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IBTEX No. 164 of 2024 October 17, 2024

Currency Watch			
USD	EUR	GBP	JPY
84.03	91.22	109.11	0.56

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INTERNATIONAL NEWS

EU apparel imports decline, highlights a shift away from traditional suppliers

Recent Eurostat data reveals a significant downturn in the EU's apparel imports in the first seven months of 2024. The data shows a drop of 5.22 per cent compared to the same period last year highlighting a broader shift in the global apparel market. In the EU traditional suppliers like Bangladesh and China are facing headwinds while emerging players like Cambodia and Pakistan are gaining ground. Eurostat data reveals a dip in imports, shifting market shares, and a dynamic landscape influenced by economic factors, consumer preferences, and geopolitical considerations. Declining imports and shifting market shares

Overall, EU apparel imports decreased by 5.22 per cent in the January-July 2024 period compared to the same period in 2023. This decline is reflected in the performance of major suppliers like China (-7.34 per cent), Turkey (-8.55 per cent), and Bangladesh (-4.84 per cent).

Key highlights

Economic slowdown: The overall decline in apparel imports reflects the broader economic slowdown in the EU, with rising inflation and energy costs squeezing consumer spending.

Shifting sourcing strategies: The contrasting fortunes of different suppliers suggest a shift in sourcing preferences. Cambodia and Pakistan, with their competitive labor costs and growing manufacturing capabilities, have registered significant growth. This could indicate a move by EU buyers to diversify their supply chains and reduce reliance on traditional sources like China and Bangladesh.

Sustainability concerns: Consumers are increasingly conscious of the environmental and social impact of their fashion choices. This is driving demand for sustainable and ethically produced apparel, which could be benefiting countries with stronger environmental and labor regulations. Nearshoring trend: Rising transportation costs and geopolitical uncertainties are encouraging some EU brands to source closer to home, potentially benefiting countries like Turkey and Morocco.

Eurostat data reflects that despite a relatively moderate decline, Bangladesh faces challenges due to rising production costs, energy shortages, and shipment delays. These factors are eroding its competitiveness and could lead to further loss of market share. Addressing these issues, along with improving infrastructure and enhancing sustainability practices, will be crucial for Bangladesh to retain its position in the EU market.

Similarly, the decline in Chinese apparel imports is likely due to factors like, rising labor costs, trade tensions with the EU, and the emergence of competitive alternatives.

Click here for more details

Source: fashionatingworld.com– Oct 16, 2024

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Brazil cotton prices fluctuate slightly in early October

Cotton prices in Brazil have shown slight fluctuations in the first half of October as market focus remains on fulfilling existing contracts. With two-thirds of this year's cotton crop already processed, market liquidity remains low. However, strong profitability continues to attract producers, leading to expectations of increased planting for the 2024-25 season, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

From September 30 to October 15, the CEPEA/ESALQ Cotton Index (with payments due in 8 days) saw a 2.16 per cent decrease, closing at BRL 3.9328 (~$0.69) per pound on October 15.

According to data from the Brazilian Cotton Producers Association (ABRAPA), 63.67 per cent of the 2023-24 crop had been processed by October 10. National Supply Company (CONAB) forecasts a 2.9 per cent increase in the planted area for the 2024-25 season, with a total of 2 million hectares. However, productivity is expected to decline by 3.1 per cent, bringing yields to 1,831 kg per hectare, resulting in a projected production of 3.67 million tons—slightly lower than the 2023-24 season, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

Globally, the USDA reported on October 11 that the 2024-25 world cotton production could reach 25.395 million tons, an increase of 0.2 per cent compared to its September forecast, and up 2.6 per cent from the previous season. World consumption is projected to be 25.199 million tons, just 0.77 per cent lower than the global supply.

Meanwhile, the International Cotton Advisory Committee (ICAC) revised its 2024-25 global production forecast slightly down to 25.49 million tons, a 0.51 per cent drop from its earlier September estimate but a 5.67 per cent increase compared to the previous season. Global consumption remains projected at 25.87 million tons.

Source: fibre2fashion.com– Oct 17, 2024

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Euro area's real GDP growth to be below 1% in 2024, 1.1% in 2025: TCB

The Conference Board (TCB) expects the euro area's real gross domestic product (GDP) growth to be just below 1 per cent this year and at 1.1 per cent in 2025.

The US think tank's leading economic index (LEI) for the area declined by 0.7 per cent in September this year to 95.2 following a decline of 0.8 per cent in August. As a result, the LEI contracted by 4.3 per cent over the six-month period from March to September 2024, a slightly higher rate of decline than the 4.1-per cent contraction over the previous six-month period.

Its coincident economic index (CEI) for the euro area inched up by 0.1 per cent in September to 108.6 following no change in August. The CEI grew by a muted 0.1 per cent over the six-month period from March to September 2024, weaker growth than the 0.5 per cent over the previous six-month period. The LEI provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term, whereas the CEI offers an indication of the current state of the economy.

"The Euro Area LEI continued to deteriorate in September, remaining on the downward trend that has prevailed for over two years" said Ian Hu, economic research associate at the think tank.

"The majority of components, save the systemic stress indicator and stock prices, contributed to the deterioration to the LEI. Additionally, over a six-month period, all components, except for the systemic stress indicator, contributed negatively, especially the yield spread, manufacturing new orders, and consumer expectations. Consequently, both the six- and twelve-month growth rates of the LEI remain deeply negative, pointing towards continued headwinds to growth," he said.

"With euro area inflation falling below the European Central Bank's (ECB) 2.0-per cent objective, two additional interest rate cuts are expected by the end of 2024, which should lessen these headwinds," he added.

Source: fibre2fashion.com– Oct 17, 2024

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Contraction in German exports in Sept after marginal expansion in Aug

September data indicated a fractional downturn in business activity across Germany's overseas markets after a marginal expansion in exports during the previous month, according to Hamburg Commercial Bank (HCOB) purchasing managers' index (PMI) data.

The headline HCOB Germany manufacturing PMI export conditions index posted 49.8 in September, down from 50.7 in August and the lowest reading since January.

All three main global regions registered a loss of momentum in September. North America (52.7) remained the fastest-growing, despite the rate of expansion easing to a five-month low in September.

Moreover, on a trade-weighted basis, output growth in Asia (51.1) increased at the weakest pace since October 2023. This was largely due to a slowdown in private sector activity growth across China.

Meanwhile, lacklusture export demand persisted in Europe (48.6), with this index in contraction territory for the fourth consecutive month. Renewed declines in private sector output in France and Italy more than offset pockets of growth in Spain, the United Kingdom and Ireland.

German manufacturers signalled a steep and accelerated decline in their volumes of new work from abroad in September. At 39.7, down from 40.8 in August, the seasonally-adjusted HCOB Germany manufacturing PMI new export orders index was below the 50 no-change mark for the thirty-first month in a row.

Moreover, the rate of contraction was the fastest since October 2023. Survey respondents widely linked falling export sales to weak global demand for manufactured goods, as well as challenging market conditions, a release from S&P Global said.

There were also reports that heightened geopolitical uncertainty had led to delayed decision-making among clients, especially on major capital spending projects. Where growth was reported, firms mostly noted rising demand from US clients. This contrasted with relatively weak spending patterns across Europe and Asia.

While the latest decline in new orders from abroad partly reflected an unfavourable global economic backdrop, the downturn in exports across Germany's manufacturing sector continued to exceed the worldwide trend by a wide margin.

In fact, the rate of decline in new export orders was the second-fastest of the 29 economies monitored by PMI surveys in September, exceeded only by Austria.

Source: fibre2fashion.com– Oct 17, 2024

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Wuxi thrives with robust industrial development

Wuxi is also dedicated to revitalizing traditional industries. Wu Shuokai from the municipal bureau of industry and information technology highlighted the importance of nurturing new quality productive forces in both emerging and traditional sectors, noting, "New quality productive forces should not only be exclusive for emerging or future industries, and they can also be fostered in traditional industries."

The Wuxi No 1 Cotton Mill Textile Group, established in 1919, exemplifies this by spearheading technological advancements in the traditional textile industry through an accumulative investment of 600 million yuan, establishing a first-class intelligent factory. Looking forward, Wuxi is steadfast in its commitment to revitalize traditional industries in Jiangsu province. The aim is to complete the initial phase of upgrading traditional industries by 2027, with over 600 projects targeted for transformation annually starting in 2024.

In addition to supporting local businesses, Wuxi has attracted promising enterprises from cities like Shanghai and Shenzhen. Muyu Aero Technology (Jiangsu), a subsidiary of Shenzhen AEE Technology, stands out as a vanguard in China's light sport aircraft R&D and manufacturing. Wang Yong, general manager of Muyu Aero, stated that the company selected Wuxi due to its location in the Yangtze River Delta region and robust industrial foundation, notably excelling in electromechanical equipment. Wuxi Juxie Intelligent Drive Technology, specializing in the industrialization of humanoid robots, reflects the city's investment appeal. Founder Zhao Wei highlighted Wuxi's comprehensive industrial clusters and supportive policies as key reasons for choosing the city.

With a thriving sci-tech innovation ecosystem and cluster effect, Wuxi hosts 16 industrial clusters valued at 100 billion yuan or above, including six valued at 200 billion yuan. By 2023, the city boasted record numbers of 12,453 small and medium-sized tech enterprises, 6,325 high-tech companies, and 113 enterprise technology centers, with R&D spending reaching 3.38 percent of GDP.

Source: chinadaily.com.cn– Oct 16, 2024

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Bed Bath & Beyond Parent Invests $40M in Struggling Container Store

Bed Bath & Beyond parent Beyond Inc. and The Container Store have found a way to help each other.

Through a strategic partnership, Beyond Inc. will invest $40 million in the struggling organization and storage specialty retailer. In exchange for the financial boost, The Container Store will allocate floor space at some of its stores for a line of co-branded products in the kitchen, bath and bedroom categories. Jefferies analyst Jonathan Matuszewski said Beyond gains physical distribution without capital expenditure outlays for new store construction, and it can continue to operate as an "asset-lite entity." The Container Store, among other benefits, gets access to a broader general merchandise offering where it can broaden its customer base beyond those focused just on the organization market.

The $40 million investment will be through a preferred equity transaction, subject to certain conditions including a refinancing of The Container Store's credit facilities under terms acceptable to Beyond. If certain other conditions are met, the preferred stock would convert to common stock at $17.25 per share, which would give Beyond a 40 percent ownership stake of The Container Store's common equity.

"The companies intend for the partnership to position The Container Store to return to profitable comparable store growth over time by utilizing and benefiting from Beyond's intellectual property, customer data, network of brands, and affiliate relationships," the two firms said in a joint statement. The Container Store's Custom Spaces offering, including its Elfa and Preston product lines, will be available across Beyond's e-commerce banners. Beyond also owns the Overstock, Zulilly, and other online retailer brands.

"We are excited about the opportunities this partnership unfolds for us. We believe its benefits will further our strategic initiatives including deepening our relationship with customers, expanding our reach, and strengthening our capabilities while accelerating our return to positive same store sales growth and profitability," The Container Store's CEO Satish Malhotra said. "This agreement will enable us to harness Beyond's data platform and analytics to better identify and target customers at critical points in their purchase journeys and enhance communications with new and existing customers. It will allow us to expand our reach across our combined network and position us to leverage Beyond's e-commerce expertise to further our own omni-channel tools and capabilities."

Beyond's executive chairman Marcus Lemonis said he sees "tremendous whitespace for The Container Store's best-in-class, solution-based offerings across the entire Beyond portfolio" through its proprietary Elfa and Preston lines. He also said that through the licensing of the Bed Bath & Beyond brand, The Container Store will offer customers a "more comprehensive product offering" for their home and organizational needs.

"Partnerships like this further support the value of iconic brands leveraging each other's assets and core competencies while improving customer conversion and retention, enhancing margins, and optimizing marketing expenses which are the principal drivers in delivering value creation and profitable growth," Lemonis said.

Lemonis, a retail veteran best known for reviving struggling businesses on CNBC's "The Profit," became Beyond's executive chairman this past February. One of his first moves one month after joining the company was to acquire the defunct Zulily brand for $4.5 million. Last month, Beyond said it had started a global licensing program with the Bed Bath & Beyond name. In addition to stores in Mexico, it also inked a category license with PEM America, a home textiles manufacturer, for fashion bedding, bath linens and accessories and window and soft home décor.

Beyond, formerly Overstock.com before its rebranding, acquired certain assets, including intellectual property assets, of bankrupt Bed Bath & Beyond for $21.5 million in June 2023. The company this summer relaunched its legacy Overstock.com site.

"It is our vision, particularly with many off-price retailers leaving the e-commerce space, to become the North American leader where companies big and small can utilize the platform to reduce inventory in their own businesses and improve their turns and margins. They are essentially our vendors and suppliers," Lemonis told investors during an earnings call in August regarding plans for Overstock.com.

Lemonis also told investors that in addition to traditional vendors, the company was in the "early innings of entering the true liquidation reverse logistics and closeout business. We have formed material relationships with liquidators, jobbers, wholesalers and reverse logistics companies and are finalizing a formal agreement with a large-scale closeout and reverse logistics company."

Lemonis must be doing something right. Beyond in the second quarter narrowed its net loss to $42.6 million, or 93 cents a diluted share, from a net loss of $73.5 million, or $1.63, in the year-ago period. Net revenue fell 5.7 percent to $398.1 million.

Beyond's narrowing of its losses comes against a backdrop where the home sector remains in distressed mode. On Monday, True Value Co. LLC filed a Chapter 11 petition to effect a sale of itself to its rival Do It Best. A wholesaler, True Value serves 4,500 independently-owned stores that rely on it for its products. Its the latest bankruptcy this year that saw the Conn's banner, flooring retailer LL Flooring, and closeout home retailer Big Lots all file their respective Chapter 11 petitions. Last year saw the mega Bed, Bath & Beyond and Tuesday Morning filings, among other home retail bankruptcies and liquidations. The year was particularly tough for the struggling home sector, which saw the closure of 1,228 doors, including 896 attributed to the Bed Bath & Beyond bankruptcy.

Source: sourcingjournal.com– Oct 16, 2024

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WTO predicts moderate growth for global trade, textile sector shows resilience amidst uncertainty

The World Trade Organization (WTO) has released its updated 'Global Trade Outlook and Statistics' report, underlining a cautious optimism for global trade. While merchandise trade is expected to rebound in 2024 and 2025, lingering economic and geopolitical uncertainties continue to pose challenges.

The WTO has revised its forecast for world merchandise trade growth upwards to 2.7 per cent for 2024, a slight increase from the 2.6 per cent predicted in April. This growth is expected to continue into 2025, albeit at a slightly slower pace of 3.0 per cent.

Report highlights

Modest growth: Global merchandise trade volume is expected to grow by 2.7 per cent in 2024, a slight increase from the previous estimate of 2.6 per cent. This rebound follows a 1.1 per cent drop in 2023, attributed to high inflation and rising interest rates. Growth is projected to further strengthen to 3 per cent in 2025.

Regional variation: Asia is expected to lead the growth in export volumes with a 7.4 per cent increase in 2024, while Europe is projected to see decline of 1.4 per cent. Least developed countries (LDCs) are forecast to see a modest 1.8 per cent growth in exports.

Services trade resilience: Services trade has shown a more robust performance, growing by 8 per cent in the first quarter of 2024. Travel services were a key driver, exhibiting a strong 19 per cent growth in the same period.

Easing inflation: The report notes that inflation has moderated sufficiently by mid-2024, allowing central banks to begin cutting interest rates. This is expected to provide some support to trade growth

Geopolitical risks remain: The WTO highlights that rising geopolitical tensions and increased economic policy uncertainty could negatively impact trade prospects.

Focus on textile and apparel sector

The textile and apparel sector, a significant contributor to global trade, is experiencing mixed recovery. It suggests demand for textiles and apparel is shifting, with increased demand for sustainable and ethically produced products. The sector continues to grapple with supply chain disruptions, with companies seeking to diversify sourcing and build greater resilience.

Also, Asia remains the dominant player in textile and apparel production and exports. However, some production is shifting to other regions, including Africa and South America, as companies seek to reduce costs and diversify risks. And online sales of textiles and apparel continue to expand rapidly, creating new opportunities for businesses of all sizes. This trend is particularly pronounced in emerging markets with growing internet penetration.

Click here for more details

Source: fashionatingworld.com– Oct 16, 2024

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UK & Switzerland resume negotiations on enhanced FTA

The United Kingdom (UK) on Monday resumed the negotiations with Switzerland on an enhanced and upgraded free trade agreement (FTA). Switzerland is the UK's 10th largest trading partner and 7th largest export market, as the total trade between both the countries reached £51 billion (~$67.8 billion) in 2023.

The talks, the first to take place under this government, provide a chance to further strengthen the trading relationship, drive economic growth and create jobs across the UK, according to a press release by the government of UK.

The UK and Switzerland are both leading service-based economies, with services trade accounting for nearly £30 billion (~$39.24 billion) of UK-Swiss trade, despite the existing trade agreement focusing mostly on goods. A modern deal could support jobs in all UK nations and regions, including 130,000 services jobs supported by exports to Switzerland, and provide much needed long-term certainty on travel arrangements for UK firms.

Negotiations resumed as the UK government welcomed global investors to the international investment summit in London. The summit will make clear that the UK is 'open for business' as the government resets relations with trading partners around the globe, as per the press release. The upgraded UK-Switzerland FTA will include detailed commitments on services and investment for the first time, providing both the countries' businesses with guaranteed access to one another's markets to encourage investment and services trade in both directions.

Jonathan Reynolds, business and trade secretary said: "Economic growth is this government's driving mission and trade with partners like Switzerland has an important role to play in that.

The trade between our two nations has quadrupled in current prices in the last 20 years, with services playing a huge role in that success. I'm looking forward to starting negotiations on an updated and modern trade deal, which will help drive economic growth and boost jobs and prosperity across the UK."

"The UK and Switzerland are the two largest financial centres in Europe. The restarting of negotiations with Switzerland is hugely welcome and will significantly boost trade in services, which already drives substantial growth in both countries," said Chris Hayward, policy chairman of the city of London Corporation.

The current UK-Switzerland trade deal is largely based on an EU-Swiss deal from 1972 and does not cover digital trade or data flows. However, 80 per cent of all services exported from the UK to Switzerland were digitally delivered in 2021.

Monday marked the first round of UK-Switzerland negotiations since the business and trade secretary announced in July his intention to deliver an ambitious FTA programme. The UK restarted talks with the Gulf Cooperation Council (GCC) just last month and is coordinating with other FTA partners to get negotiators back in the room as soon as possible.

Source: fibre2fashion.com– Oct 16, 2024

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US apparel prices rise, but consumer spending shows signs of slowdown

The Consumer Price Index (CPI) for garments increased by 0.6 per cent in September, both month-over-month and year-over-year, as per Cotton Inc. This places garment prices near their highest levels since the COVID-19 pandemic, with the April 2024 value only slightly higher. Currently, prices are 6.4 per cent above the 2019 average. Despite this rise, consumer spending on apparel fell by 0.8 per cent in August, though it remains 1.8 per cent higher year-over-year.

The Conference Board's Consumer Confidence Index took a sharp drop in September, falling 6.9 points to a reading of 98.7. This mirrors the levels seen in April and June and remains within the 95–115 range that has persisted since August 2021. A continued dip in consumer confidence in the US could signal more cautious spending behaviour in the months ahead.

In a significant policy shift, the US Federal Reserve lowered interest rates by half a percentage point last month, ending the aggressive rate hike cycle that began in March 2022. Despite this cut, interest rates remain well above pre-pandemic levels, indicating the central bank is easing pressure but not stimulating the economy just yet. Meanwhile, China has implemented its own economic stimulus measures, cutting interest rates and easing mortgage restrictions to support its sluggish economy and housing sector, Cotton Incorporated said in its Executive Cotton Update - US Macroeconomic Indicators & the Cotton Supply Chain for October 2024.

Overall US consumer spending increased by 0.2 per cent month-over-month in August and was 2.9 per cent higher than the previous year. While apparel spending experienced a slight dip in August, earlier months like June saw robust growth, with a 4.2 per cent rise in garment purchases.

The US labour market showed strength in September, adding 254,000 new jobs, marking the highest monthly gain since March. This figure significantly exceeds the six-month average of 176,000 new jobs per month. Revisions to the job growth estimates for July and August were also positive, with July's number rising by 55,000 and August's by 17,000. The unemployment rate saw a modest decrease, falling from 4.2 per cent to 4.1 per cent.

After peaking at 5.9 per cent in March 2022, wage growth has slowed in the US, settling at 3.4 per cent in July 2024. However, recent months show a slight uptick, with wage growth reaching 3.9 per cent in August and 4.0 per cent in September, suggesting that wage pressure may be creeping back into the economy.

Policy revisions in both the US and China appear to be supportive of economic growth and demand for goods, including cotton products. Furthermore, Europe is showing signs of recovery from last year's recession, providing additional optimism for global markets heading into the final quarter of 2024.

Source: fibre2fashion.com– Oct 15, 2024

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ICE cotton prices fall amid stronger dollar & lower crude oil prices

ICE cotton prices continued to decline yesterday due to the ongoing rise in the US dollar index and weakness in commodity prices such as crude oil and grain. A stronger dollar made cotton purchases more expensive, while a decline in crude oil prices paved the way for cheaper polyester fibre, an alternative to cotton. However, cotton futures rebounded on Wednesday.

Yesterday, the ICE cotton December contract settled at 71.03 cents per pound (0.453 kg), down by 0.41 cents, after touching a low of 70.55 cents—its lowest level since September 18.

The US dollar index has strengthened over the past three weeks, though it remained relatively stable on Tuesday. Overseas cotton buyers were discouraged by the higher cost of purchases in their local currencies. Crude oil prices fell by over 4 per cent, reaching a two-week low. Reports that Israel would not target Iranian oil or nuclear facilities eased concerns about supply disruptions, leading to further declines in oil prices globally. The fall in crude oil made polyester, a man-made alternative to cotton, cheaper.

On October 15, 30,813 cotton contracts were traded, while 40,394 contracts were cleared the previous day. ICE's No. 2 cotton futures contract inventory dropped to 174 bales as of October 14, down from 265 bales on the prior trading day.

The weakness in corn and soybean prices, which fell for the fourth consecutive session, also exerted pressure on cotton. Favourable weather in Brazil and expectations of a bumper US harvest shifted market sentiment towards ample global supplies.

There has been some cotton demand around 70 cents per pound. Traders are anticipating improved demand at this price level following the recent 4-cent drop. They are awaiting the USDA's weekly export sales report on Thursday to assess US cotton demand.

The USDA's weekly crop report, released after market close on October 15, showed US cotton quality at 34 per cent, up from 29 per cent the previous week and 30 per cent during the same period last year. As of October 13, 34 per cent of the US cotton crop had been harvested, compared to 26 per cent the previous week, 31 per cent at the same time last year, and a five-year average of 30 per cent.

Currently, ICE cotton for December 2024 is trading at 71.05 cents per pound, up 0.43 cent. Cash cotton traded at 65.12 cents (down 0.41 cent), while the March 2025 contract stood at 73.21 cents per pound (up 0.46 cent), the May 2025 contract at 74.70 cents (up 0.49 cent), the July 2025 contract at 75.60 cents (up 0.47 cent), and the October 2025 contract at 73.36 cents (down 0.46 cent). A few contracts remained unchanged from the last closing, with no trading recorded today.

Source: fibre2fashion.com– Oct 16, 2024

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NATIONAL NEWS

Government extends "Samarth" (Scheme for Capacity Building in Textiles Sector) till March 2026

Samarth is a demand-driven and placement-oriented umbrella skilling program of the Ministry of Textiles. Samarth Scheme has been extended for two years (FY 2024-25 and 2025-26) with a budget of Rs. 495 Crore to train 3 lakh persons in textile-related skills.

Scheme aims to encourage and support the industry in creating jobs in the organized textile and related sectors, covering the entire value chain of textiles, excluding Spinning and Weaving. The training program and curriculum have been rationalized to meet the evolving technological and market needs.

In addition to entry-level skilling, the scheme also provides upskilling/reskilling programs to improve the productivity of existing workers in Apparel & Garmenting segments. Samarth also caters to the upskilling/reskilling needs of traditional textile sectors such as handloom, handicraft, silk, and jute.

The scheme is implemented through Implementing Partners (IPs) comprising Textile Industry/Industry Associations, Central/State government agencies, and Sectoral Organizations of the Ministry of Textiles like DC/Handloom, DC/Handicrafts, Central Wool Development Board, and Central Silk Board.

Under Samarth Scheme, the Ministry, through implementing partners, has trained 3.27 lakh candidates, of which 2.6 lakh (79.5%) have been employed. There is a strong emphasis on women's employment, and 2.89 lakh (88.3%) women have been trained so far.

Details may be accessed through below given links:

Samarth website: https://samarth-textiles.gov.in

Source: pib.gov.in– Oct 16, 2024

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Exports rise marginally in September, trade-deficit at 5-month low

India's trade deficit narrowed to a five-month low of $20.78 billion in September 2024 as goods exports grew a nominal 0.5 per cent (year-on-year) to $34.58 billion, after a two-month consecutive fall, and import growth slowed down to 1.6 per cent to $55.36 billion.

"In merchandise, which is one sector that has been impacted globally, India is doing much better than the global average. Both in terms of merchandise and services exports, India is doing better than the rest of the world. Our exporters, despite so many difficulties, have been able to keep our head high," Commerce Secretary Sunil Barthwal said at a media briefing on Wednesday.

Trade trends

In April-September 2024-25 exports grew by 1 per cent to $213.22 billion, while imports increased by 6.16 per cent to $ 350.66 billion. The trade deficit during the first half of the fiscal was $137.44 billion, which was higher than the trade deficit of $119.24 billion in the comparable period of 2023-24.

Indian exports had grown despite global uncertainties driven by sectors such as engineering goods, chemicals, plastic, electronics and ready-made garments, Barthwal pointed out.

Last week, the WTO had lowered its global trade growth projection for 2025 to 3 per cent from the previous 3.3 per cent while increasing it marginally to 2.7 per cent for 2024 from 2.6 per cent earlier and had warned that geopolitical tensions and policy uncertainty, largely due to the West Asia crisis, posed a downside risk to the forecast.

Liquidity boost

Exporters' body FIEO called for government support to increase liquidity with deeper interest subvention support and extension of interest equalisation scheme for at least five years, creating a predictable business environment for the exporters.

India's trade deficit had increased to a 10-month high of $ 29.65 billion in August 2024 as gold imports more than doubled to a record high of $10.06 billion responding to a sharp reduction in customs duty and festive demand.

In September 2024, the import of gold was at $ 4.39 billion, much lower than the previous month, but marginally higher than gold imports in September 2023 at $ 4.11 billion.

Source: thehindubusinessline.com– Oct 16, 2024

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India's economic growth slows: Nomura's NICAI index drops to 3% in September

High-frequency growth indicators have been signalling a slowdown since June, Nomura said in a new note.

The Nomura India Coincident Activity Index (NICAI) is a composite index covering consumption, investment and the external sector. Aggregate NICAI growth slowed to 4.1 per cent y-o-y in August from 6.5 per cent in June and 7.0 per cent in March, and the preliminary reading for September is further lower at 3.0 per cent.

The Nomura India Growth Thermometer (NIGHT)uses NICAI to estimate the sequential growth pulse. NIGHT is tracking -1.0 per cent (q-o-q) in Q3, down from 1.4 per cent in Q2 and 0.6 per cent in Q1, confirming that growth momentum has slowed sharply.

This suggests GDP growth is currently tracking below 6.5 per cent y-o-y in Q3 (RBI: 7 per cent), down from 6.7 per cent in Q2, although we await the full set of September data to finalise our forecasts.

The Nomura India Composite Leading Index (NICLI) has a one-quarter lead on non-agricultural GDP growth. It has been sequentially moderating since Q1 2024 and has continued to slide into Q4, suggesting that the moderation in growth momentum in Q3 (based on NICAI) will likely persist into Q4. The NICLI is just below the 100 threshold and moderating sequentially, which points to a rising risk of a cyclical growth slowdown in coming quarters.

"We see rising downside risks to our GDP growth forecasts, for both FY25 (6.7%) and FY26 (6.8%). Even as the pace of government spending picks up and base effects are favorable, we expect growth momentum to remain soft, due to fading urban pent-up demand, tight monetary policy, a moderation in credit growth, negative real rural wage growth, sluggish private capex and soft external demand," Nomura said.

Source: thehindubusinessline.com– Oct 17, 2024

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India-UK negotiations on free trade deal likely to restart in November

India is hoping that free trade agreement (FTA) negotiations with the United Kingdom (UK) will restart in November, a senior government official said on Monday.

It expects the UK to come forward for the next round of negotiations, after the Budget presentation later this month.

"There is a Budget presentation in the UK on October 30... Negotiations should start in November," the official said on Wednesday.

Officials in the UK are also briefing their new ministers about the proposed FTA. A formal announcement of the restart of FTA talks is yet to be made.

India and the UK have been negotiating a trade agreement since January 2022. While both sides have made substantial progress under erstwhile British Prime Minister Rishi Sunak, FTA talks have been delayed due to elections in both the nations.

The new Labour government in the UK has indicated that talks with India remain a priority.

FTA progress

As far as the interim trade deal with Australia is concerned, the utilisation of the Economic Cooperation and Trade Agreement (ECTA) by Indian exporters is more than 80 per cent since its implementation, additional secretary Rajesh Agrawal told reporters.

Both sides are discussing if the proposed comprehensive economic cooperation agreement (CECA) can be expedited since the country's election is scheduled for May 2025.

"We have sensitivities on both sides and we will be engaging over the next two months to see if they can be reduced. In that case, we can achieve a closure. Otherwise, Australia goes for election next year. Maybe, the agreement (talks) will go beyond that also," Agrawal said.

India has raised the concerns of Indian stakeholders regarding the European Union's (EU) sustainability measures, including carbon border adjustment mechanism (CBAM) and deforestation regulations, during the ninth round of the FTA.

"We discussed 20 policy areas. We covered text-related chapters of government procurement, rules of origin, SPS and TBT, but the focus essentially was of expectation on market access. While we discussed market access...the new regulations, be it CBAM or deforestation, how they would have an impact was also discussed," commerce department's additional secretary L Satya Srinivas said on Monday.

The ninth round of negotiations took place on September 23-27.

Last week, top government officials from India and the EU acknowledged slower-than-expected progress in the proposed trade agreement. They called for ways of mutual cooperation and understanding to make progress in the negotiations.

Commerce and Industry Minister Piyush Goyal had said that "extraneous elements", having no relevance to trade or business, are hurting interests of both trade and business. This, he added, is slowing down the progress of FTA negotiations.

Source: business-standard.com– Oct 16, 2024

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Apparel exports grew 17.3% in September

Readymade garment (RMG) exports grew 17.30% last month compared with the same period last year, as per data shared by AEPC.

From April to September, garment exports were 8.61% higher than April-September 2023, in dollar terms.

The growth will continue in the coming months, resulting in 15%-20% higher exports in 2024-2025 compared with FY 24. International buyers are recognising Indian products and sourcing more from India now, said A. Sakthivel, southern region in-charge of the AEPC.

Sudhir Sekhri, chairman AEPC, said in a statement, "India's RMG exports have outshined despite the global slowdown and continued inflationary pressure. Even the major exporting countries witnessed a showdown in the RMG export growth."

The AEPC will conduct roadshows in Spain and New York this month, which will position India as a global hub for textiles, he added.

According to Mithileshwar Thakur, secretary general of AEPC, Indian RMG exports have registered double digit growth for the last few months despite geo political challenges and supply chain disruptions. This is because India is seen as a preferred sourcing destination, he said.

Source: thehindu.com– Oct 16, 2024

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Global Organic Textiles Standards bans 5 Indian cotton firms for faking documents

Germany-based Global Organic Textile Standards (GOTS) has banned five Indian cotton companies for using fake shipping firms to show transportation of goods and defrauding the GOTS system.

In a notification on certification bans on its website, the organisation, which ensures the organic status of textiles, said it was imposing a certification ban — which means they cannot claim to have got GOTS organic certification — for two years.

Two of the companies — Farmers United House and Om Organic Cotton Pvt Ltd — are based in Odisha, while the other three — Super Cotton Industries, Shri Dwarakish Corporation and Aama Cotton Pvt Ltd — function from Gujarat.

“Investigations revealed that the shipping company did not exist, and no material movement actually took place. Based on the facts despite the company not being currently certified, the Certification Body recommended a ban on this company,” GOTS said.
Spoofed website

In the cast of the Odisha-based companies, the organisation said that based on complaints received and investigations that followed, they were found to have submitted forged National Organic Program (NOP) transaction certificates (TCs) for raw cotton with a QR code that led to a spoofed website, which confirmed that these TCs were fake.

Argentina-based certification organisation Letis SA said it does not work with Om Organic or Jampati Jevik Kisan Kalyan Samiti, whose cotton Farmers United House claimed to have shipped.

The issue was taken up with GOTS, which was told that no physical procurement of cotton took place in the case of both these companies. The cotton was reported to have been transported to Maharashtra from Odisha, which activist Liam Olive claimed was against GOTS policy. Organic raw cotton cannot be transported over 500 km. In this case, the cotton was driven about 800 km.

“They (these companies) are paying huge money to staffs of IDFL, an accredited audit and certifying body, to issue transaction certificates based on fake NOP input. Documents were manipulated and fake transport documents were issued with no e-way bill of GST being paid,” the activist said.

The certification body and multiple operators had allegedly indulged in similar forgery, he said in an email sent to GOTS on August 6, 2024. In the case of Aama Cotton, GOTS said the company “wilfully provided forged input transaction”.

Similar Sept actions

GOTS said it studied the whole issue before imposing the ban. This is not the first instance of the organic textiles organisation taking action on companies claiming to export or trade in organic cotton.

In September, it banned four other Indian companies for two years from certification as they were involved in fraudulent activities.

In the case of Mumbai-based Maruti Fibres, GOTS said it was involved in the multiplication of stock and overselling. In the case of Axita Cotton Limited, Mumbai, and Axita Industries Ltd, Ahmedabad, the firms were found overselling besides being involved in the multiplication of stock. Similarly, Abhishek Organi Farms and Exports, Ahmedabad, was found involved in a similar activity.

Source: thehindubusinessline.com– Oct 16, 2024

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CPI seeks L-G's intervention for a textile park in Puducherry

The CPI has, in a memorandum to Lt. Governor K. Kailashnathan, urged his intervention in establishing a textile park in Puducherry under the PM MITRA scheme.

A CPI delegation led by AM Saleem, State secretary, met the Lt. Governor and submitted the memorandum that presented the case for a textile hub in Puducherry which was also a prime aspiration of the people here.

Puducherry qualifies for a textile park under the PM MITRA scheme since it has a vibrant legacy of thriving textie mills until few decades back. The place was once a hub of cotton textiles with enterprises such Anglo French Textiles, Swadeshi Cotton Mills and Bharathi Textile mills started in the 19th century making significant contributions to the socio economic development of the region.

The industrial profile of the capital city during French governance was mainly due to the three textile mills. After Independence, during the 1970s two mills, Bharathi Mills and Swadeshi Cotton, were vested with the National Textiles Corporation to avert their closure. In 1985, the AFT, which remained closed for three years was taken over by the Pondicherry Textiles Corporation by way of a legislation.

While during the period up to 2014 the AFT employed 7500 workers and netted foreign exchange to a tune of Rs.152 crore, subsequently a host of factors, primarily policy-related, led to its decline in a competive market. The reluctance of successive Governments to refurbish and run the mills had led to their closure, the CPI said.

The memorandum reasoned that the textile industry in Puducherry, if offered proper patronage, had potential to flourish again and add socio-economic value..

The memorandum suggested that an integrated textiles value chain starting from spinning to manufacturing at a single location. In addition to generating jobs and revenue, fashion tourism that combines the nische segment of market, creativity, culture and shopping could also develop.

While appreciating Mr. Kailashnathan's recent visit to the now defunct AFT to possibly explore possibilities for revamping the mills, the memorandum noted that the Government seemed to be mulling alternative plans to a revival of the enterprise.

The memorandum also pointed out that K. Subbarayan, MP and AITUC National vice president had met the Secretary of Textiles Ministry for getting Puducherry included in PM MITRA Scheme. The Textile Secretary had assured to respond positively if the Government of Puducherry approaches with a proposal.

Though the Puducherry Industries Minister had announced in the Assembly that a textile park would be established, no sincere effort has followed in this regard, the memorandum said.

It sought the Lt. Governor's intervention in persuading the Centre to acceded to the textile park plea by including puducherry in the PM MITRA scheme.

K. Sethu Selvam, CPI Assistant Secretary I.Dinesh Ponniah, National Council member V.S.Abishegam, AITUC Honoray President and R.Anthony, treasurer were part of the delegation.

Source: thehindu.com– Oct 16, 2024

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