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Currency Watch			
USD	EUR	GBP	JPY
83.68	93.33	111.70	0.58

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INTERNATIONAL NEWS

The Two Americas: Gen Z, millennials prop up US economy despite falling incomes

As the US Bureau of Labor Statistics prepares to release its Annual Consumer Expenditure Survey next week, the data is expected to confirm what many Americans are already experiencing: financial hardship. Over 50 per cent of US households are likely to have seen their after-tax income drop not only below 2022 levels but also below 2021 and 2020 levels. This decline comes after a period of pandemic stimulus subsidies, which artificially boosted incomes in previous years.
The struggling majority

For over half of US households, 2023 will mark the first year since the pandemic without any Covid stimulus subsidies. Pre-tax incomes for those earning under $70,000 annually saw little change in recent years. However, after-tax incomes increased significantly due to stimulus checks. With subsidies gone, a sharp drop in after-tax income is anticipated, highlighting the struggle many families now face. Despite this widespread financial strain, the US economy continues to show strength. This resilience is attributed to two key groups: high-income households and Gen Z & Millennials.

Companies like Dollar General and Dollar Tree have already noted a shift in consumer behavior, with customers increasingly "cash strapped" and opting for cheaper alternatives. The upcoming BLS survey is expected to show a sharp decline in after-tax income, particularly compared to 2021 when stimulus checks were still being distributed.

The spending power of the young and affluent

Despite the financial challenges faced by many Americans, the US economy remains surprisingly strong. This resilience can be attributed to two key groups: high-income households and young adults, particularly Gen Z and millennials.

High-income households, representing about 17.5 per cent of all US households, have largely been unaffected by the economic downturn. Their spending has remained relatively constant, even as they shift their focus from discretionary items to essentials.

Meanwhile, Gen Z and millennials, aged between 24 and 38, have emerged as a major force in the consumer market. This generation benefits from a unique form of subsidy: their parents. Many still live at home, remain on their parents' cell phone plans, and enjoy other forms of financial support. This gives them significant discretionary spending power, which they are using to drive growth in categories like French-press coffee, leisure experiences, online gaming, and sports betting.

A divided economic landscape

The BLS survey is likely to reveal a deeply divided US economy. For many households, the cost of living has risen significantly while incomes have stagnated or even declined. However, a smaller, more privileged group continues to enjoy a comfortable lifestyle and drive consumer spending.

As long as these trends continue, the US economy will likely remain a tale of two consumers. The spending power of young adults and high-income households will continue to prop up the economy, even as a growing number of Americans struggle to make ends meet.

Source: fashionatingworld.com– Sep 24, 2024

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Global fashion titans' unique strategies for dominance

Sales figure of major global apparel retailers paints a vivid picture of the dynamic fashion industry, where top brands like Zara (Inditex), H&M, Uniqlo (Fast Retailing), and Gap have carved out their empires. Each brand has its own distinct philosophy, target audience, and growth strategy, contributing to a vibrant and competitive landscape.

Business philosophies, a study in contrasts

Zara, the fast-fashion pioneer: Zara's meteoric rise is attributed to its "fast-fashion" model. It prioritizes speed and agility, bringing designs from runway to retail in weeks. This strategy resonates with trend-conscious consumers who crave the latest styles. Zara's vertically integrated supply chain gives it unparalleled control over production, enabling rapid response to market trends.

H&M, affordable fashion for the masses: H&M champions "democratic fashion" by offering stylish clothing at accessible prices. It collaborates with high-profile designers and celebrities, creating buzz and exclusivity around its collections. H&M's sustainability initiatives, including its focus on recycled materials, attract environmentally conscious shoppers.

Uniqlo, functionality meets simplicity: Uniqlo's philosophy centers on "LifeWear," emphasizing timeless, high-quality basics that fit seamlessly into everyday life. The brand's focus on innovation and technology, exemplified by its Heattech fabric, appeals to practical and value-driven consumers.

Gap, classic American style: Gap has built its reputation on classic American casual wear. While facing challenges in recent years, it remains a household name with a strong presence in denim and casual basics. Its diverse portfolio of brands, including Old Navy and Banana Republic, caters to a wide range of consumer preferences.

Appealing to diverse tastes each of them have carved a niche. Zara caters to fashion-forward individuals who prioritize the latest trends and are willing to pay a premium for quick access to new styles. H&M is more focused on budget-conscious shoppers seeking trendy and accessible fashion, including families and young adults.

Uniqlo is for more practical and value-driven consumers who appreciate quality basics and functional clothing. And Gap, is for those seeking classic American style and casual wear for everyday life.

Future plans and growth markets

Zara continues its aggressive global expansion, particularly in emerging markets like Asia and Latin America. It is investing heavily in e-commerce and omnichannel capabilities. H&M is focusing more on sustainable and ethical practices to appeal to conscious consumers. It is expanding its online presence and exploring new store formats.

Uniqlo aims to become the world's leading apparel retailer by opening more stores in key markets and enhancing its digital capabilities. It is expanding its product offerings to include sportswear and outdoor apparel. And Gap meanwhile is undergoing a transformation plan to streamline operations and focus on core brands. It is investing in e-commerce and closing underperforming stores.

All four retailers see significant growth potential in emerging markets, especially in Asia, where rising disposable incomes and a growing middle class are boosting demand for fashion. Each brand has a unique approach to the global apparel market.

Their contrasting philosophies, target audiences, and growth strategies create a dynamic and competitive environment. As these fashion giants continue to evolve and expand, their battle for supremacy will shape the future of the industry. The graph serves as a reminder of their past achievements and a glimpse into the exciting possibilities that lie ahead.

Source: fashionatingworld.com– Sep 23, 2024

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There will be no room for discriminatory trade of Xinjiang-related products: Global Times editorial

In accordance with relevant laws and regulations, China's Ministry of Commerce said Tuesday that it will probe into PVH Corp. of the US under the unreliable entity list framework for suspected discriminatory measures and other practices violating market trading principles regarding Xinjiang-related products. This news was widely reported in foreign media and seemed to take many by surprise. It was also interpreted by some media outlets as a "tough signal" from China regarding Xinjiang-related issues. Objectively speaking, in response to PVH's boycott of cotton products from China's Xinjiang Uygur Autonomous Region and other related products without justification, China's initiation of this investigation is completely reasonable and legitimate. It represents a justifiable move by the Chinese government to safeguard the legitimate rights and interests of relevant enterprises and industries.

Multinational companies are welcome to invest in China; however, this does not mean that China will compromise on issues concerning principles and positions. In the face of actions that obviously have non-commercial purposes, and discriminatory measures against China - particularly concerning Xinjiang-related products - China will, of course, use legal methods to safeguard the legitimate rights and interests of relevant Chinese enterprises and industries, and to defend a fair and just international trade order. There is no need for surprise.

In recent years, absurd anti-China narratives, such as "genocide" and "forced labor" in Xinjiang, have seriously disrupted the order of global textile and garment industry. Many well-known global apparel companies have been compelled to make the so-called "politically correct" choice regarding the issue of Xinjiang cotton.

PVH owns apparel brands such as Calvin Klein and Tommy Hilfiger. According to the Wall Street Journal, PVH states that China is an "important growth engine" for the company, with revenues increasing by more than 20 percent last year, and that it also wants to focus on increasing brand awareness in China.

However, according to CNBC, in a corporate responsibility report released in 2022, PVH said that Xinjiang is one of the regions where no direct or indirect sourcing is permitted. PVH ostensibly emphasizes the "importance" of the Chinese market, but what it is actually doing is cooperating with the US government's discriminatory suppression of Xinjiang-related products, which has seriously undermined the legitimate rights and interests of Chinese enterprises as well as jeopardized China's sovereignty, security and development interests. PVH must provide a clear and unequivocal explanation.

The Chinese side will not allow entities that slander and defame China to act with impunity in China, nor will it tolerate actions aimed at "using the Xinjiang issue to contain China." Over the past two years, pressuring multinational companies to withdraw from Xinjiang has been a common tactic employed by certain anti-China forces to discredit the nation and promote "decoupling" from China.

There are many examples of this. For instance, last year, Volkswagen stated that an audit of its jointly owned site in Xinjiang had found no signs of forced labor; but recently, it was subjected to a presumption of guilt by certain foreign media which claimed that the audit failed to meet key aspects of the international standard. Similarly, German chemical giant BASF reported that its audits found no evidence of human rights violations at its joint ventures in Xinjiang, yet it was forced to accept "allegations inconsistent with corporate values" and divest from those joint ventures. We hope that multinational companies looking to expand their business in Xinjiang can trust the facts they observe and avoid becoming victims of political manipulation.

China's implementation of the unreliable entity list is both legitimate and necessary. The first article of the "Provisions on the Unreliable Entity List" clearly states that the provisions are formulated "for the purpose of safeguarding national sovereignty, security and development interests, maintaining fair and free international economic and trade order, protecting the legitimate rights and interests of enterprises, other organizations, and individuals of China." We cannot allow relevant companies or entities to openly violate Chinese laws and follow certain countries in practicing long-arm jurisdiction. China must take strong countermeasures against such behavior, sending a clear signal: Any company wishing to engage in trade with China must comply with Chinese laws and regulations.

It is important to clarify that China's attitude toward the issue of unreliable entity list is cautious, and foreign entities that adhere to integrity and the law will continue to be welcomed. Multinational companies conducting business in China should respect the facts, recognize right from wrong, and value the opportunities for investment and development in Xinjiang.

China does not intend to "punish" the relevant companies; the 30-day window given to PVH to cooperate with the investigation and provide relevant documents is meant to encourage PVH not to stubbornly position itself as a victim of US trade protectionism. While China welcomes multinational companies to invest and operate within its borders and values normal trade relations with the US, this does not mean that China will leave room for compromise on issues concerning principles and positions.

Source: globaltimes.cn– Sep 25, 2024

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ADB raises growth forecast for developing Asia & Pacific

The Asian Development Bank (ADB) has revised its economic growth forecast for developing Asia and the Pacific upward, citing robust domestic demand and a solid export performance. According to the Asian Development Outlook (ADO) September 2024 report, the region's economy is now expected to grow by 5.0 per cent this year, up from an earlier projection of 4.9 per cent in April. The 2025 forecast remains steady at 4.9 per cent.

Inflation in the region is anticipated to decline to 2.8 per cent in 2024, down from a previous estimate of 3.2 per cent, due to easing food prices and the delayed effects of monetary policy tightening. These developments bring inflation close to pre-pandemic levels.

The upward revision is driven by stronger-than-expected growth in East Asia, the Caucasus and Central Asia, and the Pacific. Increased global demand for semiconductors, particularly fuelled by advancements in artificial intelligence, has been a key factor boosting exports from the region.

ADB chief economist Albert Park commented, "Strong economic fundamentals will continue to underpin expansion this year and next. Financial conditions are expected to improve as inflation moderates further and the US eases its monetary policy, supporting the region's positive outlook."

Despite the optimistic outlook, the ADB warns of risks including escalating US-China trade tensions, a potential deterioration in China's property market, geopolitical tensions, and the impacts of climate change on commodity prices and food and energy security.

The ADB's growth forecast for China, the region's largest economy, remains at 4.8 per cent for this year and 4.5 per cent in 2025. China's economic expansion has been hindered by ongoing challenges in its property sector, affecting household spending. However, higher investment and strong export performance, driven by fiscal and monetary stimulus, have partly offset these issues.

India, the second-largest economy in the region, is expected to maintain its 7.0 per cent growth rate in 2024, supported by strong domestic demand and increased government expenditure.

Elsewhere, growth in the Caucasus and Central Asia has been revised upwards to 4.7 per cent, spurred by rising remittances and domestic demand. The Pacific region is now forecast to grow by 3.4 per cent, with a boost from tourism, while Southeast Asia's growth forecast has been lowered to 4.5 per cent due to declining public investment and a slower recovery in exports.

Source: fibre2fashion.com– Sep 25, 2024

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Chinese port, Kazakhstan's KTZ to set up container hub at Aktau

Kazakhstan's national railways company Kazakhstan Temir Zholy (KTZ) recently announced a partnership with China's Lianyungang Port and its own Aktau Sea Trade Port to set up a container hub at Aktau.

This initiative is part of China's Belt and Road Initiative.

To be located in the Trans-Caspian International Transport Route (TITR), also known as the Middle Corridor, the container hub is expected to enhance Kazakhstan's role in the international logistics network, boost the route's appeal and increase transit traffic volumes, according to Kazakh media outlets.

The agreement for this joint venture was signed in Xi'an, China, on September 20. On the same day, a container train departed Xi'an along the TITR. The train, comprising 55 40-foot containers, is set to travel a distance of nearly 7,000 km, reaching Baku in 8-11 days and Budapest within 25 days.

KTZ Express, a subsidiary of KTZ, has a longstanding partnership with Lianyungang Port, having successfully executed two major projects over the past decade: the Kazakh-Chinese terminal in Lianyungang and the Khorgos Gateway, Central Asia's largest dry port located at the Kazakh-Chinese border.

The planned container hub is expected to streamline logistics further, with the Kazakh-Chinese terminal in Xi'an playing a pivotal role. Opened in early 2024, it currently accounts for 30 per cent of all container trains from China to Europe that are assembled at the dry port.

Cargo transit via the TITR has surged 20-fold in the first eight months of this year compared to the previous year, significantly reducing delivery times.

Source: fibre2fashion.com– Sep 25, 2024

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What’s Next If There Is a Port Strike?

A ports strike on Oct. 1 involing the East and Gulf Coasts now seems inevitable since neither side seems willing to budge.

Fashion and retail trade groups—the National Retail Federation, the American Apparel & Footwear Association, and the Retail Industry Leaders Association—have all issued statements calling for the Biden administration to intervene to avoid a strike. The Biden administration has already said it doesn’t plan to invoke the 1947 federal Taft-Hartley Act, a move that would pause the strike and move the parties back to the bargaining table.

Sources told Sourcing Journal that the U.S. Department of Labor (DOL) has been in contact with the United States Maritime Alliance (USMX), which represents employers of the East and Gulf Coast longshore industry. But the outreach by the federal government shouldn’t be read as a possible shift in the Biden administration’s openness to help broker a deal. Rather, the DOL has been reaching out every week for the past month solely to get updates on possible movements in contract talks, one source familiar with those calls told SJ.

The International Longshoreman’s Association (ILA) broke off talks on June 10th, the last time the workers’ union was in talks with the USMX to hammer out a Master Contract. Last month, the ILA sent out a notice to employer groups indicating that the current collective bargaining agreement was expiring on Sept. 30, and would not be extended. One source familiar with the talks, who asked not to be identified, told SJ that the impasse since June was “highly unusual” since parties typically push on with negotiations until the deadline, and often will extend contract talks to try to get a deal done. That’s because parties in union talks are supposed to negotiate in “good faith” as they try to work out a deal that’s agreeable to both sides.

Credit ratings firm Fitch Ratings said that a strike wouldn’t impact the credit of the East and Gulf Coast port owners, the largest being the Port Authority of the New York and New Jersey. Its revenue bonds are rated “AA-,” adding that the ports have long-term contracts—usually 10 to 30 years—with terminal operators, which insulate them from volume and revenue fluctuations. But Fitch did note that a new ILA contract would likely lead to higher labor costs. “Terminal operators, in turn, are expected to pass along higher costs to shippers via rate increases where possible," Fitch said.

Other credit and equity analysts tracking the possible port strike seem to be on the same page in thinking that a strike won't last beyond two weeks. How one gets to that outer time limit remains a question mark.

The legal framework for the invocation of Taft-Hartley has three required elements. There has to be a threatened or actual strike, the strike has to affect all or a substantial part of an industry participating in "trade, commerce, transportation" among the several States or with foreign nations, and it is the President's opinion that a continuance of the strike "would imperil the national health or safety."

But what constitutes national health or safety?

A 2023 report from the Congressional Research Service on Taft-Hartley said former President Bill Clinton chose to stay on the sidelines in the 1997 UPS strike that lasted 15 days. Clinton said there must be "severed damage to the country" before the President is authorized to intervene under Taft-Hartley. In 2002, then President George W. Bush chose to intervene when 29 Pacific Coast ports locked out members of the International Longshore and Western Union (ILWU). Bush said the lockout was detrimental to the economy and national security because it impeded foreign trade and had the potential to slow the movement of military supplies.

The process is started when the President appoints a board of inquiry (BOI) regarding the labor dispute. The BOI issues a report, after which the President may direct the U.S. Attorney General to petition a federal court to implement an injunction. The effect of the injunction would be a halting of the strike for 80 days, the so-called cooling off period. Meanwhile, the longshoremen back to work, while the two unions would return to the bargaining table.

If the two are still in talks between days 60 and 75, the USMX would make its final offer and the National Labor Relations Board (NLRB) would hold a secret ballot for voting on the offer. The certified results are sent by the NLRB to the Attorney General, who then seeks to have the injunction removed. In a situation where the final offer is not adopted, the President forwards to Congress the BOI reports, election results, and recommendations for Congress to take appropriate action.

The two known sticking points center on wages and automation. One source told SJ that the base rate is $39 an hour, but the ILA is seeking a $5 annual increase each year over the six-year term of a new contract, or what has been deemed a 77 percent increase. The wage increase that the ILA is seeking is larger than the 32 percent that the ILWU agreed on last summer when they agreed to a new six-year deal that prevented a West Coast port strike.

The other major bone of contention is automation. The 2018 contract is said to have a provision that there can be no full automation unless both parties agree, this person said. While the indication is that the USMX isn't changing its stance on that requirement before it can be fully automated, the ILA points of contention seem to be about other aspects in connection with automation of some responsibilities.

"Dockworkers fear they will lose their jobs due to automation. Unlike other strikes, this one is real and the concern over automation is legitimate," Tracey Ortiz, SPS Commerce's director, project management, said. She said ports across the country haves started automating equipment because it saves money, time, and has a higher degree of reliability.

Ortiz noted that the pattern among longshoremen to not negotiate is atypical, but that they've taken a stand because the issues at stake is more than just about money.

"This is about future automation replacing a large majority of jobs within the ports and that reality is valid. It will eventually happen," she said, adding that the current reality is that the ports are not prepared with nearly enough automation to absorb a strike, even for a day or two.

Historically, the Ports of Los Angeles and Long Beach have been the busiest U.S. ports, with the highest volume of import and export freight. In 2024, that shifted with the Eastern port volume spiking 20 percent over 2023.

"First Houston saw an increase in volume and, last year, Savannah started to see spikes," Ortiz said. "Now Savannah is projected to be the busiest U.S. port in the next five years."

She said that with the large shift of cargo heading for Eastern ports, the risk of immediate impact on the supply chain "is very high" should a strike occur on Oct. 1.

Source: sourcingjournal.com– Sep 25, 2024

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US Lawmakers Seek Enhancements to USCMA to Stop Uyghur Forced Labor

Four U.S. lawmakers want the Uyghur Forced Labor Prevention Act (UFLPA) to serve as a blueprint for similar legislation in Canada and Mexico, ensuring that North America can "truly" be a region free of goods produced with forced labor from China's Xinjiang Uyghur Autonomous Region, where the persecution of Muslim minorities is widespread.

In a letter to the trade representatives of the United States, Canada and Mexico on Tuesday, Congressmen Chris Smith (R-N.J.) and Jim McGovern (D-Mass.) and Senators Jeff Merkley (D-Ore.) and Marco Rubio (R-Fl.) urged for the escalation of regional efforts to shun products made with modern slavery, including more robust implementation of Article 23.6 of the United States-Mexico-Canada (USMCA) trade agreement, which prevents goods denied in one country because of a determination of forced labor from being reexported to another.

"We welcome the forced labor section of the USMCA and are pleased that each of the parties has acted to bring their laws into compliance with the agreement," wrote the legislators, all current or former chairs of the bipartisan and bicameral Congressional-Executive Commission on China.

"We are also pleased that a trilateral dialogue on forced labor has been established, as well as an agreement to share information about shipments denied at U.S. ports under the UFLPA import ban. However, there is more to be done."

The Chinese government's "horrendous behavior," which Beijing has repeatedly and vociferously denied, has not diminished, the letter said. The UFLPA was also born from the recognition that additional mechanisms would be necessary to ensure Customs and Border Protection's enforcement of the rebuttable presumption that all goods produced or mined, in whole or in part, in Xinjiang are the product of forced labor and therefore impermissible in the American market under Section 307 of the 1930 Tariff Act.

"We believe this approach is the most effective way to ensure that our countries are in full compliance with our obligations under Article 23.6 with regard to the PRC," the lawmakers wrote, using an acronym for the People's Republic of China. "We note that U.S. Customs and Border

Protection has identified tomatoes, cotton, polysilicon, aluminum, polyvinyl chloride and seafood as priority sectors for enforcement, the identification of which can aid in expending resources efficiently."

The letter also calls for expanded cooperation under Article 23.6 so that more attention is paid to shipments that don't originate from China but could include Uyghur forced labor in during manufacturing.

It provided the example of a shipment of solar panels that had been denied entry into the United States under the UFLPA, subsequently imported into Canada and then submitted for reentry into the United States.

"The need for cooperation is heightened because most of the goods detained at U.S. ports under the UFLPA have originated not in the PRC, but rather in several Southeast Asian nations," the letter said. "We urge parties to the USMCA to utilize existing information-sharing agreements to stop the transfer of forced labor products as well as identified reexport or transshipment schemes."

The USMCA joint review currently tabled for July 2026 would be an apt opportunity to codify the suggestions and make North America a "forced labor import-free zone…that would bring credit to each of our countries and benefit all our citizens," the legislators added.

The missive comes as Rubio and Merkley, together with Congresswoman Jennifer Wexton (D-Va.), introduced Senate and House versions of a bill that would require the Treasury secretary to instruct the American heads of international financial institutions to oppose loans to projects that pose forced labor risks or involve a state-owned or heavily state-influenced entity, particularly from Xinjiang.

The so-called No Funds for Forced Labor Act would also require the institutions to explain how they vet projects for forced labor red flags, as well as track, mitigate and potentially reverse any risks.

The Treasury, too, would have to generate a report that lists any projects that international financial institutions have greenlit but may involve forced labor within a year of the law's enactment and annually for the next five years, along with any efforts undertaken by those companies' executive directors to convince other countries to oppose projects that could utilize forced labor.

"Forced labor is a horrific practice witnessed worldwide," Rubio said last week. "In China, the Chinese Communist Party continues with its grotesque campaign of genocide against Uyghurs and other minorities. We have a moral duty to ensure our nation isn't tied to any purchases tainted with the forced labor of humans."

Source: sourcingjournal.com– Sep 24, 2024

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Natural Fibre Connect 2024 highlights the importance of forging a sustainable future for natural fibers

The Natural Fibre Connect (NFC) conference, held at the Città Studi Conference Centre in Biella from September 19 to 20, 2024, emerged as a vital platform for stakeholders in the natural fiber industry to discuss and collaborate on strategies for sustainable growth and innovation. The event brought together growers, processors, brands, NGOs, and certifying bodies to address pressing challenges and explore opportunities in the alpaca, cashmere, mohair, and wool sectors.

The conference kicked off with three days of immersive mill visits, providing attendees a firsthand look into the intricate processes involved in transforming raw animal fibers into high-quality textiles. Tour stops included prominent companies like the Schneider Group, Lanificio Cerruti, and Zegna Baruffa Lane Borgosesia, offering a valuable glimpse into the latest technological advancements and sustainable practices adopted by industry leaders.
Sustainability at the forefront

The conference emphasized the critical importance of sustainable practices throughout the natural fiber supply chain. The Sustainable Fibre Alliance (SFA) and the Good Cashmere Standard provided updates on their efforts to promote animal welfare, environmental responsibility, and social equity. Panel discussions highlighted the need for greater transparency and traceability to ensure that natural fibers are produced and processed in a responsible manner. It maybe noted that as per SPF Annual Report, their membership has grown by 20 per cent in the past year, reflecting the increasing commitment of brands and retailers to sustainable sourcing.

Focus on innovation and collaboration

Stakeholders showcased innovative technologies and approaches to enhance the quality, performance, and sustainability of natural fibers. The need for innovation and technological advancements to enhance efficiency and reduce environmental impact was a recurring theme. The conference fostered collaboration between growers, processors, and brands to develop new products and expand market opportunities. The mill visits provided valuable insights into the latest manufacturing processes and techniques.

Empowering growers

A dedicated panel session provided a platform for growers from Australia, South Africa, and other producing countries to voice their concerns and aspirations. Discussions centered on the importance of fair pricing, access to markets, and the need for collaborative efforts to address the challenges faced by growers at the grassroots level.

Highlighting trends and challenges

The Textile Exchange reports the global market for preferred fibers, which include alpaca, cashmere, mohair, and wool, grew by 10 per cent in 2023. The conference thus addressed the challenges posed by volatile market conditions, shifting consumer preferences, and competition from synthetic fibers. Speakers emphasized the importance of building consumer awareness and appreciation for the unique qualities and benefits of natural fibers. The event also highlighted the need for greater collaboration across the industry to promote the value and sustainability of natural fibers.

Thus NFC 2024 served as a powerful reminder of the interconnectedness of the natural fiber industry and the urgent need for collective action to ensure its sustainable future. The conference fostered a spirit of collaboration and innovation, setting the stage for a more responsible and ethical approach to the production and consumption of alpaca, cashmere, mohair, and wool.

Source: fashionatingworld.com– Sep 25, 2024

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ADB projects Vietnam's GDP growth at 6% in 2024, 6.2% in 2025

The Asian Development Bank (ADB) projected a positive economic outlook for Vietnam in its Asian Development Outlook for September released yesterday, forecasting gross domestic product (GDP) growth at 6 per cent in 2024 and 6.2 per cent in 2025.

“Viet Nam’s economy showed robust recovery in the first half of 2024 and continues to maintain momentum despite global uncertainties,” said ADB country director for Vietnam Shantanu Chakraborty. “This steady recovery has been driven by improving industrial production and a strong rebound in trade,” he said in an ADB release.

The industrial sector continues to be a primary driver of growth. However, domestic demand remains sluggish, and subdued global economic prospects add uncertainty, ADB noted in the report.

Inflation is expected to remain moderate at 4 per cent for 2024 and 2025, although geopolitical tensions, including the conflict in the Middle East and the Russian invasion of Ukraine, could affect oil prices and potentially boost inflation.

Downside risks that may slow the country’s growth momentum include weak external demand in major economies and geopolitical tensions and uncertainties related to the US election in November possibly leading to trade fragmentation, adversely affecting exports, manufacturing activity and employment.

Raising domestic demand will require stronger fiscal stimulus measures like accelerating public investment implementation, while maintaining low interest rates.

Coordinated policy measures are essential to economic recovery, given relative price stability and weak demand, ADB recommended.

Source: fibre2fashion.com– Sep 26, 2024

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NATIONAL NEWS

Make in India Celebrates 10 Years: A Decade of Transformational Growth

The 'Make in India' initiative, launched on 25th September 2014, completes a landmark decade of empowering India to become a global manufacturing hub. Under the visionary leadership of Prime Minister Shri Narendra Modi, the program has played a pivotal role in boosting domestic manufacturing, fostering innovation, enhancing skill development, and facilitating foreign investment.

10 Years of Impact: A Snapshot

Foreign Direct Investment (FDI): Since 2014, India has attracted a cumulative FDI inflow of USD 667.4 billion (2014-24), registering an increase of 119% over the preceding decade (2004-14). This investment inflow spans 31 States and 57 sectors, driving growth across diverse industries.

Most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. FDI equity inflows into the manufacturing sector over the past decade (2014-24) reached USD 165.1 billion, marking a 69% increase compared to the previous decade (2004 - 14), which saw inflows of USD 97.7 billion.

Production Linked Incentive (PLI) Scheme: The PLI Schemes introduced in 2020 have resulted in ₹1.32 lakh crore (USD 16 billion) in investments and a significant boost in manufacturing output of ₹10.90 lakh crore (USD 130 billion) as of June 2024. Over 8.5 lakh jobs have been created directly and indirectly due to the initiative.

Exports & Employment: India's merchandise exports surpassed USD 437 billion in FY 2023-24.

Exports have surged, with an additional ₹4 lakh crore generated due to the PLI schemes, while total employment in the manufacturing sector increased from 57 million in 2017-18 to 64.4 million in 2022-23.

Ease of Doing Business: India's commitment to improving business conditions is evident in its sharp rise from 142nd rank in 2014 to 63rd rank in 2019 in the World Bank's Doing Business Report.

Over 42,000 compliances have been reduced, and 3,700 provisions has been decriminalized. The Jan Vishwas (Amendment of Provisions) Act, 2023, passed by Lok Sabha on 27th July 2023 and Rajya Sabha on 2nd August 2023, which has decriminalized 183 provisions across 42 Central Acts.

Click here for more details

Source: pib.gov.in– Sep 25, 2024

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India to have a trade promotion office in Sydney: Shri Piyush Goyal

Union Minister for Commerce and Industry Shri Piyush Goyal announced the setting up of an office for trade promotion in Sydney, Australia with representatives of Invest India, NICDC, ECGC, other officials related to trade and tourism along with the private sector represented by CII. While addressing a joint press conference at Adelaide today along with the H.E. Don Farrell, Minister for Trade & Tourism, Australia, Minister Goyal said these offices will act as a bridge between investors and businesses on both sides. Minister Goyal said the focus is to upscale the partnerships in trade, investment, tourism and technology.

Minister Goyal stated that India celebrates '10 years of Make in India' today. The programme provided a whole of the approach in addressing the challenges of the manufacturing sector, he said.

It provided provisions for 'Plug and play' for infrastructure, single window system for approvals, easing compliance burden, decriminalising laws, opening up FDI in newer sectors and encouraging the startup ecosystem, signifying a multi-pronged approach to attract manufacturing in India.

Minister Goyal noted a lot of promise between the Make in India Programme of India and the Make in Australia programme of Australia to exchange technologies, opportunities and encourage businesses to work with each other.

The Minister added that enhanced cooperation in education, skill development, investment, tourism, critical minerals, green ecosystem for sustainability are areas where the partnership holds significant potential.

Speaking about his visit to Australia, Minister Goyal said that for the first time, the leadership of both the CII and FICCI were represented in Australia, signifying the importance of the partnership.

He added that the unprecedented ties between the two countries with 9 in-person meetings of senior leaders being held since May 2022 reflected the deep-bonding of leaders and supplements the business-business and people-people to connect.

Minister Goyal added that India and Australia are working towards strengthening Economic-Cooperation and Trade Agreement (ECTA) through Comprehensive Economic Cooperation Agreement (CECA). He said that the ECTA agreement has resulted in market access to both sides and resulted in significant increase in merchandise trade.

Shri Goyal highlighted Australia's role in India's journey through greater trade, exchange of technologies, common goals for sustainability, and provision of high-tech services and investment. "India offers advantages of 4 Ds- democracy, demographic dividend, demand and decisive leadership with leadership under Shri Narendra Modi, willing to reform, perform and transform the country", further added the Minister.

Source: pib.gov.in– Sep 25, 2024

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19th India-Australia Joint Ministerial Commission Meeting

Shri Piyush Goyal, Union Minister of Commerce and Industry led the Indian delegation to Adelaide and met Senator Don Farrel, Minister of Trade and Tourism, Australia.

Minister Goyal co-chaired the 19th India- Australia Joint Ministerial Commission meeting. He emphasised on the tremendous trade and investment opportunities yet to be explored jointly both countries.

He announced the opening of an Investment, Trade, Technology and Tourism (ITTT) office in Sydney which will have representation of Invest India, NICDIC, Export Promotion and DGFT including private sector (participation by CII). The primary mandate of this office would be facilitating trade issues between investors and businesses on both sides. He stressed on the unprecedented levels of trust and friendship between the two countries as their Prime Ministers met 9 times since May 2022.

The Minister talked about celebrating 10 years of 'Make in India' initiative, which was launched by the Prime Minister of India Shri Narendra Modi in 2014.

This initiative was based on the whole of government approach to address the challenges faced by manufacturers in India. Over the last 10 years, India achieved groundbreaking achievements in key sectors like manufacturing, technology, and infrastructure. Shri Goyal emphasised how 'Make in India' and 'Future Made in Australia' could be synergistic in their approach.

He also spoke about the 4 D strengths of India—Decisive leadership, Demand of 1.4 billion aspirational Indians, Demographic Dividend with average age of India being 28.4 years, and Democracy.

Shri Goyal flagged outstanding issues of ECTA for early progress including timely conclusion of Mutual Recognition Agreements (MRAs) in Services and Organics amongst others.

Shri Goyal acknowledged on building more people to people engagements and increasing aviation connectivity between the two countries.

He emphasised on how India offers an array of aspirational and highly skilled workforce with cutting edge knowledge, which could befittingly complement Australia's demand in professional services.

Both countries set a target of achieving 100 billion dollars trade by 2030. The committee also discussed greater cooperation at multilateral and other forums- G20, IPEF and WTO including the Domestic Services Regulation issue.

The committee aimed for expediting the conclusion of CECA with a greater flow of goods and services along with increased investment for people and businesses on both sides.

Source: pib.gov.in– Sep 25, 2024

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Indian Home Textile Sector To Grow 8-10% In FY25 Amid Global Recovery

The Indian home textile industry is poised for a significant revival, with sales predicted to increase by 8 to 10 per cent in FY25 after a tough FY23. According to a CareEdge Ratings analysis, important drivers of this recovery are rising per capita income, rapid urbanisation, a thriving real estate market and greater hygiene awareness following COVID-19.

Globally, the home textile business was valued at USD 122 billion in 2023 and is forecast to reach USD 134 billion by the end of 2024, rising at a CAGR of 5 to 5.5 per cent, with a market value of USD 185 billion by 2030. China dominates the global market with exports of around USD 23 billion, followed by India at USD 5.7 billion and Turkey at USD 4.2 billion. The United States remains the top importer, accounting for 30 per cent of worldwide home textile imports, with India ranking second at 29 per cent, trailing only China.

India's domestic textile exports increased by 12.27 per cent between CY19 and CY23, establishing the country as a major player in the US market. Carpets, rugs, bed linen and kitchen linen remain popular export items. However, after peaking in FY22 with 26 per cent year-over-year increase driven by pandemic-induced demand, the industry encountered challenges. Cotton prices soared to Rs 1,00,000 per candy by mid-2022, while the Russia-Ukraine war increased freight expenses, reducing profitability. Exports fell by 12 per cent year on year in FY23, from Rs 14,200 crore in Q2 FY22 to Rs 11,200 crore in Q4 FY23.

Recovery And Outlook For FY25

Despite these losses, the industry began to recover in FY24, with exports trending upward, mainly to the US. Cotton prices have stabilised between Rs 160 to Rs 164 per kg, allowing manufacturers to re-establish profitability. Freight prices, while still high due to the ongoing Red Sea situation, have decreased from their peak levels, contributing to better financial performance, CareEdge Ratings stated.

The recovery is also aided by Indian home textile companies' robust bank sheets, with many investing in capacity development to meet rising worldwide demand. CareEdge Ratings predicts that the industry will sustain operating margins of 14 to 15 per cent in FY25, owing to stable raw material prices and growing demand from important countries such as the United States and Europe.

While freight prices continue to be an issue, the transition towards sustainable and eco-friendly products is projected to play an important part in the industry's growth. India continues to benefit from the China+1 strategy, which has seen multinational corporations diversify their supply chains away from China, creating possibilities for Indian exporters.

Source: businessworld.in – Sep 25, 2024

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Exporters' body FIEO seeks 5-year extension of interest subvention scheme

Exporters' body Federation of Indian Export Organisations (FIEO) on Tuesday said it has requested the government to extend the interest subvention scheme for exporters for five years.

"If there is no interest equalisation scheme, then we will lose some markets and some orders," FIEO Director General Ajay Sahai told reporters, according to a PTI report. The scheme was extended last month by DGFT till September 30 for MSME manufacturing exporters.

Started in April 2015 and initially valid for five years till March 2020, the scheme provides an interest equalisation benefit at the rate of 2 per cent on pre and post-shipment rupee export credit to merchant and manufacturer exporters of the identified 410 tariff lines and 3 per cent to all MSME manufacturer exporters.

Moreover, last week DGFT had imposed an interest subvention cap of Rs 5 crore per IEC (import-export code) for MSME manufacturers till September 30, 2024, for the current fiscal. DGFT also clarified that the cap was Rs 2.5 crore for manufacturer exporters and merchant exporters till June 30, 2024.

In December last year, the Union Cabinet had approved an additional allocation of Rs 2,500 crore for the continuation of the scheme till June 30, 2024.

Importantly, according to FIEO, the export credit growth is struggling to keep pace with the country's rising exports. In a separate statement on partnering with the UK-based export finance company Stenn for its expansion in India, FIEO said between March 2022 and March 2024, there has been a decline in export credit even as the need for longer-duration credit has increased.

This is due to rising commodity prices, sharp spikes in sea and air freight costs, and the Red Sea crisis, which has extended voyage times and delayed payments.

Moreover, since the current geopolitical developments, along with the 'China plus one' strategy of multinational companies, have allowed Indian exporters to secure additional or new export orders from both new and existing buyers, fulfilling these orders requires additional working capital in the form of pre-shipment and post-shipment export credit.

However, due to the credit risk assessment conducted by banks, exporters may struggle to secure the necessary export credit. With sufficient availability of export credit, India's exports could potentially reach $2 trillion by 2030, FIEO said.

Source: financialexpress.com– Sep 24, 2024

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Indian retail growth stagnates at 2% in August 2024: RAI

Indian retail sector witnessed a modest growth of only 2 per cent in August 2024 compared to the same period in 2023, as per the 54th Retail Business Survey of the Retailers Association of India (RAI).

The report highlights varying trends across different regions and sectors of the retail market in India, but overall growth remains subdued, with many retailers expressing concerns about negative growth on a like-for-like basis.

According to the survey, the retail market in north and south India experienced a sales growth of 3 per cent each, while east and west India saw a smaller increase of 1 per cent each.

Kumar Rajagopalan, CEO of RAI, commented on the findings, stating, "Retail business for the month of August has not shown robust growth over last year. Many retailers have maintained that they have witnessed negative growth on like for like basis. All expectations are that the festive season could bring positive growth since the situation of economy overall is positive."

Source: fibre2fashion.com – Sep 25, 2024

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West Bengal likely to get textile cluster as part of India-US trade talks

In light of recent trade conversations between US President Joe Biden and Prime Minister Narendra Modi, West Bengal is reportedly expected to receive a textile cluster. India intends to establish 75 such clusters nationwide in order to increase exports.

The signing of a Memorandum of Understanding (MoU) between the Ministry of Micro, Small, and Medium Enterprises and the Small Business Administration was welcomed by the leaders during the recent Modi-Biden meeting.

The goal of the agreement is to improve the participation of small and medium-sized enterprises from the United States and India in the global marketplace by fostering cooperation through capacity-building workshops in areas like trade and export finance, technology and digital trade

The intention to establish these textile clusters in order to increase exports coincides, according to sources, with India's plans to expand commerce with the United States. According to experts, this is a tactic to address China's trade deficit with India.

In this context, India seems to have made the decision to look elsewhere. Bengal is probably among the top five states that will contribute to the Union government's efforts to establish textile clusters across the nation.

For this reason, a number of production units must be established. The nodal agency would be the Ministry of Commerce and Industry. According to sources, the goal is to increase the value of India's textile market from Rs. 10 lakh crore to Rs. 20 lakh crore over the course of the next five years. A strong supply chain and distribution will be established with the aid of the textile clusters.

Experts in the field stated that Kolkata already has a strong textile business. Officials from the state administration believe that Bengal has already taken a number of steps to establish the state as a textile powerhouse.

According to sources, Bengal may soon see Union Minister of Commerce Piyush Goyal for negotiations with the state administration. According to reports, the state government has allocated Rs. 32.50 crore for the 2024–25 fiscal year in order to ensure that infrastructure projects funded by the SIDBI Cluster Development Fund (SCDF) run smoothly.

Textile clusters in Metiabruz and handloom clusters in Nadia and East Burdwan are two prominent examples of clusters. The MSME and Textiles department promoted the opening of outlets in each district headquarters in order to promote and increase the sale of “Banglar Saree” throughout the state.

Source: apparelresources.com– Sep 25, 2024

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Non-BT cotton sowing shrinks to 5.42% of India's total cotton area

The non-BT cotton (including organic cotton) sowing area in India reached 6.121 lakh hectares as of September 20, 2024, in the current marketing season (2024-25). This accounts for 5.42 per cent of India's total cotton sowing area of 112.757 lakh hectares. Non-BT cotton acreage has further decreased by 7.80 per cent compared to the previous season. Most cotton sowing was completed by the end of August 2024.

According to the latest weekly Kharif sowing report released by the Union Ministry of Agriculture, the non-BT cotton area was 6.639 lakh hectares in the last season.

The ministry's sowing data indicates that the non-BT cotton sowing area is decreasing year on year, as farmers are increasingly moving away from conventional methods of cotton sowing. The area was 8.205 lakh hectares in 2019-20, which represented 6.47 per cent of the total cotton acreage of 126.657 lakh hectares in that year.

Odisha has emerged as the largest producer of non-BT cotton, with an area of 2.377 lakh hectares, slightly higher than the 2.345 lakh hectares sown last season. Interestingly, the state produces only non-BT cotton.

However, the non-BT cotton sowing area has reduced drastically in Gujarat, the second-largest producing state. Gujarat's non-BT cotton acreage dipped by 22.78 per cent, from 2.146 lakh hectares in the last season. The state's total cotton sowing area also reduced, from 26.824 lakh hectares to 23.666 lakh hectares in the current season.

In Maharashtra, non-BT cotton acreage dropped to less than half this season, with the area decreasing to 0.408 lakh hectares from 0.844 lakh hectares last season.

Non-BT cotton was also sown in Madhya Pradesh (0.307 lakh hectares), Haryana (0.286 lakh hectares), and Karnataka (0.274 lakh hectares) during the current season.

Source: fibre2fashion.com– Sep 25, 2024

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