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. 156 of 2024 — October 01, 2024

Currency Watch			
USD	EUR	GBP	JPY
83.81	93.33	112.07	0.58

12	Bangladesh's BGMEA wants manual customs clearance due to software bug
13	Pakistan: Textile sector asked to make high-quality products

NATIONAL NEWS	
No	**Topics**
1	Union Textiles Minister Shri Giriraj Singh says roadmap set for textiles industry to grow to US$350 bn by 2030
2	Manufacturing gross value added grew 7.3% in 2022-23: Annual Survey of Industries
3	Government extends export benefits under RoDTEP till September 2025
4	US remains top trading partner, export destination for India in Jan-July 2024
5	Interest equalisation scheme for exporters extended for another 3 months; capped at Rs 50 lakh
6	First tranche of disbursements in textile PLI likely to begin this fiscal
7	India will take a multi-pronged approach to boost exports: Piyush Goyal
8	May retaliate if Asean non-trade barriers persist, says Piyush Goyal
9	Export-oriented units struggle, unhappy with new IGCRS e-process
10	AICTE Releases Curriculum For Undergraduate Courses In Textile Engineering
11	Ahead of polls, Maharashtra govt releases Rs 2,399-crore subsidy to cotton, soybean growers

INTERNATIONAL NEWS

China's manufacturing sector conditions deteriorate in Sept: PMI data

Operating conditions in China's manufacturing sector deteriorated in September after improving in August as reflected in a renewed downturn in new orders, including exports, which fell again, according to S&P Global Market Intelligence.

While manufacturers in China managed to keep production in expansion mode by working through their backlogs, optimism levels eased noticeably in the latest survey period. Furthermore, firms lowered their hiring and purchasing activity.

The slowdown in demand led to a fall in average input prices, further contributing to reduced charges in September. Export charges also eased as competition intensified.

The headline seasonally-adjusted Caixin China purchasing managers' index (PMI)—a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy—fell to 49.3 in September, down from 50.4 in August.

Below the 50 neutral mark, the data signalled that conditions in the manufacturing sector deteriorated following a brief improvement in August. While marginal, the rate of decline was the fastest since July last year, a release from S&P Global Market Intelligence said.

Incoming new orders for Chinese manufactured goods declined at the fastest pace since September 2022, attributed to falling underlying demand, heightening competition and subdued market conditions. This included export orders, with softening economic conditions abroad negatively affecting foreign demand.

Overall confidence was affected by concerns over the global economic and trade outlooks. Optimism levels at Chinese manufacturers slipped to the second lowest recorded since data collection for this series began in April 2012. Firms also lowered headcounts amid reduced workloads and cost concerns.

Purchasing activity, meanwhile, declined amid reduced new work inflows and with adequate inventory holdings. In fact, the slowdown in production growth resulted in pre-production inventory holdings rising for a second successive month in September.

Stocks of finished goods accumulated as well owing to outbound shipping delays and as new orders fell. Supply constraints and shipment delays led to another slight lengthening of lead times for the delivery of inputs to Chinese manufacturers.

The broad reduction in market demand also affected prices.

Source: fibre2fashion.com– Sep 30, 2024

HOME

****

Global GDP to expand 3.2% in 2024, 3.1% in 2025: S&P Global Ratings

While global gross domestic product (GDP) growth remains subdued, S&P Global Ratings recently forecast a 3.2-per cent expansion in 2024, and a growth of 3.1-per cent in 2025. The bright spots are economies with strong domestic demand or exposure to the global technology cycle.

“Our revised forecasts show modestly slower growth through 2027. We now see global growth ....rising to 3.3 per cent in 2026 and 2027,” it said.

The risks to the rating agency’s baseline remain on the downside. These include sharply lower labour demand and a spike in bond yields and geopolitical risks.

Macro developments in the biggest three economies remain on different paths. The United States continues to outperform with growth above potential. A slow recovery has begun in the Eurozone, while Chinese growth continues to struggle.

Elsewhere, large domestic economies are doing well, and global trade outside of the booming tech sector is subdued.

Inflation continues to move gradually toward central bank targets. While headline and core measures measured on a 12-month basis remain above target, sequential measures of inflation look more positive, the rating agency said in a release.

Policy rate cuts are now in full swing among the major advanced country central banks.

Financial market conditions have generally eased over the past quarter. Investors' anticipation of policy-rate cuts shows in bond yields, while continued well-behaved labour markets and the low probability of recessions are reflected in bond spreads.

Prices of both financial (equities) and non-financial (particularly housing) assets remain elevated. This reflects strong fundamentals, and general expectations for a soft landing, rising real incomes, and easing inflation.

The slowdown in global GDP growth stems mainly from Asia-Pacific and emerging markets. In 2024, both GDP growth forecasts for Japan and Mexico were lowered by over half of a percentage point. In 2025, the reduction in China's growth forecasts is the main factor behind the rating agency's estimate of slower global growth.

The United Kingdom, Spain and Brazil led the upside growth revisions for 2024. The other country providing modest upward pressure on global growth was the United States.

S&P Global Ratings' macroeconomic baseline for emerging markets is unchanged for most economies since the previous quarter. Monetary policy normalisation by the US Federal Reserve, as long as it is accompanied by an orderly slowing of the US economy, is positive for emerging markets. This is particularly true for those economies with strong economic fundamentals, such as in Southeast Asia, it noted.

In several major emerging markets, particularly in Latin America, a high degree of policy uncertainty could keep risk premia elevated. This, in turn, could reduce the magnitude of capital flows those economies receive relative to past Federal Reserve easing cycles.

Source: fibre2fashion.com– Oct 01, 2024

HOME

****

UK retailers report marginal sales growth as online sales surge

Retailers have experienced marginal growth in sales volumes in the year to September, following a three-month downturn, according to the latest CBI Distributive Trades Survey. Retail sales volumes increased modestly (+4 per cent from -27 per cent in August), with expectations for continued growth in October (+5 per cent).

However, internet sales volumes surged significantly, rising at the fastest rate since June 2023 (+18 per cent from -15 per cent in August), and are expected to grow even faster in October (+35 per cent).

Nevertheless, retailers reported weaker-than-expected sales for this time of year (-11 per cent from -21 per cent in August) and expect sales to remain similarly below seasonal norms next month (-10 per cent). Orders placed by retailers to suppliers also saw a moderate decline (-14 per cent from -42 per cent in August), with further reductions anticipated in October, albeit at a slower pace (-10 per cent), as per the survey.

The wider distribution sector, which includes retail, wholesale, and motor trades, recorded a mild contraction in year-on-year sales volumes in September (-8 per cent from -20 per cent in August). A similar decline is expected for October (-7 per cent).

Additional data from the survey indicated that stock levels were reported to be "too high" relative to expected demand (+19 per cent from +14 per cent in August), with elevated stock positions expected to persist in October (+20 per cent).

Meanwhile, wholesale sales volumes declined modestly (-8 per cent from -7 per cent in August), with little change anticipated next month (-6 per cent).

Martin Sartorius, principal economist at the CBI, noted: “After a challenging summer, retailers will welcome the modest growth in annual sales volumes this month. While some firms within the retail sector are beginning to see tailwinds from rising household incomes, others report that consumer spending habits are still being affected by the increase in prices over the last few years.

"In contrast to the recovery seen in the retail sector, wholesalers and motor traders continue to see a decline in sales volumes, with businesses reporting concerns about a slow and uncertain market. Retailers, alongside a host of other important sectors, are keen to see the government take long overdue action to address an antiquated business rates system that has become too complex, too unpredictable and is, ultimately, unfair on many firms."

Source: fibre2fashion.com– Oct 01, 2024

HOME

****

Morocco, China to explore strategic partnerships in textiles

Amid rising investment interests in the sector, Morocco and China have reaffirmed their commitment to explore strategic partnerships in the textile sector of both the countries.

In a meeting with a delegation from the China National Textile and Apparel Council, Mochine Jazouli, Minister Delegate for Investment, Morocco discussed opportunities for a collaboration between the two countries. Bringing together 20 business leaders, the meeting focused on enhancing cooperation in the textile sector and showcased the industrial potential of both nations.

Moroccan representatives presented an overview of the country’s industrial capabilities, highlighting its strategic position as a member of the African Continental Free Trade Area (AfCFTA). This position makes Morocco an attractive destination for global investors looking to access African markets. Chinese companies are already active in Morocco's textile sector, with several companies investing MAD 300 million ($30 million) and creating employment opportunities in the sector. By 2025, these companies aim to employ nearly 2,000 people.

In early September, Lei Xu, President, Sunrise International, a Chinese textile giant announced a $422.2 million investment in Morocco during a meeting with Aziz Akhannouch, Head of Government. The investment is expected to create 11,000 direct jobs over the next three years across various Moroccan provinces and regions, Lie Xu said.

The Moroccan Government has long emphasised the importance of the textile industry as a key pillar of its investment strategy. In 2022, Abdellatif Jouahri, Governor, Central Bank, Morocco, highlighted, the textile sector accounted for 32.3 per cent of the country’s production enterprise, up from an average of 25.6 per cent between 2000 and 2018. With growing Chinese investments and strategic collaborations, the textile sector is poised to play an even more crucial role in Morocco’s economic growth and development.

Source: fashionatingworld.com– Sep 30, 2024

HOME

****

How climate change is reshaping the fashion industry

The fashion industry, a trendsetter known for its volatility, is facing a new challenge – a climate one. Sweltering heatwaves are disrupting business as usual, forcing brands to adapt to a world where scorching summers are becoming the norm.

A 2022 study by the World Meteorological Organization highlights, extreme heat events are becoming more common across the globe. North America, Europe, South Asia (including India), and parts of Africa have witnessed record-breaking temperatures in recent years. Similarly, a 2023 report by the Intergovernmental Panel on Climate Change (IPCC) predicts a rise in extreme weather events, with heatwaves being a major concern.

According to a study published in Nature Climate Change, regions like Europe, North America, and South Asia are experiencing a significant increase in heatwave frequency and intensity.

This means countries that traditionally relied on winter clothing sales, like Canada or Russia, are seeing a shift in consumer behavior. This shift aligns with a 2023 consumer survey by McKinsey & Company which indicated a growing preference for natural, temperature-regulating fabrics.
From fur to linen, product shifts due to the heat

"We're seeing a clear decline in demand for heavy winter wear," says Marie Durant, head of design at a Montreal-based fashion house. Brands are responding by introducing lighter fabrics like linen and breathable synthetics into their collections, even in traditionally colder regions.

The same climate patterns causing heatwaves can also lead to harsher winters, says a recent study in Geophysical Research Letters. This might seem contradictory, but it's due to disruptions in jet stream patterns. The future of fashion might involve a wardrobe that caters to both extremes.

While heatwaves could disrupt winter wardrobes, milder winters could lead to decreased demand for heavy jackets and boots. However, the unpredictable nature of climate change might also see an increase in extreme cold snaps, making versatile clothing a necessity.

Supply chain strain, raw material blues

What's more, the heat isn't just affecting consumer preferences; it's impacting raw material production. Cotton, a staple fabric, is particularly vulnerable. A 2021 study by the World Wildlife Fund highlights how droughts associated with heatwaves can significantly reduce cotton yields. Similar concerns exist for other natural fibers like wool, where changing weather patterns can affect livestock health and wool quality.

Therefore, the future of fashion in a heating world will likely be defined by sustainability and adaptability. Brands that embrace eco-friendly fabrics made from recycled materials or natural fibers requiring less water could gain an edge. Additionally, the ability to offer versatile, season-less clothing will be key. "The fashion industry needs to become more responsive to climate change," says Aarti Rajwani, Founder of sustainable clothing label Reformation. "We need to innovate and adapt to create clothes that are not only stylish but also practical for a hotter world."

While some might see a potential boom in summer clothing sales, the overall impact on the fashion industry remains uncertain. Disruptions in the supply chain, rising costs of raw materials, and the need for constant design innovation could all lead to higher prices for consumers. The true impact will depend on the industry's ability to adapt and embrace sustainable practices.

Fashion's future forecast

The fashion industry is at a crossroads. Climate change presents a significant challenge, but it also offers an opportunity for innovation and a shift towards a more sustainable future. Brands that can adapt to the changing climate and consumer needs will likely thrive, while those clinging to old models might find themselves out in the cold, even during a scorching summer. This is just the beginning of a changing fashion landscape. As the climate continues to shift, the way we dress will undoubtedly evolve alongside it.

Source: fashionatingworld.com– Sep 30, 2024

HOME

****

U.S. Economic Growth to Slow As Consumers Rein In Spending In 2025

Consumer spending is expected to take a back seat in the coming quarters.

Despite forecasts that inflation will slow further in the coming months, consumers have a lot of worries on their plate, mostly centered on the jobs market.

S&P Global Ratings chief U.S. and Canada economist Satyam Panday expects the U.S. economy to grow 2 percent in the fourth quarter of 2024, down from 3.1 percent in the same 2023 quarter. That will result in U.S. growth expanding 2.7 percent for 2024, and likely just 1.8 percent in 2025.

Panday sees uncertainty around both the degree of Fed easing and the outcome of the 2024 U.S. presidential election as key factors holding back on capital spending activity. He expects annual inflation to stabilize around 2 percent by 2025.

But it's not all doom and gloom. Panday said the series of expected interest-rate cuts are more a proactive preventive measure to keep growth from slipping too far. More importantly, the probability of a recession starting over the next 12 months remains unchanged at 25 percent.

"With consumption still healthy, for now, near-term recession fears appear overblown," the chief economist said.

Growth forecasts for 2026 and 2027 were revised up slightly as "potential growth has risen."

Signs of weary consumers were reflected in the Conference Board's Consumer Confidence Index for September. The Index fell to 98.7 from an upwardly revised 105.6 in August. The Present Situation Index, reflecting consumers' assessment of current business and labor market conditions, fell by 10.3 points to 124.3.

The Expectations Index—reflecting the short-term outlook for income, business, and labor market conditions—fell by 4.6 points to 81.7, but still above 80. A reading below the threshold of 80 typically indicates that a recession is ahead.

"Consumer confidence dropped in September to near the bottom of the narrow range that has prevailed over the past two years," the Conference Board's chief economist Dana M. Peterson said. "September's decline was the largest since August 2021."

She noted that consumers' assessment of current business conditions turned negative as views of the labor market softened, and consumers were also more pessimistic about future job prospects. They were also less positive about future business conditions and future income.

According to Conference Board data, the drop in confidence was steepest among consumers between ages 35 to 54, while those under 35 remain the most confident. Across income groups, consumers earning less than $50,000 experienced the largest decrease.

As for the jobs front, Peterson said the Index reflected consumer concerns that included fewer hours, slower payroll increases and fewer job openings, despite a healthy jobs market that has low unemployment, few layoffs and elevated wages.

One new question about services in September's survey showed that consumers were still keen to travel and dine out.

Economists at Wells Fargo expect continued Fed easing of rates in the months ahead. And while labor concerns topped the list of consumer worries in September, the expectations for lower interest rates over the next year could pave the way for growing optimism in the months ahead.

Higher rates—particularly on credit cards—have weighed on purchasing power, chipping away at household balance sheets. But when lower rates take hold, consumers could increase their buying plans, particularly for larger purchases that require financing. The Wells Fargo economists concluded in a report that there is "room for buying plans to increase and interest rate expectations to continue to decline in the months ahead."

Source: sourcingjournal.com– Sep 27, 2024

HOME

****

With Port Strike on Horizon, Large Retailers In Better Shape For Holiday

With an East and Gulf Coast port strike possibly imminent, most retailers seem to be in good shape—for now.

"NRF continues to encourage the [Biden] administration to immediately engage with the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMSX) to resume contract negotiations toward a new master contract for all maritime container ports along the East and Gulf coasts," Jonathan Gold, National Retail Federation's (NRF) vice president of supply chain and customs policy, said.

According to Gold, "Many retailers have already taken steps to mitigate the potential impact of a strike by bringing in products earlier or shifting products to the West Coast." He noted that because the global supply chain is complex, "even a minor disruption would have a negative impact and cause delays at a critical time for both retailers and consumers."

It takes about two months for goods to be shipped from China to the U.S. East Coast. The alarm was sounded back in July as the cut-off date approached for goods to ship ahead of the planned strike for Oct. 1. Retailers for their part did pull forward shipments, making this past August the busiest time for shipping volumes. August is typically when many goods come in for holiday and the fall selling seasons, but this year saw a 2.5-percent increase in imports year-over-year due to the threat of a port strike.

NRF isn't the only trade group pushing for a speedy resolution.

"As logistics leaders, retailers have already activated contingency plans, including rerouting shipments, to ensure consumer goods reach their final destination with limited disruption or extra costs. Shoppers can rest assured holiday merchandise will be on shelves; however, the longer this work stoppage goes on, the harder it will become to shield customers from its effects," said Brian Dodge, president of the Retail Industry Leaders Association (RILA). "Even though leading retailers have prepared for disruptions, the U.S. economy is likely to see immediate impacts from even a short-lived strike. Latest estimates suggest a strike could cost the economy over $4 billion a day."

Dodge noted that the parties "had years of preparation to find an agreement, making the impending strike and its economic harm entirely foreseeable and avoidable." RILA is asking the Biden administration to "stay engaged" and consider all options to keep the U.S. economy open for business.

How long a strike could go on for if one were to happen is up for debate. The two central issues are wages and automation.

Chris Krueger, a strategist at TD Cowen Washington Research Group said on Monday that a strike seems likely, noting that it would represent the first East and Gulf Coast strike since 1977. He added that Biden continues to refuse to intervene under Taft-Hartley to impose an 80-day "cooling-off period" that would get workers back at work while the unions are forced back at the bargaining table.

There's still a chance a strike could be averted.

After no talks scheduled since June, the two unions at the 11th hour began trading counter offers related to wages 24 hours before the midnight strike deadline on Oct. 1. The USMX said it increased its wage offer by nearly 50 percent. It also offered a tripling of employer contributions to employee retirement plans, strengthened its health care options and retained the current language around automation and semi-automation, the USMX said late Monday.

Wall Street believes that a strike wouldn't be a long one, maybe from one day to no more than two weeks. The concern centers on the aftermath, or specifically on how long it would take to catch up to speed and get back on track once the strike is over. The current Wall Street estimate is one week for every day the dockworkers are on strike.

Everstream Analytics is predicting that a seven-day strike wouldn't see a clearing of the backlog until mid-November, at the earliest.

"A weeklong strike from Oct. 1 would thus have repercussions until after the U.S. presidential election. The compounding effects of displaced containers and equipment, disrupted schedules and vessel diversions would likely push the impacts well past the Thanksgiving holidays and potentially into December," concluded Mirko Woitzik, Everstream's global director of intelligence.

Because retailers had planned ahead and shipped early, retail analysts at Jefferies concluded that they, along with the majority of apparel and footwear firms, likely wouldn't see any material impact. In addition, these firms could elect to use air or land shipping over ocean freight, according to Jefferies consumer lifestyle and growth analyst Randal Konik.

Natalie Kotlyar, assurance principal and retail and consumer products industry national practice leader at BDO, said retailers should be well-prepared if the strike lasts no more than two weeks, as they had already stockpiled goods in expectation of a possible walkout.

"2020 prompted retailers to secure inventory early, minimizing immediate disruption to holiday sales and general merchandise availability," Kotlyar said. "However, if the strike extends beyond two weeks, retailers could face more significant challenges. Seasonal items, which are more time-sensitive, will likely be harder hit, while essential goods may still flow through alternative ports or transportation channels."

As for fashion and footwear brands, she said they can mitigate strike impacts by exploring alternative import routes wherever possible, or by working closely with domestic transportation providers.

"Although last-minute transportation options may be limited due to already booked schedules, companies can negotiate with logistics providers for priority service or use air freight for critical shipments. Diversifying transportation plans and engaging backup logistics partners will be key to minimizing delays," Kotlyar said.

She also said that fashion companies and retailers should stay agile by maintaining close communication with supply chain partners and monitoring strike developments closely.

"They should prioritize inventory management for high-demand, seasonal goods and consider strategic promotions to clear existing dated stock," Kotylar said. "Additionally, retailers must assess their ability to reroute shipments or rely on domestic manufacturing where feasible to avoid prolonged shortages. Preparedness and flexibility will be essential as the strike situation evolves."

According to Deborah Weinswig, CEO and founder of Coresight Research, most holiday goods are already in stores or in the retailers' warehouses.

“The challenge now is restocking for holiday and goods for for early 2025,” she said.

Weinswig said that there’s been a rise in shipping costs as retailers moved shipments to rail and trucks, and they’ve paid more to have shipments rerouted to the West Coast. “Logistics and supply chain companies like Maersk have already notified customers of a shipping surcharge as a result of the strike. Redirecting shipments to West Coast ports could also cause delays and shipping bottle necks if those ports get busier than usual,” she said.

That would mean that restocking popular holiday items may be impossible both logistically and from a cost perspective, Weinswig concluded.

She also said that for now, there’s no expectation of retailers passing on the increased costs to consumers. “Since retailers have been prepping for this strike for months, they’ve already built the increased cost of buying goods earlier and higher freight rates into their bottom lines,” Weinswig explained. But if the strike goes on for weeks and creates a logjam that will take months to recover, then retailers will be taking a hit on their fourth quarter earnings and price increases would likely be passed on to consumers, she concluded.

While most retailers seem as prepared as they can be, the small and medium-sized retailers may not be as lucky. They are expected to suffer disproportionately as a result of the strike relative to their larger competitors.

“Large businesses with dedicated procurement departments and considerable access to capital have been preparing for this strike for some time and many have ordered excess materials which they were able to finance with lower-cost debt. Small businesses however are less likely to have been able to order early and in bulk, and are less likely to obtain the capital required to order larger quantities of supplies in advance,” Ben Johnston, chief operating officer at Kapitus, said. His firm is a lender to small and medium-sized businesses.

“Many small businesses are now facing delays in critical goods just before the holidays. This means that many small manufacturers, wholesalers, and retailers my not have the goods required to fulfill their orders and meet customer demands going into the holiday season,” Johnston said.

He added that while the recent rate cut was a bit good news for a business looking for a loan, the strike "now threatens to drive prices of both raw materials and finished goods higher. Given the low margins of most small manufacturers, retailers and wholesalers, a strike of this nature could be the difference between turning a profit or stomaching a loss for the year."

Over 40 percent of small businesses don't begin to start thinking about the holidays until October, according to Dave Charest, director of small business success for digital marketing platform Constant Contact.

But he said that those who planned ahead and got a head start by reaching out to customers and ordering inventory are in a stronger position to succeed. Because they've planned ahead, "they've insulated themselves from major obstacles that are out of their control, like potential delays or shortages caused by a strike," Charest said. "Our research shows that 78 percent of consumers plan to shop at a small business that's new to them this holiday season." For those that planned ahead, building loyalty and maintaining strong sales is achievable, even if logistics becomes a challenge, he concluded.

Source: sourcingjournal.com– Sep 30, 2024

HOME

****

Governor Newsom Ratifies California's Responsible Textile Recovery Act

California's landmark textile reuse and recycling bill was quietly signed into law over the weekend, making the state the first in the nation to implement a fashion- and textile-focused extended producer responsibility (EPR) scheme.

Governor Gavin Newsom ratified SB 707, the Responsible Textile Recovery Act, two days before the signing deadline and one month after its passage in the state legislature.

First introduced by State Senator Josh Newman (D-Fullerton) in spring of 2023, the bill has seen multiple iterations and amassed considerable input from textile and apparel trade groups, recyclers, thrifts and a multitude of other industry stakeholders.

Under the law, "producers" of clothing and fabric goods will now be on the hook for paying into a producer responsibility organization (PRO) to manage the collection, sortation, redirecting and recycling of the waste generated by their products.

"I'm very proud to see SB 707 signed into law. It will have a major positive impact on California's environment and communities," Newman said in a statement Monday. "SB 707 isn't just about recycling; it's about transforming the way we think about textile waste."

The lawmaker said the framework will "create new opportunities for every Californian to participate in a more sustainable future," beginning with the items in their closets.

"By 2030, convenient drop-off locations for used textiles across the state will provide everyone with a free and simple way to be part of the solution," he added. "California is again at the forefront of innovation, proving we can lead the way in creating a circular and sustainable textile economy that benefits everyone."

The California Product Stewardship Council (CPSC), which served as the bill's chief sponsor, worked alongside the senator's office to craft the bill's language and liaise with brands, manufacturers and advocacy organizations.

“The industry really showed up for the stakeholder process to make the final version as impactful as possible,” Joanne Brasch, CPSC’s director of advocacy, said Monday. “We’ve seen brands and associations endorse the bill for a more equitable solution to a systematic problem. The program will incentivize producers to adopt less wasteful production and greener designs.”

While the bill’s authors applauded the historic legislation’s final push across the finish line, even industry groups that engaged in the drafting process believe there’s significant work to be done in charting a course forward.

The American Apparel and Footwear Association (AAFA), which has been critical of parts of the legislation, is now on a mission to help its members achieve compliance. Senior director of sustainability Chelsea Murtha said the Washington trade group aims to work closely with CalRecycle, the branch of the California Environmental Protection Agency (EPA) tasked with SB 707’s implementation, along with AAFA members engaged in establishing and executing the EPR program.

“The first step on that journey will be founding an effective Producer Responsibility Organization (PRO),” she said. “Over the past month, AAFA has intensified conversations with PROs from other industries, as well as key stakeholders in our industry, to ensure we are in the best possible position to assist with PRO formation.”

American Circular Textiles (ACT), an industry group bringing together fashion industry heavyweights like H&M and Reformation, as well as resale platforms like The RealReal, ThredUp and Vestiaire Collective and recycling innovators like Circ and Supercircle, has also been at the forefront of fighting on behalf of the industry for provisions that it believes will make the framework’s aspirations achievable.

ACT and Circular Services Group CEO Rachel Kibbe said it was “exciting” to see the bill passed over the weekend, calling it “an important milestone in holding the fashion industry accountable for its waste.”

She also expressed satisfaction that the final text included what the group sees as “key improvements”—from elucidating rules for funding textile reuse, recycling, and repair initiatives to an expanded definition of recycling technologies. The finalized law includes support for private and nonprofit participation in sorting, reuse and recycling efforts, eco-modulation incentives and a two-year needs assessment.

"The critical improvements ideally help further support reuse and recycling in the state, and if effective, catalyze further circularity efforts at the global level, since California is the world's fifth-largest economy," Kibbe said.

California will indeed have the eyes of the world upon it as it implements the first-of-its-kind bill. But the ACT executive said the passage of SB 707 nonetheless underscores "the urgent need for a federal waste policy" that unifies the country in a mission to address textile waste.

"Without one, we risk a patchwork of state-level bills that can create fragmented and inconsistent regulations across the country," she said. "We face the potentials of sustainability teams turning focus and resources to compliance, over innovation and true progress. A unified federal approach would streamline the system, prevent disjointed efforts, and better enable businesses to comply across state lines."

Kibbe implored more fashion companies to engage with groups like ACT so they can take part in shaping the future of environmental policy—laws that will impact their operations for decades to come.

"The industry can no longer rely on voluntary commitments—accountability is now law," she said. "Defensive advocacy is the most costly." Kibbe said by working with organizations like ACT, "businesses can better navigate this transition, share best practices, and collaborate on the innovations that will define a circular economy."

"SB 707 is a signal that the future is here, and it's time for real partnership between industry and industry groups to make it a reality," she added.

Los Angeles women's wear brand and ACT member Reformation is hopeful about the future of the Responsible Textile Recovery Act and what it could mean for the industry at large, far outside the borders of the Golden State.

"The Reformation team is excited that SB 707 was signed. It feels like a buoy in the uncharted waters of EPR here in the United States," chief sustainability officer and vice president of operations Kathleen Talbot told Sourcing Journal.

“We hope it is the start of the necessary transition to a more circular economy for textiles, and will help increase the speed and scale of solutions here in California and beyond,” she added. “There is obviously still a lot of work to do to operationalize the bill, but now there will be real accountability to make it happen.”

Bay Area-based Everlane, which signed on in support of the bill early in the writing process, joined CPSC’s Statewide Textile Recovery Advisory Committee (STRAC) in 2022 to provide feedback. Sustainability director Katina Boutis said the brand is “dedicated to supporting key legislation that will help move our industry forward.”

“Over the past few weeks, we also engaged directly with our elected officials and industry groups to support crucial amendments to SB 707, ensuring that it builds the necessary infrastructure and funding to support innovations in reuse and textile-to-textile recycling,” she told Sourcing Journal.

“While we are proud of our own accomplishments in this space, we need all companies to take bold action and accountability on textile reuse and circularity,” Boutis said. “We believe that SB 707 is the first step in holding companies accountable to enable circularity in textiles. We are proud to have supported this landmark legislation in California and the U.S., and look forward to seeing its timely implementation.”

Source: sourcingjournal.com– Sep 30, 2024

HOME

****

An Imminent East Coast Port Strike Spells Another Spike in Freight Rates

A dockworker strike at the East and Gulf Coast ports on 12:01 a.m. Tuesday appears inevitable, with both parties remaining at an impasse and ocean carriers and ports alike already having prepped for the expected cargo disruptions.

According to a Reuters report, no negotiations between 45,000 port dockworkers at the International Longshoremen's Association (ILA) and their employers, the U.S. Maritime Alliance (USMX), were planned for Monday ahead of the deadline.

With neither party coming to the table, this means U.S. retailers and brands could imminently be paying up more for goods entering the country by ship.

In the event of a strike, freight rates on the ocean, particularly from Asia to the East Coast, could be in for another boost after weeks of plummeting—and this latest wave could linger into 2025.

"As recent history has proved, any form of capacity shortage borne of a disruptive event creates a platform for carriers to raise freight rates, irrespective of the underlying supply and demand fundamentals," said Philip Damas, managing director of Drewry Supply Chain Advisors. "Hence, we believe the U.S. East Coast/Gulf Coast port strike will contribute to higher prices for the remainder of this year, and potentially next year too, depending on the duration."

Damas and other freight analysts had predicted last month that ocean freight rates were set to soar in the event of a strike. At the time, Damas said a strike would likely increase container prices out of China and Europe by "several hundred dollars."

Worldwide rates have continued their descent over the past 10 weeks, with the Asia-to-East Coast rates per 40-foot container falling 37 percent during that period as demand deteriorated, according to data from Drewry's World Container Index subset for Shanghai to New York.

But Damas pointed out that even as a strike looms, the trans-Atlantic rates have avoided this pitfall.

“Spot rates on the trans-Atlantic Rotterdam-to-New York index have held up better, actually rising 6 percent over the past 10 weeks amid some minor, up and down fluctuations,” said Damas.

In a Wednesday webinar, Nerijus Poskus, vice president of global ocean procurement at Flexport, called the impending ILA strike the biggest driver of any freight rate changes.

“If the strike happens of the East Coast, how long it lasts is going to affect everything,” Poskus said. “It will affect global congestion, it will affect equipment availability at origin—that’s the No. 1 thing to watch.”

Compounding the wider problem is the continued flurry of goods into the West Coast ports as shippers pulled their goods forward and moved product away from the East Coast throughout the summer.

“It’s possible that a strike of only a few days will not have a noticeable or at least very sustained impact on ocean rates, but if a strike stretches on—maybe more than a week—we should expect a significant impact, first on West Coast rates and eventually on East Coast rates once a strike ends and the backlog reduces operational speeds and ties up capacity,” Judah Levine, head of research at Freightos, told Sourcing Journal.

According to Freightos Terminal data, rates from Shanghai to Long Beach and to New York & New Jersey were at about $5,300 per 40-foot container (FEU) and $6,300 per FEU respectively last week, well below their July peaks of about $8,300 and $9,600. However, Levine said these numbers are still “more than double” typical levels even for peak season months.

“Ocean rates across the market are being pushed up by significant capacity being absorbed by Red Sea diversions,” said Levine. “So, any rate increase is going to be from an already elevated floor.”

Based on the National Retail Federation’s projections that October import volumes will be 10 percent lower than September, Levine acknowledged that a decrease in overall cargo demand means it is not a given that the rates will skyrocket.

“That may be one mitigating factor of how high rates will go as there won’t be as much urgency as there may normally be in October,” he said. “Also, the Golden Week holiday in China this week means some pause in being able to place shipments specifically for this week."

If the container rates do increase, there's a higher potential for companies to pass these costs onto the consumer, said Tony Pelli, director of supply chain security and resilience at BSI Americas.

"It may take a couple of weeks to see an impact on the price of goods in the U.S. In some cases, companies may have increased inventory at U.S. warehouses or shifted (to the extent possible) to West Coast ports in anticipation of such an event," said Pelli. "It's unlikely that stores have already raised prices, but that could happen fairly quickly following a strike, as West Coast ports do not have the capacity to handle the excess volume."

After weeks of speculation, President Joe Biden told reporters on Sunday he did not intend to intervene in the strike if the ILA and USMX don't come out with a deal by Tuesday, saying "it's collective bargaining. I don't believe in Taft-Hartley."

The White House has urged both parties to get back to the negotiation table and negotiate "in good faith."

A potential strike could change the tune of the Biden administration if it lasts more than a few days. One such analysis from J.P. Morgan estimated a strike could cost the U.S. economy up to $5 billion per day.

The invocation of the Taft-Hartley Act would extend the contract negotiation period 80 days, thus delaying a strike and requiring the ILA to return to work.

Ironically, the potential increase in freight rates would benefit the ocean carriers, which has drawn the ire of the ILA in the lead-up to the contract expiration. The union has sought out wage hikes "commensurate" with the record profits companies like Mediterranean Shipping Company (MSC) and Maersk were making during the Covid-19 pandemic.

The ILA's demands are largely related to two major issues: the wage concern and the use of automation across its 36 ports from Maine to Texas. The union has denied claims that it is seeking out a 77-percent increase in wages over the course of its next contract. While the union has taken the anti-automation stance for years, recent reports have indicated the ILA is seeking a total ban on automated equipment across the ports.

With a deal seemingly nowhere near completion, the USMX filed an unfair labor practice charge with the National Labor Relations Board (NLRB) on Thursday to get the ILA to resume bargaining.

The anticipated work stoppage has completely dwarfed the attention to other labor action in Canada, as roughly 350 dockworkers at the Port of Montreal began a three-day strike at 7 a.m. Monday.

Two terminals at the port will remain closed until Thursday at 6:59 a.m. Access to these terminals is prohibited, and no rail, ship or truck services are provided.

All other Port of Montreal terminals remain in service.

In a statement, the Montreal Port Authority (MPA) expressed its disappointment that the Maritime Employers Association and the Canadian Union of Public Employees Local 375 couldn't reach an agreement to avoid the stoppage.

According to the MPA, a strike puts $90.7 million in economic activity at risk for each day of interruption, and deprives companies in Quebec and Canada of some 40 percent of container handling capacity on the St. Lawrence River.
Source: sourcingjournal.com– Sep 30, 2024

HOME

****

Vietnam: Garment - textile industry pins high hopes on FDI inflows

Vietnam has so far attracted 3,500 foreign direct investment (FDI) projects in the garment - textile industry with a combined value of 37 billion USD, according to the Vietnam Textile and Apparel Association (VITAS).

The FDI area plays a crucial role in the industry's growth, accounting for 65% of its total export turnover.

According to VITAS, Vietnam's textile and garment industry is witnessing a strong surge in FDI inflows, with many large corporations pouring money into building modern factories.

The countries and territories investing big in Vietnam in this field include the Republic of Korea (RoK), China, Japan, India and Taiwan (China).

In late September, Sanbang Co., Ltd of Singapore began construction of its plant of towels, fabrics, DTY yarn at Rang Dong Textile Industry Park in the northern province of Nam Dinh with a total investment of 673.5 billion VND (nearly 30 million USD). Covering an area of 103.400 sq.m, the plant is expected to officially become operational in the fourth quarter of 2025, generating many jobs for local labourers.

Besides, several other major projects are underway, including a textile dyeing factory worth 203 million USD invested by Top Textiles Co., Ltd of Japan's Toray Group at the park.

In February this year, the provincial authorities granted an investment license for Crystal International Group Limited Group of Hong Kong (China) to develop the Yi Da Denim Mill Co., Ltd with a total investment of nearly 1.47 trillion VND (about 60 million USD).

Meanwhile, SAB Industrial (Vietnam) Company Limited of Weixing Group inaugurated a 6-million-USD plant producing clothing accessories in the Bim Son Industry Park in the northern central province of Thanh Hoa in March.

Vietnam's participation in free trade agreements (FTAs) such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership

(CPTPP), the EU – Vietnam FTA (EVFTA), and the Regional Comprehensive Economic Partnership (RCEP), also helps the country expand export markets for textile and garment products.

According to VITAS General Secretary Truong Van Cam, thanks to international integration efforts and effective foreign investment attraction strategies, the textile industry has become attractive for foreign investors, thus helping to improve production capacity and export scale.

Experts said that Vietnam should seeks ways to promote linkage between FDI enterprises and domestic ones to further develop the textile and garment support industry.

Attention should be paid to building technical standards and regulations related environmental protection and energy saving, thus creating a solid foundation for sustainable development of the industry, they stressed.

Vietnam is the third largest textile exporter in the world, after China and Bangladesh. Positive signals in 2024 show that the industry's export turnover is likely to exceed the target of 44 billion USD this year.

Source: en.vietnamplus.vn– Oct 01, 2024

HOME

****

Bangladesh registers 4.84% decline in apparel exports to the EU: Eurostat

In the first seven months of this year, spanning Jan-July'24, Bangladesh recorded a 4.84 per cent decline in apparel exports to the European Union (EU).

Data from Eurostat, the statistical of the European Union shows, Bangladesh's apparel exports to the EU declined to $11.11 billion during the period as against $11.68 billion reported during the same period in 2023. This decline is slightly better than the overall 5.22 per cent drop in the EU's total apparel imports, which fell from $52.60 billion in 2023 to $49.85 billion in 2024.

Industry insiders expressed concerns that, despite Bangladesh faring better than some competitors, the reduction in exports highlights challenges in maintaining its competitive edge in the EU market.

They pointed to factors such as rising utility costs, gas shortages, and wage increases, which have weakened Bangladesh's position.

The broader decline in EU apparel imports from several countries indicates potential shifts in consumer demand and economic challenges within the apparel sector.

For example, the EU's apparel imports from China fell by 7.34 per cent to $12.34 billion as against $13.31 billion during the same period in 2023. Similarly, Turkey's exports to the EU decreased by 8.55 per cent, to $5.89 billion in 2024 from $6.44 billion in 2023.

India also experienced a smaller decline in exports to the EU, with its readymade garment (RMG) exports falling by 1.93 per cent, reaching $2.96 billion, compared to $3.01 billion in the previous year.

Meanwhile, Vietnam's apparel exports to the EU in the first seven months of 2024 dropped by 5.07 per cent to $2.19 billion from $2.31 billion in 2023.

Contrary to this, apparel exports by Cambodia to the EU rose by 10.36 per cent to $2.03 billion, while Pakistan saw a 6.32 per cent increase, reaching $2.06 billion. Morocco also posted a 4.05 per cent growth in apparel exports to the EU increasing amounting to $1.73 billion.

Experts believe, such strong performances by Cambodia and Pakistan suggest a shift in EU sourcing preferences, underscoring the need for suppliers to adapt to changing market dynamics. In contrast, Sri Lanka's apparel exports to the EU declined by 4.45 per cent, while Indonesia's exports fell by 8.86 per cent.

Source: fashionatingworld.com– Sep 30, 2024

HOME

****

Bangladesh's BGMEA wants manual customs clearance due to software bug

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) recently requested the customs department for manual clearance of readymade garment (RMG) consignments following issues with the updated Asycuda World System used for processing import-export shipments.

The system's problems started on September 20, and have disrupted the submission of import and export general manifests, invoice verification and the overall customs clearance process, leading to significant delays in import-export activities.

BGMEA president Khandoker Rafiqul Islam wrote to the National Board of Revenue (NBR), requesting immediate action.

The Chattogram Customs Agents Association has written a separate letter to the Chattogram customs commissioner, urging a quick resolution to the software-related issue, domestic media outlets reported.
If the situation continues, it may halt export activities and force many exporters to resort to expensive air shipping, the BGMEA letter added.

Source: fibre2fashion.com– Sep 30, 2024

HOME

****

Pakistan: Textile sector asked to make high-quality products

Gilani says govt is taking steps to bring improvement in industry

Senate Chairman Syed Yusuf Raza Gilani has said that the government is taking significant steps to bring about improvement in Pakistan's textile industry, which contributes 60% to the national economy.

Speaking as the chief guest at the 7th International Conference on Textiles titled "Inspiring Change: Challenges and Strides are the Wings of Success," Gilani stressed the critical role the sector was playing in economic growth and employment.

He pointed out that millions of families depended on the textile industry for their livelihood, underscoring its importance in providing jobs to a large number of workers.

Gilani, also the former prime minister, highlighted Pakistan's potential to produce high-quality cotton – the backbone of the textile sector – and called for enhanced research and development work to improve the quality of cotton while reducing reliance on imported raw materials.

The Senate chairman urged the industry to produce innovative and high-quality textile products and noted that lessening reliance on government subsidies would help make the sector more self-sufficient.

He emphasised that the sector should stay competitive globally through strengthening research and development efforts from the cultivation of cotton to the production of finished textile products.

Gilani underlined the need for advancement in both traditional and modern segments of the textile industry, adding that the Senate also played a key role in formulating legislation for sustainable industrial growth.

He assured businessmen that the government was committed to providing cutting-edge technology to the industry, which was essential for its modernisation. Acknowledging the talented students at the event, Gilani praised the role of educational institutions in developing new techniques and designs for the textile industry. He expressed optimism about the future of Pakistan's textile sector.

US Consul General in Lahore Kristin K Hawkins, while speaking at the conference, highlighted the strong business ties between Pakistan and the United States. On the occasion, Gilani presented awards to the outstanding participants in recognition of their contribution to the textile industry.

According to a news report, Pakistani textile firms are reportedly receiving additional export orders from global buyers due to rising costs and political instability in competitor Bangladesh, along with international restrictions on China. As a result, the industry's exports hit a 26-month high of $1.64 billion in August 2024, marking a significant 13% increase compared to the same month of last year.

Source: tribune.com.pk– Sep 30, 2024

HOME

****

NATIONAL NEWS

Union Textiles Minister Shri Giriraj Singh says roadmap set for textiles industry to grow to US$350 bn by 2030

Union Minister of Textiles, Shri Giriraj Singh said that the textiles industry will grow to US$350 billion by 2030 generating crores of jobs in the process. While addressing a Press Conference on 100 Days Achievements of the Ministry in New Delhi today, the Minister noted that the 100-day achievements lay the foundation for achieving the set targets by 2030 and focus on all aspects of the value chain of textiles sector.

Setting a target of 50,000 metric tonne production in the long run, the Minister said that cultivation of silk is linked to huge employment generation as around 1 crore people are connected with the sector. He said that the Eri Sericulture Promotional Project launched in Gujarat will be expanded across the country benefitting castor farmers.

On PM MITRA (Pradhan Mantri Mega Integrated Textile Region and Apparel) Park, the Union Minister said that a total of Rs. 70,000 crore of investment is expected resulting in creation of 21 lakh jobs.

He said that Bharat Tex is a huge platform that will help India attract foreign investment in the textile sector and will help India achieve 4S – style, scale, skill and sustainability.

Shri Singh said that Prime Minister Shri Narendra Modi has always stressed the importance of design for the textile industry and added that the National Institute of Fashion Technology is crucial for the textile sector. He also said that VisioNxt, the indigenous trend forecasting initiative will fulfill fashion aspirations of the people of this country.

He further added that there is huge potential for technical textile in the country as it is used in all sectors and set an export target of US$10 billion by 2030. Shri Singh said that 1 crore artisans are connected with the handloom and handicraft sector, and the Ministry is undertaking various initiatives to give a boost to this sector.

Minister of State Shri Pabitra Margherita, Textiles Secretary, Ms. Rachna Shah and other senior officers of the Ministry were also present in the press conference.

As part of the Government's transformative vision for the textiles sector, the Ministry of Textiles has taken several initiatives during the first 100 days of this Government, covering all segments of textile sector (Infrastructure, Technical Textiles, Research and Development, Startups, Empowering artisans/weavers, Strengthening natural fibre sectors like Silk & Jute), focusing on strengthening the sector's contribution to growth and enhancing India’s position in the global textile industry.

Key initiatives/activities are as given below:

Skilling Programme in 100 Handloom & Handicrafts Clusters

On July 27, 2024, the Ministry launched the ‘Bunkar and Karigar Utthan Upskilling Programme’ to enhance technical and soft skills among artisans and handloom weavers. About 3,600 artisans and weavers have benefited, with certificates and toolkits distributed to improve their craft and market competitiveness. The initiative is aimed at fulfilling the current demand & design needs of the market.

10th National Handloom Day Celebration

On August 7, 2024, the Ministry of Textiles celebrated the 10th National Handloom Day, raising awareness about the handloom industry's pivotal role in India’s economy. The Vice-President conferred 5 Sant Kabir Handloom Awards and 17 National Handloom Awards. Several other programs including handloom exhibitions, awareness programs for students, handloom sourcing show, social media campaigns, etc. were organized accords the country.

‘Shilp Didi Mahotsav 2024’

Union Minister of Textiles, inaugurated 'Shilp Didi Mahotsav,' a fortnight-long marketing event dedicated to the Shilp Didi Programme, organised at Dilli Haat, INA, New Delhi on 22.08.2024. Shilp Didis initiative is a significant step towards empowering the women artisans, providing them with the tools and knowledge needed to enhance their business and secure financial independence. Shilp Didis are being provided with an opportunity to showcase their crafts at Dilli Haat from 16th August 2024 to 31st August 2024.

The aim of this Mahotsav is to give them marketing opportunities in addition to e-commerce presence to increase their income under the programme. A baseline survey identified 100 women artisans, known as Shilp Didis, representing 72 districts across 23 states.

Textile Gallery Inauguration at Crafts Museum

On August 8, 2024, the Union Minister of Textiles inaugurated a new Textile Gallery at the Crafts Museum, showcasing the wealth of techniques and weaves namely embroidery, block prints & resist dyed fabrics, brocades, kalamkari as well as new innovations.

Craft Tourism Village at Mahewa, Naini, Prayagraj and Common Facility Center (CFC) for Terracotta craft at Phaphamau, Prayagraj were inaugurated on 13th September 2024. The infrastructure projects were designed to support the traditional artisans of Uttar Pradesh, promote sustainable livelihoods, and enhance the socio-economic status of the artisans of the identified clusters. The CFC aims to streamline terracotta production by providing artisans access to modern technology, raw materials, and facilities at reduced costs benefitting over 1,000 artisans.

Eri Sericulture Promotional Project in Gujarat

As a major initiative to encourage castor-growing farmers in Gujarat, Eri Sericulture Promotional Project was launched by Union Minister for Textiles on 10th August 2024 that would help to adopt sericulture as an additional income-generating activity. It would also help in expanding Eri culture in Gujarat having abundant castor plants. The Central Silk Board, Ministry of Textiles, Government of India launched the project at Sardarkrushinagar Dantiwada Agricultural University (SDAU) and Kalyan Foundation in Palanpur.

Central Silk Board Platinum Jubilee Ceremony

Platinum Jubilee Celebrations were organized on Sept 20-21, 2024. All together 5000 stakeholders from Silk value chain representing different States participated in the 2-day programme. The growth of the silk sector in 75 years has been remarkable and raw silk production has increased from 1242 MT in 1949 to over 39000 MT in 2023. India is the 2nd largest producer of silk in the world.

During the main function on 20th Sept at Mysuru, a documentary video, a commemorative coin, a Coffee Table Book and a postal cover were released. Additionally, new mulberry varieties and silkworm hybrids, new technologies were introduced, alongside the release of 13 books, 3 manuals, and 1 Hindi magazine dedicated to sericulture. The Silk Mark India (SMOI) website was officially launched, and notable exchanges of MoUs occurred between CSB and prominent institutions to strengthen cooperative efforts in sericulture research and training.

New Pricing Methodology for Jute Sacking Bags

The Government on August 28, 2024 approved a new pricing methodology for jute sacking bags based on Tariff Commission study report, which will provide better pricing to jute mills. This move benefits around 4 lakh jute mill workers and 40 lakh farmer families engaged in jute cultivation, primarily in West Bengal.

This would facilitate jute mills for investment in the jute industry for modernization and diversification. The decision is aligned with the vision of Aatmanirbhar Bharat by promoting domestic jute production and protecting the environment through the use of biodegradable and renewable jute.

VisioNxt Fashion Trend Insight and Forecasting System

On September 5, 2024, the Ministry launched VisioNxt, a pioneering fashion trend insight and forecasting system using Artificial Intelligence (AI) and Emotional Intelligence (EI). This initiative aims to support weavers, manufacturers, startups, and retailers by providing accurate trend forecasts.

VisioNxt has developed a comprehensive Web Portal, a bilingual Fashion Trend Book available in both Hindi and English, and a detailed Taxonomy E-book. These tools are designed to be easily accessible and provide valuable insights and trends that can help industry professionals stay ahead in the dynamic world of fashion.

Click here for more details

Source: pib.gov.in– Sep 27, 2024

HOME

****

Manufacturing gross value added grew 7.3% in 2022-23: Annual Survey of Industries

Manufacturing gross value added (GVA) of the country grew robust 7.3 per cent in 2022-23 at ₹21.97 lakh crore (₹20.47 lakh crore), the latest Annual Survey of Industries (ASI) released on Monday showed.

The ASI for 2022-23 was released by the Ministry of Statistics and Programme Implementation (MOSPI) and NITI Aayog.

Industrial output for 2022-23 grew more than 21 per cent. Total employment in the manufacturing sector showed a robust growth of 7.4 per cent in 2022-23 over the previous year, ASI report showed.

In 2022-23, growth was witnessed in the manufacturing sector for majority of the important economic parameters like invested capital, input, output, GVA, employment and wages and even surpassed the pre-pandemic level in absolute value terms, an official release said.
Key growth drivers

The main drivers of this growth in 2022-23 were industries like manufacture of basic metal, coke & refined petroleum products, food products, chemical and chemical products and motor vehicles. These industries, taken together, contributed about 58 per cent of the total output of the manufacturing sector.

Among the major States, in terms of GVA, Maharashtra ranked first in 2022-23 followed by Gujarat, Tamil Nadu, Karnataka and Uttar Pradesh. The top five states, taken together contributed more than 54 percent of the total manufacturing GVA of the country in 2022-23.
Top states

The top five States employing highest number of persons in the manufacturing sector were Tamil Nadu, Maharashtra, Gujarat, Uttar Pradesh and Karnataka in ASI 2022-23. Taken together, these States contributed about 55 per cent of total manufacturing employment in the year 2022-23.

Annual Survey of Industries is conducted with the primary objective to provide a meaningful insight into the dynamics of change in the composition, growth and structure of various manufacturing industries in terms of output, value added, employment, capital formation and a host of other parameters. It provides valuable input to the National Accounts Statistics at national and state level.

The field work for this survey was carried out during November 2023 to June 2024 for ASI 2022-23.

Source: thehindubusinessline.com– Sep 30, 2024

HOME

****

Government extends export benefits under RoDTEP till September 2025

New Delhi: The government on Monday extended benefits under the RoDTEP scheme for exports made from domestic tariff area (DTA) units for one year till September 30, 2025. The scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) provides for refund of taxes, duties and levies that are incurred by exporters in the process of manufacturing and distribution of goods and are not being reimbursed under any other mechanism at the Centre, state, or local level.

Launched in January 2021, the scheme was valid till September 30.

The Directorate General of Foreign Trade (DGFT) said in a notification that for Advance Authorisation (AA) holders, Export Oriented Units (EOUs) and Special Economic Zones (SEZs), the scheme is extended till December 31 this year.

"The RoDTEP scheme is being extended for exports made from DTA units till September 30, 2025, and AA/EOU/SEZ units till December 31, 2024," it said.

The revised rates under the scheme were also notified for implementation with effect from October 10 this year, once the ICEGATE portal gets updated with new rates, it added.

The rates are revised downwards so that the outgo remains within the budgetary allocation. The new rates of refund of taxes range from 0.3 per cent to 3.9 per cent, lower than the 0.5 per cent to 4.3 per cent that prevailed before the latest extension.

"In order to adhere to the budgetary framework as provided in FTP (foreign trade policy) 2023, so that the outgo remains within the approved budget of the Scheme, necessary changes shall be made to the Scheme benefits, wherever necessary, including revisions or deletions in the eligible RoDTEP export items, rates, per unit value caps and other measures, as and when required," it said.

ICEGATE registration is a pre-requisite for filing of all customs-related documents, such as bills of entry, and shipping bills online.

In FY23, the scheme supported USD 450 billion worth of exports at the cost of Rs 13,020 crore. In 2021-22 the scheme aided USD 421 billion in exports and cost Rs 12,100 crore.

The rate of tax refund under the scheme ranges from 0.5 per cent to 4.3 per cent of the value of the product.

Sanjay Budhia, Chairman CII National Committee on EXIM, said the industry welcomes the timely extension of the RoDTEP scheme to exports.

He said that this much-needed move will significantly enhance the global competitiveness of Indian exporters by addressing the un-refunded taxes and duties that impact cost structures.

"By levelling the playing field for exporters, this decision will also enable greater participation in global value chains and support export growth," Budhai said, adding that this is a positive step.

Federation of Indian Export Organisations (FIEO) President Ashwani Kumar said the extension will provide stability to the scheme, helping exporters to finalise new contracts offering the best prices factoring the duty refund flowing for the scheme.

"Being an instrument for zero rating of exports, the scheme may be given permanency like other duty neutralisation schemes," Kumar added.

Source: economictimes.com– Sep 30, 2024

HOME

****

US remains top trading partner, export destination for India in Jan-July 2024

The US has retained its position as India's top trading partner in the January-July 2024 period with bilateral goods trade surpassing $72 billion and Indian exports growing 9.3 per cent to $48.2 billion.

Top export items from India to the US in this period included garments & textiles, pharmaceuticals, precious and semi-precious stones, smart phones and mineral fuels.

On the other hand, India's imports from the US fell from $25.9 billion to $24.6 billion, a 5 per cent decline in the first seven months of 2024, per government figures.

Exports up

"India's merchandise exports to the US grew substantially from $54.3 billion in 2018 to $83.8 billion in 2023, marking a 54.4 per cent increase. This indicates a strong demand for Indian goods in the US market. In the services sector too, India's exports to the US experienced a notable increase of 25.6 per cent in the period, rising from $28.9 billion in 2018 to $36.3 billion in 2023," per an analysis by the Delhi-based research body, Global Trade and Research Initiative (GTRI).

Combining both merchandise and services, India's total exports to the US surged from $83.2 billion in 2018 to $120.1 billion in 2023, registering an overall increase of 44.3 per cent.

The US' decision to withdraw the Generalised System of Preferences (GSP) scheme for Indian exporters from 2019 has had minimal economic impact on India and there may not be a need for the government to prioritise its restoration, Ajay Srivastava, Founder, GTRI said. Exporters of certain labour intensive items to the US were given duty free/ lower duty market access under the scheme.

"India was the largest user of the program, accounting for $5.7 billion in exports under GSP, but this figure remains negligible in the context of India's overall export portfolio and the broader US trade relationship. Thus, the GSP's impact on India's export growth was limited," Srivastava said.

Import sectors

India's imports from the US in January-July 2024 was spread across a number of sectors with minerals fuels at the top followed by precious and semi-precious stones, mechanical and electrical machinery, aircraft & parts, ships & boats, chemicals & pharmaceuticals and edible fruits & nuts.

The trade potential between India and the United States remains vast, driven by their growing economic ties and complementary markets, the GTRI report stated. The US presents a significant market for Indian goods, particularly in sectors like technology, pharmaceuticals, textiles, and engineering products. Likewise, India's increasing demand for advanced technology, energy, and capital goods from the US opens avenues for expanding bilateral trade.

"With both countries working to strengthen their strategic partnership, particularly in areas like defence, clean energy and digital trade, there is substantial potential to further enhance trade volumes, making the bilateral relationship a key driver of economic growth for both nations," it noted.

Source: thehindubusinessline.com– Sep 30, 2024

HOME

****

Interest equalisation scheme for exporters extended for another 3 months; capped at Rs 50 lakh

The government has extended the interest equalisation scheme on pre- and post-shipment rupee export credit for three more months till December 31 to promote the country's outbound shipments. The scheme, which provides exporters interest benefits, ended on September 30.

In a trade notice, the Directorate General of Foreign Trade (DGFT) said, "Trade and Industry is hereby informed that the Interest Equalisation Scheme for Pre and Post shipment Rupee Export Credit, which had earlier been extended till September 30, 2024 has been further extended by three months up to December 31, 2024".

It also said the fiscal benefits of each MSME, on aggregate, will be restricted to Rs 50 lakh for 2024-25 till December 2024.

"MSME manufacturer exporters who have already availed equalisation benefit of Rs 50 lakh or more till 2024-25 till September 30, 2024, will not be eligible for any further benefit in the extended period," it said, adding, "this extension shall be valid for three months or such revised approval, which would be received prior to the lapse of the extension of three months".

On December 8, 2023, the Union Cabinet approved an additional allocation of Rs 2,500 crore for the continuation of the scheme up to June 30.

The scheme helps exporters from identified sectors and all MSME manufacturer exporters to avail of rupee export credit at competitive rates at a time when the global economy is facing headwinds.

Exporters get subsidies under the Interest Equalisation Scheme for pre- and post-shipment rupee export credit.

The additional outlay of Rs 2,500 crore, over and above the current outlay of Rs 9,538 crore under the scheme, was made available to bridge the funding gap to continue the plan up to June 2024.

The scheme was started on April 1, 2015, and was initially valid for five years up to March 31, 2020. It has been continued thereafter, including a one-year extension during Covid-19, and with further extensions and fund allocations.

The scheme is fund-limited, and benefits to individual exporters were earlier capped at Rs 10 crore per annum per IEC (Import Export Code). Now the cap is Rs 50 lakh.

India's exports registered a steepest decline in 13 months, declining 9.3 per cent in August to USD 34.71 billion due to global economic uncertainties, while the trade deficit soared to a 10-month of USD 29.65 billion.

Exports during April-August this fiscal year increased 1.14 per cent to USD 178.68 billion, and imports grew 7 per cent to USD 295.32 billion.

Commenting on the move, Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said they have requested for extending the scheme on a long-term basis, covering all exporters in employment intensive sectors and enhancing the cap as lowering to Rs 50 lakh will hit MSMEs as well, at the most challenging time with huge headwinds in global trade.

Source: economictimes.com– Sep 30, 2024

HOME

****

First tranche of disbursements in textile PLI likely to begin this fiscal

India's textile and garment exports have stagnated at around $35 billion, while Vietnam and Bangladesh have gained market share, supported by free trade agreements (FTAs) and Least Developed Country (LDC) status, which provide a 10-15 per cent duty concession in Western countries.

Amid signs of a recovery in exports in August, about a dozen companies are set to start receiving incentives under the Production Linked Incentive (PLI) scheme for the textile sector during the current financial year, a senior government official said on Friday.

This will be the first tranche of disbursements under the PLI scheme for textiles for man-made fibres (MMF), apparel, MMF fabrics, and 10 segments of technical textiles, following a significant delay due to weak export demand in the West. The scheme was launched in 2021 with a budgetary outlay of Rs 10,683 crore.

"The PLI scheme disbursements will start in the current financial year, and textile manufacturing and investments will get a boost since India has the entire value chain, unlike many other countries. Additionally, the PM Mega Integrated Textile Region and Apparel schemes, along with free trade agreements, will help create scale in textile manufacturing," said Rachna Shah, Secretary, Ministry of Textiles.

Addressing the issue of employment, Union Minister of Textiles, Giriraj Singh stated that the government has prepared a roadmap for creating 4.5 to 6 crore jobs in the textile sector by 2030, asserting that efforts are underway to increase the sector's market size to $350 billion, up from around $165 billion at present.

Singh mentioned that Indian textile workers are better paid compared to their counterparts in other textile-manufacturing countries, and that India's domestic sector has been expanding rapidly. He also noted that efforts are in progress to promote the 'Make in India' initiative for the textile sector.

"To reach a size of $350 billion in the coming years, we need man-made fabric, whether synthetic, viscose, or natural fibre. We are preparing for everything," said the minister, adding that over 350 global brands procure clothing from India, and attention should not only be focused on export figures but on domestic numbers as well.

Notably, India's textile exports declined for the second consecutive year in 2023-24.

Job creation in labour-intensive sectors such as the textile industry has been a concern. Employment in India, directly and indirectly linked to international trade, has declined over the last decade, a World Bank report had highlighted earlier this month.

World Bank economists noted that India's share in global exports of labour-intensive sectors such as apparel, leather, textiles, and footwear has declined. Meanwhile, countries like Bangladesh, Vietnam, Poland, Germany, and France have managed to increase their global export share in major job-creating sectors by up to 2 per cent between 2015 and 2022.

India's textile and garment exports have stagnated at around $35 billion, while Vietnam and Bangladesh have gained market share, supported by free trade agreements (FTAs) and Least Developed Country (LDC) status, which provide a 10-15 per cent duty concession in Western countries.

World Bank economists suggested that India could benefit from a new strategic plan to diversify exports, leverage the changing geopolitical landscape, reduce trade costs, and improve trade facilitation. "India has made progress in facilitating trade and re-engaging with global markets, but progress is limited by new barriers affecting goods, services, and investments," the Bank said.

Source: indianexpress.com– Sep 28, 2024

HOME

****

India will take a multi-pronged approach to boost exports: Piyush Goyal

In an exclusive interview ahead of his US visit, Commerce and Industry Minister Piyush Goyal discussed wide-ranging issues, including India's export strategy, investment opportunities, key trade partnerships, manufacturing growth, the evolving trade relations with China, and more, with Shreya Nandi and Asit Ranjan Mishra at his office in Vanijya Bhawan. Edited excerpts:

Growth in developed countries is expected to slow in the coming years. Broadly what should India's export strategy be? Should we be looking more at Southeast Asia? How do you see it in the context of geopolitical issues also cropping up?

India will have to look at a multi-pronged approach. While services and tourism are very, very low-hanging fruits, where we can get significant exports, project export is another area which we have not exploited as much as we can. For example, in Australia, I identified that there is a shortage of one million homes.

What a great opportunity for our real estate developers to build one million homes in Australia! I've talked to the government there as well as the South Australia state. I've talked to the trade minister, and now we will pursue it further. I've talked to Credai (Confederation of Real Estate Developers' Associations of India). I have asked them to depute a team of developers from Credai who can go and start a dialogue with Australia. So newer areas are one thing we should look at. Tourism has huge scope for expansion.

But manufacturing will obviously be the mainstay because that provides jobs, which help us create the whole ecosystem, and this government, after 10 years of "Make in India", has the satisfaction that that is one of the flagship and most successful programmes.

In a slowing world, India has continued to be the oasis and manufacturing exports, both in terms of volumes and the basket of exports, are giving us good results.

But what about getting the focus back to Southeast Asia and Asia?

I'm working with Southeast Asia to see if we can get some of their non-tariff issues sorted out, and we have an FTA (free-trade agreement) review (with the Association of Southeast Asian Nations, or Asean) going on. I'm hoping that should give us some more elbow room to expand our exports there. I had gone to the Asean economic ministers' meeting only to convey to them the urgency of this review and I have received assurances from my counterparts. If they give us a fair deal in terms of review, then that will help us right size the huge trade deficit. If they don't, we will have to see the non-tariff barriers that are imposed on us and I have to look at retaliatory measures.

What's your broader view on India's trade and investment relationship with China?

We work within the rules of the World Trade Organization. Per se, we have nothing against one or the other country as long as trade is on fair terms, there is transparency, and we get an equal opportunity and access as we offer the other country. Whichever country doesn't give us an equal opportunity or equal access or its pricing is opaque and not transparent, then India will have to correspondingly take measures to protect our interests.

With the Regional Comprehensive Economic Partnership (RCEP) having been executed, China policy has to be seen in the context of Asean policy also. China, very comfortably, is able to move a lot of its production to Asean countries and enjoy the fruits of our FTA with Asean. Therefore, we are very cautiously watching the impact of production coming from several Asean countries, using the RCEP benefits and hurting India's interest.

There is a feeling that India's approach to China is changing, with India allowing visas for Chinese technicians for the 14 PLI (production-linked incentive) sectors.

Our national interest will always be paramount. We will calibrate and balance our policy and decisions based on the needs of the country.

Is there scope for reworking the land-border regulations for allowing foreign direct investment (FDI) during the pandemic (press note 3 of 2020 series)?

There is no proposal for reconsideration.

Repatriation by foreign investors recently was very high.

That's because when they make good profits, periodically there is repatriation and repatriation is good. It encourages them to invest much more. In the past, people used to invest in India but never made profits and they would stop investing. Now when they start seeing a reasonable return, I think the investment numbers and the word of mouth publicity this will give us will see greater FDI inflows. Also, repatriation doesn't hurt but every additional FDI coming in creates additional jobs. Repatriation is only out of profit. But what comes in (creates) fresh jobs.

Is there scope for more FDI liberalisation in some sectors like insurance?

There is no request from anybody asking us to liberalise FDI further. Insurance is already 74 per cent.

What about multi-brand retail?

Out of the question.

There are a lot of complaints about FDI policy violations in quick commerce…

I have not studied the quick commerce violations but I will get my department to do it.

What's the status of e-commerce policy? It has been delayed for some time?

It's at the final stages of consultation.

Can one expect it this financial year?

I would hope so.

What concerns do you think should be kept in mind while the finance ministry is carrying out a comprehensive review of the import tariff policy the finance minister promised in the Budget?

I am happy they are looking at a review of import tariff policy. That way we will be able to look at what is essential or non-essential for imports. They will be able to look at the inverted duty structure and also address concerns like quality and non-transparent pricing by certain companies.
The DESH (Development of Enterprise and Service Hubs) Bill, supposed to replace the Special Economic Zone (SEZ) Act, seems to have been shelved?

Inter-ministerial consultations are still going on — whether it will be through a new Bill or it will be through an amendment to the existing Act.
Do you see giving more market access to units in SEZs to sell in the domestic area?

It is premature for me to say anything before a final call is taken by all the departments. We have to ensure domestic tariff area companies are not discriminated against. We have to make sure revenue loss does not occur.
On the India-United Kingdom FTA, where are we?

The new government there took over just a couple of months ago. I met their minister at the G7 meet in Italy and he has sought time to be able to take briefings and understand the state of play. He has promised to get back to me after they have got a little fix on where they stand.

How much work still needs to be done?

On the one hand, one can say there is quite a lot to be done. On the other hand, if the new government in the United Kingdom is a little more proactive, we can do it very fast.

What is the sense you are getting from that?

For FTA negotiations, my approach has always been to allow all viewpoints and all options to be considered. Never be in a hurry to finalise an FTA.

In the European Union (EU) is the Carbon Border Adjustment Mechanism (CBAM) still the major sticking point with the EU in our negotiations for an FTA?

There is no sticking point but various points are being discussed and negotiated. The CBAM is one of them. But I won't say that is the only sticking point or the major sticking point.

The Budget has announced a carbon credit trading system for India. Do you think we can tackle the challenge from the CBAM through this?
There could be some possibilities around there because the CBAM allows countries to tax carbon in their own land, in which case no tax will have to be paid.

We have seen the EU coming up with more regulations on deforestation due diligence. Do you think we need a different strategy to tackle these non-tariff issues?

If they go into these non-tariff issues, then every country will have to look at its own national interests and prepare policies accordingly. One thing for sure is that I can see the EU becoming quite uncompetitive in the global market because its own production will become expensive and its own cost of living will be difficult to control. Inflation will go up in those countries. The CBAM, deforestation — these types of laws will hurt Europe the most.
We have resolved some of the major sticking points in trade with the United States but at the same time now we are going to impose retaliatory tariffs on products from the EU because of steel duty. Do you think our relationship with the EU is getting murkier by the day?

Not at all. Every relationship stands on its own legs. Every relationship has its strengths and weaknesses.

But we couldn't resolve this bilaterally and amicably.

We have done a lot of discussion and negotiation. We gave them every possible opportunity to put an end to these tariffs on steel and aluminium. A few months ago, when we were having Lok Sabha elections, they once again extended it for two or three years. Then we thought now we had to retaliate. We haven't finalised the process.

Any timeline?

It's in the process. The department must be working.

We also had a round of FTA negotiation with Oman last week. What's the progress as far as the FTA is concerned because before the elections there was a buzz that the FTA would be signed just after the elections and that's one of the top priorities after the elections. There have been some roadblocks.

We had very good discussions with Oman. Nothing is finalised until everything is finalised.

Have you been able to resolve the issue of market access related to petrochemicals?

Not yet.

Now we are focusing on Oman and the Gulf Cooperation Council (GCC) is not in focus right now?

Other countries of the GCC want to do it but for the GCC as a whole we have yet decided to start discussion.

We haven't decided or there is some problem at their end?

I think when both of us decide to launch we will get launched. We have not yet come to agreed terms on which we can launch.

There is concern regarding a sharp increase in imports of silver from the United Arab Emirates (UAE). India was supposed to take it up with the UAE?

I remember talking about it and they were going to give us some detail. I think it is part of the meeting of the high-level joint task force on investment (on October 7). If there is anything pending, we will take it up. What has been your assessment of the implementation of the laptop-import monitoring system?

Under the monitoring system, we are not at all restricting any import. Nor are we stopping or diverting any import. This is more a data collection exercise to help us formulate our policy.

What is the way forward for the import-monitoring system?

Based on the data collected, we will decide what steps need to be taken. The data is out. Surely the government has been looking at it for nine-10 months. Any initial assessment?

We have to receive recommendations from the line ministry and they will tell us what we need to do. I don't think so far they have given us any recommendations. The Directorate General of Foreign Trade (DGFT) is only implementing the wishes of nine ministries. So nine ministries will have to decide what guidelines they want to put in place. The DGFT would notify but would not determine what has to be done.

Any plans to join the trade pillar of the Indo-Pacific Economic Framework?

Right now, the trade pillar discussions are on a halt. In a way, it redeems India's stand. We have not joined the trade pillar and we are an observer — because the original document itself, we feel, will be very difficult for any country to accept. Our stand has been vindicated because they have also not been able to come to an agreed position on that.

What is the big outcome you are expecting from your United States visit?
One, I have several engagements with business persons from a vast variety of sectors, including manufacturing, financial services, information technology, global capacity centres, and the potential to be exploited in India. I will have meetings with industry groups, and several roundtables and engagement with the Indian diaspora, on the one hand.

On the government-to-government side, we have the US-India CEO (chief executive officer) roundtable and the US-India commercial dialogue. We will be taking up areas of mutual interest to engage in the innovation space — what steps we can take in the semiconductor and electronics industry, how we can look at a greater degree of investment in manufacturing and other services and what can be done in emerging technologies and critical minerals. So we have quite a strong agenda for discussion both with the government and with CEOs.

The Generalised System of Preferences (GSP) or totalisation agreement are part of the agenda?

The GSP is not on the agenda. And, by the way, GSP and totalisation have not been in discussion for the past few years. We have raised the issue with the government for reinstating the old GSP and to introduce totalisation earlier, but looking at the American political scenario at the moment, I don't think that is on the table.

Private capex has been subdued. What do you think?

On the contrary, the numbers I get are mind-boggling. Every steel company is investing massively. Every cement company is investing because of the massive infrastructure thrust and the real estate boom. The country is the fastest-growing large economy, expanding at 7-7.5 per cent. It couldn't have been so unless there was investment happening also.

India is not just a consumption-led growth story only. It's a production- and consumption-led growth story. We will always have the anxiety as we want much more.

Source: business-standard.com– Sep 30, 2024

HOME

****

May retaliate if Asean non-trade barriers persist, says Piyush Goyal

India may consider taking retaliatory measures if non-trade barriers imposed by the Association of Southeast Asian Nations (Asean) are not addressed as part of the ongoing review of the trade deal, Commerce and Industry Minister Piyush Goyal said.

If they (Asean countries) give us a fair deal in terms of the review, that will help us right-size the huge trade deficit. If they don't, then we will have to look at the non-tariff barriers imposed on us, and I will have to consider retaliatory measures," Goyal told Business Standard in an interview.

Regarding the much-delayed e-commerce policy, the minister said it was in the final stages of consultations and can be expected by the end of the current financial year.

As for the fast-growing quick commerce segment, Goyal said that while the government had not studied potential violations, the industry department would examine their compliance with the law.

India's trade deficit with the 10-member Asean bloc has grown fivefold in 14 years, reaching $38.5 billion in FY24, compared to FY10. The free-trade agreement (FTA) between the two sides came into effect in January 2010. India, for more than half a decade, has flagged the need for an urgent review of the trade agreement, since imports from Asean nations have grown at a much faster pace than exports from India.

In August last year, both sides agreed to complete the review of the existing agreement on goods by 2025. However, India is not happy with the tardy pace of the review process.

"I had gone to the Asean-India Economic Ministers' meeting only to convey to them the urgency of this review and I have received assurances from my counterparts," Goyal said.

Citing an example of non-trade barriers faced by Indian exporters, Goyal said one Asean country imposes quotas on the number of automobiles India can export, without naming the country. "We will have to look at whether we can put a quota on any of their products of interest coming into India," he added.

Under the current trade deal, India has granted uniform market access to all 10 Asean members, while Asean countries have provided market access to India based on their level of development, which India considers unfair. “Through the review, we are pushing that it (India’s market access) should have different buckets for less developed countries, developing countries, and middle-income countries (of the Asean grouping),” Goyal said.

The minister said China was now able to shift much of its production to Asean countries as part of the Regional Comprehensive Economic Partnership and take advantage of India’s trade agreement with Asean.

Goyal, currently on a five-day visit to the US until October 4, will meet with US Secretary of Commerce Gina Raimondo, US Trade Representative Katherine Tai, and top industry officials. Both countries are set to discuss steps to strengthen the semiconductor and electronics industries, promote investment in manufacturing and services, and explore collaboration in emerging technologies and critical minerals.

Source: business-standard.com – Sep 30, 2024

HOME

****

Export-oriented units struggle, unhappy with new IGCRS e-process

Throughout last week, export-oriented units (EOUs) were struggling through various processes involved in importing their goods under the Customs (Import of Goods at Concessional Rate of Duty or for Specified End Use) Rules, 2022 (IGCRS Rules). Some of them complained of delays in clearance of their goods through Customs that resulted in demurrage and container detention charges.

The EOUs import their requirements without any duty payment, under the notification 52/2003-Customs dated March 31, 2003, which requires them to follow the IGCRS Rules. Last month, the Central Board of Indirect Taxes and Customs (CBIC) asked EOUs to adopt the new processes to electronically obtain new unique IGCRS identification number (IIN), upload the bond details, furnish intimation of imports to be made, and file the bill of entry quoting the IIN and other details from the beginning of this month. The online functionality in the Indian Customs Electronic Gateway (ICEGATE), however, did not work properly and so, the CBIC postponed the implementation of the processes to the 17th and then again to the 25th of this month.

As each deadline approached, the EOUs flagged several issues in complying with the requirements and some of them were resolved by the officials at the ICEGATE but many remained unresolved. Last Tuesday, the Export Promotion Council for EOUs and Special Economic Zones (EPCES) conducted an online survey and found that most EOUs are finding difficulties in adopting the new system and asked for further postponement in implementing the system.

However, the CBIC refused to do that but released a new set of frequently asked questions (FAQs) and the implementing officials conducted a webinar on the new processes and answered many of the questions of the EOUs. They were also trying to respond to individual queries raised on the ICEGATE helpdesk.

Still, very few EOUs had adopted the new processes and many questions still remained unanswered by Thursday and so, the EPCES took up the matter with higher functionaries in the commerce and finance ministries.

Towards the weekend, some EOUs were reporting successful adoption of the new processes and many others were still struggling to do so.

The officials at the ICEGATE are quite clear that their system is working properly and that answers to all doubts and difficulties are being given promptly. Yet, the EOUs still struggling with the new processes have their own tales of woes with the new system.

Most EOUs feel that the CBIC could have easily agreed to postpone the implementation of the new system by some more time, let the old and new systems run simultaneously for some time, held some more webinars to train executives of the EOUs and put out videos demonstrating the new processes and how certain types of difficulties could be overcome. The EPCES has been as helpful as possible by forming a WhatsApp group where the EOUs could share their difficulties and the implementing officials could give the solutions.

Most of the EOUs are unhappy with the way the CBIC has tried to push through the new processes without adequate preparation. Almost all of them have lost lots of man-hours trying to adopt. Some of them have also lost money due to delays in clearance of their imported goods. Hopefully, all the EOUs will soon be able to adopt the new processes.

Source: business-standard.com– Sep 29, 2024

HOME

****

AICTE Releases Curriculum For Undergraduate Courses In Textile Engineering

The All India Council for Technical Education (AICTE) has launched a comprehensive Model Curriculum for undergraduate degree courses in Textile Engineering, aimed at aligning education with the latest advancements in the field. This innovative curriculum emphasises both theoretical knowledge and practical applications, equipping students with the skills needed to excel in the rapidly evolving textile industry.

The curriculum integrates fundamental courses in science and engineering with specialised topics, including textile technology, sustainability, nanotechnology, smart textiles, and technical textiles. To further enhance flexibility, it offers a variety of elective courses, enabling students to explore emerging areas such as artificial intelligence, machine learning, and circular economy within the textile sector.

A key feature of this curriculum is its focus on internships and entrepreneurship development. The summer internship programme is designed to provide students with hands-on experience in real-world industrial settings, ensuring they are well-versed in industry practices and challenges. Additionally, structured courses on entrepreneurship will cultivate a mindset among students to become future job creators and innovators in the textile domain.

Emphasising sustainability and cutting-edge technology, the curriculum aims to equip students to tackle global challenges, such as reducing the environmental impact of textiles and developing innovative products. The inclusion of virtual labs and access to SWAYAM/NPTEL courses allows for a flexible learning approach, enabling students to master new concepts at their own pace.

Universities are encouraged to introduce additional electives, including minor and micro-credit options, providing further customisation. Students will also have the opportunity to pursue specialisations worth 18 to 20 credits in interdisciplinary areas, enhancing their expertise and preparing them to meet the complex challenges of the modern textile industry.

AICTE Chairman Professor TG Sitharam emphasised the importance of adopting this model curriculum, stating, "We strongly urge institutions across India to adopt this model curriculum at the earliest to ensure that our graduates are not just employable but also ready to lead and innovate in this rapidly evolving industry. By aligning education with industry needs and fostering entrepreneurial skills, we aim to make India a global leader in textile engineering."

Source: ndtv.com– Sep 28, 2024

HOME

****

Ahead of polls, Maharashtra govt releases Rs 2,399-crore subsidy to cotton, soybean growers

The Maharashtra government on Monday disbursed Rs 2,399 crore to cotton and soybean growers under a new scheme that provides a Rs 5,000 per hectare subsidy to farmers.

Farmers who cultivated cotton and soybean in the 2023 kharif season and had registered themselves on the state government's portal for the same received the subsidy amount directly into their bank accounts.

As many as 49,50,000 agriculturists received the subsidy amount, which was directly transferred into their bank accounts, and the total outlay was Rs 2,398.93 crore, said an official from the state agriculture department.

Chief Minister Eknath Shinde, his deputies Devendra Fadnavis and Ajit Pawar launched the subsidy scheme, targeted at farmers and unveiled just ahead of the assembly polls which are likely to be held in November. Agriculture Minister Dhananjay Munde was also present on the occasion. The scheme provides a subsidy of Rs 5,000 to farmers with a cap of up to two hectares of land.

The agriculture department issued a statement saying there are 96 lakh cultivators of cotton and soybean in the state, of which 68,06,923 were able to upload relevant information on the government portal for subsidy distribution.

Source: moneycontrol.com– Sep 30, 2024

HOME

****