids, which occupy more than 90 per cent of the country's cotton land, belong to the American cotton species. Desi cotton has managed to retain a market niche, primarily due to its softness and absorbent nature that make it ideally suited for surgical purposes. Also, Desi cotton, being in cultivation for ages, is better acclimatised to local agro-ecological conditions, and has greater resilience against pests, diseases, and weather aberrations.

Sustaining the cotton revolution is not just desirable, it is essential for the economic well-being of the textile sector, which accounts for about 5 per cent of the country's gross domestic product (GDP), 14 per cent of industrial production, and 11 per cent of export revenue. Apart from about 6 million cotton farmers, millions of others are engaged in the production, processing, and trade of this natural fibre and its products, such as yarn, fabric, garments and other kinds of apparels.

The textile industry alone supports the livelihood of about 45 million people. According to trade circles, India's textile market is valued at around $240 billion, and is anticipated to swell to over $475 billion by 2033, clocking a compound annual growth rate of 6.8 per cent. This rate can be stepped up substantially with the use of better crop seeds.

Cotton is, indeed, a multi-utility crop that provides food and feed, apart from the key fibre. While the cotton's versatile lint (colloquially called Kapas) is used for producing yarn and different types of fabric, besides various other applications in the medical and household sectors, its seeds yield edible oil for human consumption, and de-oiled cake to serve as nutritious feed for cattle and poultry.

Urgent measures are, therefore, imperative to rejuvenate the cotton revolution through inducting new genetically engineered seeds and modern technology. Apart from reviewing the GM seeds policy to facilitate the development of new high-yielding and pest-resistant cotton strains, steps are called for to promote improved agronomic practices to push up crop productivity. This would not only bolster the availability of cotton in the country, but also enhance farmers' income, improve export prospects, and benefit the cotton-based industry.

Source: business-standard.com– Sep 15, 2024

HOME

****

Next generation GM seed: Case for transformation of Indian cotton sector and textile economy

Cotton is one of the most critical cash crops for the Indian economy as it provides fiber, oil, and animal feed. However, Cotton is a challenging crop for the farmers to grow, as it is highly susceptible to a variety of pests like Bollworms, Thrips, Whiteflies & Jassids. Cotton is grown on only 2.5% of the world's agricultural land however consumes 16% of all pesticides used worldwide.

Cotton production in India has been slowly increasing from the 50-70s era where the yields were around 130 kg/HA, and the average production was around the 60-lakh bale mark to about 136 lakh bales in 2002-03 with yields of 302 kg/HA. The increase in yields was driven on the back of increased availability of fertilizers and pesticides as well as improvement in the water availability through irrigation technology.

In 2002, India allowed the first GM seed (BT cotton) by approving Monsanto's first generation GM technology variety, which soon dominated over 90% of India's cotton acreage. BT cotton not only improved the yields by 25-60% vs the traditional seed varieties but also reduced the expenditure on the pesticides. The Oil percentage in the BT variety was higher than the non-BT variety which also benefited the ginners and Oil mills.

Over the next few years more farmers switched to BT seeds which resulted in a massive increase in the cotton acreage from 76.3 lakh HA in 2002-03 to 128.5 lakh HA in 2014-15 HA and the yields improved from 302 Kg/HA to 511 Kg/HA and reaching a peak of 566 kg/HA in 2013-14. Production too jumped from 179 Lakh bales to 386 lakh bales in the same period, with production reaching as high as 398 lakh bales in 2013-14. This resulted in India toppling China as the largest cotton producer in the world. Thus, introduction of BT seed helped Indian cotton production triple in just 11 years.

Until 2015-16 Bollgard II technology was successful in controlling the pink bollworm infestation. However, 2014 onwards we saw that the pink bollworm started to develop resistance against the seed. In the marketing year 2015-16, Pink Bollworm heavily affected Gujarat, while in the marketing year 2017-18 we saw an epidemic level of the pink bollworm infestation in MP, Maharashtra, Telangana, AP, and Karnataka. The infestation ranged between 8-92% and resulted in yield losses between 10-30%. The Farmers were caught off guard and did not spray adequate pesticides to counter the effect of the bollworm. Since then, various steps have been taken to counter the effect of bollworms however the results are not very encouraging as the yields are constantly dropping from 566 kg/HA in 13-14 to 422 kg/HA in 23-24.

Need for Newer seed varieties: After the introduction of the second generation GM variety in 2006, there has been no improvement in seed technology. The current BT seeds are the same previous generation variety, against which Bollworms have now developed resistance. They are also not suitable to combat weeds which develop around the cotton crop. Weeds can cause more than 30% decrease in cotton productivity.

There are better seed technologies available, which have superior Boll count compared to its predecessors as it offers three strains of proteins that help cotton plants against bollworm and other pests. Current seed generation also offers better weed management control. Thus, new seeds may lower the farmer's costs of spraying insecticides as well as herbicides.

Improvement in the Cotton production: Adaptation of the new seed technology will improve the yields and thereby the production. Assuming post adoption of the new seed technology we can improve the yield to 566 kg/HA which was the yield of cotton in the year 2013-14, we would produce 402 lakh bales, which is 62 lakh bales higher than the current year, thus we will have a potential gain of US$3.72 Billion which at the moment India is losing each year. In addition, farmer's income is likely to improve by 31% due to improvement in yields by up to 15% and 7% saving in cost of cultivation.

Rising domestic cotton consumption: With the crop size almost tripling in 11 years there has been a massive rise in domestic cotton consumption, consumption has grown from 154 lakh bales in 2002-03 to 315 lakh bales in 23-24.

This has led to value creation. India's domestic textiles and apparel market has grown from 50 billion USD in 2010-11 to about 99 billion USD in 2021-22 and is expected to grow to 190 billion USD by 2025-26, as per Industry experts.

This has brought about expansion of the spinning capacities as well as fabric and garment production. Since 2007 the cotton yarn exports increased from 1.76 billion USD to 4.92 billion USD in 2020-21, which is a 176% increase. With improvement in the crop production numbers we would see a rise in the yarn exports as well as an increase in the fabric and garment/madeups production.

Contribution of cotton & cotton textiles products to the Indian economy: For FY21, the Indian domestic Textile and Apparel market is estimated to be US$ 99 billion. Whereas India's Textiles & Apparel exports were US$ 31 billion. Thus, the total contribution of the sector stands at US$ 130 billion, which is about 5% of India's GDP for FY21.

The contribution of the cotton and cotton textiles products are the largest chunk. In the year FY21, India's cotton fiber exports were US$ 2.4 Billion, whereas the cotton yarn exports were at US$ 4.9 Billion, cotton fabric exports stood at US$ 3.3 Billion while Apparel and madeups exports were US$ 15.7 Billion. Thus, the contribution of cotton and cotton textile products stood at close to 60 % of the total textile exports. Given the scenario where we can improve the yields and thus produce up to 402 lakh bales, we would have an additional contribution of US$ 9.8 Billion to the economy every year.

Gains Made from 2005 till 2024: If one adds all the incremental value that Indian cotton and its value chain has generated from the enhanced production volumes credited to BT seed from 2005-2024 for the textile sector and Indian economy, the value is very significant at $ 240 Billion. This value generation could have been higher by an additional $133 Billion if the cotton yields would not have come down from the peak of 566 kgs/Ha, which we had achieved in 2013-2014, to the current levels of 422 Kgs/Ha

Potential Gain that awaits the sector: Once the policy accommodation for new seeds belonging to next generation GM varieties gets rolled out, as the process has already been green lighted, it has potential to contribute to the Indian textile economy in a range of US$ 800 B - US$ 1.6T (base case – best case scenarios) over next 15 years.

Trait fee and IPR debate: Considering the outsized impact that the GM technology holds for the Indian cotton farming and textile sector, it is reasonable to say that such significant policy support should not be allowed to get caught in the debates of trait fee and IPR protection.

Risks of not addressing seed issue with urgency: Sustained low yields of cotton will keep pushing the MSP to higher levels and will make Indian cotton most uncompetitive in the global cotton trade. It will have many negatives consequences such as exports of Indian cotton will go down and will create pressure on MSP agencies to procure a larger share of the crop and that may lead to demand on fiscal resources, it will impact the competitiveness and acceptability of Indian cotton textile in world textile trade, jeopardizing our objectives of much higher textile exports and consequently can trigger a spate of NPAs in Indian textile sector. At current MSP, Indian cotton is more expensive by approximately 15-20% as compared to similar type Brazilian cotton, which has emerged as the most competitive and large cotton exporting nation in the last 6-7 years.

Employment Generation: The textile sector provides a huge employment opportunity for both skilled and unskilled labor. As per IBEF, the textile sector is the second largest employer after agriculture in India employing over 45 million people directly and 60 million people indirectly. Given the additional contribution of ~ US$10 billion due to increase in production of cotton, there is a potential to create up to 3.5 million new jobs in the sector.

As there are many advantages of the next generation GM seed varieties vs. its predecessor as discussed earlier and therefore it is imperative the support and spread for this new technology variant be expedited. This would help boost production of cotton, which will enable us to boost our exports and earn valuable foreign exchange, increase our global market share, generate employment and reduce the usage of the hazardous pesticides and weedicides, thus save the environment including land and water which has a long-term detrimental effect on flora and fauna.

Source: eng.ruralvoice.in– Sep 15, 2024

HOME

****

Automation, emerging technology help Indian ports to scale up capacity

As India accelerates investments in ports, the role of emerging technologies will determine the success and efficiency of such infrastructure. From automation to sharing shipment data, India ports are adopting the latest technologies.

India's first transshipment port at Vizhinjam in Kerala has automated some processes. It offers large-scale automation for quick turnaround of vessels and has state-of-the-art infrastructure to handle the largest containerships.

In the first phase of development, the port will have a capacity of 1 million twenty-foot equivalent unit and in subsequent ones another 6.2 million TEUs will be added (TEU is a standard unit of measurement used in the shipping industry to describe the capacity of container ships and terminals). Other ports are using technologies based on Internet of Things (IoT) to track ship containers.

That is in line with international ports deploying emerging technologies to increase efficiency. In a partnership, Huawei is building the digital twin of China's Tianjin port. The market for port automation is growing substantially. The global smart ports market was valued at $2 billion in 2022 and is projected to reach $15.5 billion by 2032, according to a report by Allied Market Research.

"Smart ports, also known as intelligent or digital ports, represent a transformative paradigm in the maritime industry. These ports harness the power of advanced technologies, data analytics, and AI (artificial intelligence) to enhance efficiency, safety, sustainability, and overall operational performance," said the report.

Industry experts quoted in the report said sensors, IoT devices and other smart technologies are being used to track vessels, weather and equipment performance.

India has launched efforts for integrated port management, using data generated by automated processes. The government created the Unified Logistics Interface Platform (Ulip) for ports a few months ago. Ulip is a digital gateway that allows industry players to access logistics-related datasets on various government systems through application programming interface (API), a software interface that allows different computer programmes to communicate with each other. Ulip is integrated with 37 systems of 10 ministries via 118 APIs covering more than 1,800 data fields. More than 900 private companies are registered on the Ulip portal, amplifying its impact. These companies have developed more than 90 applications, leading to more than 350 million API transactions.

According to Ulip there are many successful examples of integration. The supply chains of Ultratech Cement require tens of thousands of carrier vehicles that are supplied by third-party transporters and travel across India. By integrating with ULIP, Ultratech can verify the compliance of all vehicles and drivers instantly. Another example shared by Ulip is Intugine, a logistics-related technology service provider. It uses Ulip's Fastag API as a tracking tool for road transportation when there is no GPS device or consent available. It has also created a planning tool for first-/ last-mile movement of rail-bound cargo by using Ulip's railways cargo tracking API.

Banking and financial institutions are also integrated in Ulip. Yes Bank is using Ulip's API for work like confirming cargo movement. Lynkit, a startup, is using data for gate and yard automation of manufacturing companies. TCIL is electronically verifying customers' official documents through Ulip's eKYC backed by DigiLocker system. This helps in saving time and cost as cumbersome manual processes are minimised. Cargo Shakti, an insurance settlement agency in the logistics sector, is using ULIP's data as digital evidence which is helping them in getting rid of the lengthy documentations.

India will invest Rs 80 trillion on port development over the years. In that work smart technologies will be at the core for efficient cargo management.

Source: business-standard.com– Sep 15, 2024

HOME

****