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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

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Currency Watch			
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INTERNATIONAL NEWS

Why Are Fashion Brands Still Opening Stores in Xinjiang?

Outfitted in a bright orange hoodie, dark shades and his trademark swagger, Donnie Yen waved to a riotous crowd as he inaugurated a new Skechers store at a Chinese mall in late September. The event, which the Hong Kong actor recapped on his Instagram page to Bruno Mars's "24K Magic," might have gone largely unremarked if it wasn't for the fact that it took place in Urumqi, the capital of the Xinjiang Uyghur Autonomous Region and ground zero for the U.S-Sino conflict over the brutal persecution of Muslim minorities that the Trump and Biden administrations have publicly called genocide.

While it's unclear how many stores the California-based footwear purveyor operates in the controversy-riddled region—Skechers did not respond to multiple requests for comment—it's at least its second. A video on Weibo, China's version of X, shows a similar grand opening that took place at another Urumqi department store in June. Instead of Yen's celebrity power, however, the occasion was feted by a person dressed in a giant panda suit and a Skechers T-shirt. There was also cake—the sheet kind, bordered by blue and white flowers. Voice of America first reported the existence of the stores earlier this month.

As the world economy's largest growth engine, China remains a vital market for most fashion brands and retailers, including those subject to the Uyghur Forced Labor Protection Act, or UFLPA, which imposes a rebuttable presumption that all goods originating in whole or in part from Xinjiang are the product of forced labor and therefore barred from entering the United States. According to local media, Skechers plans to double its store count in China to 6,000 by 2026. This despite the fact that its chief financial officer told an industry conference last month that China sales will be under pressure for the rest of the year because the market is "still re-forming itself post-Covid."

But Skechers breaking new ground in Xinjiang is eyebrow-raising because it's been accused on multiple occasions of benefiting from Uyghur forced labor through one of its Guangdong suppliers, Dongguan Oasis Shoes Co., which is also known as Dongguan Luzhou Shoes Co. and Dongguan Lvzhou Shoes Co. While Skechers previously admitted that Uyghurs make up part of the factory's workforce, it said they're employed under the “same terms and conditions” as their Han Chinese counterparts and can leave whenever they want. The U.S. Department of Homeland Security, however, has been unconvinced on either front. In June, it added Dongguan Oasis Shoes Co. to the UFLPA Entity List for what it said was cooperating with the paramilitary Xinjiang Production and Construction Corps to recruit, transfer and hire Uyghurs from Xinjiang.

“It was particularly problematic for Skechers to open a new store given that they have been previously linked to Uyghur forced labor,” said Jewher Ilham, forced labor coordinator at the Worker Rights Consortium, a Washington, D.C.-based nonprofit. She’s also the daughter of Uyghur scholar and economics professor Ilham Tohti, who has, for the past decade, been locked up behind bars in Urumqi on separatism charges and prevented from communicating with his family.

“And at this juncture, many international brands are being extra cautious when it comes to doing business in the Uyghur region given the mass human rights violations and state-imposed forced labor schemes that have been taking place there,” Ilham said. “It is very tone-deaf of them and sets a very bad example to other international brands.”

But Skechers isn’t the only business with a retail presence in Xinjiang. H&M Group, which faced a damaging Chinese consumer boycott in 2021 for vocally shunning Xinjiang cotton, boasts five stores, though a spokesperson declined to comment on whether they’ll remain open. Muji has five, which it says it will continue to operate. Hugo Boss, which until recently was embroiled in a Uyghur forced labor probe by the Canadian Ombudsperson for Responsible Enterprise, confirmed it has a Boss Menswear outlet in Urumqi, though it didn’t respond when asked if there were plans to close it. Adidas, Armani, Ferragamo, Gucci, Nike, Vans and Versace, too, appear to have hung out shingles from Akesu to Urumqi. Like Skechers, they did not respond to repeated emails.

If the issue of companies eschewing Xinjiang materials on the one hand but remaining in Xinjiang itself has gone under the radar, it’s because the confluence of Chinese propaganda, Western economic interests and limited public awareness has made it this way, said Elfidar Iltebir, president of the Uyghur-American Association. Brands are more than aware of the risk of offending China, whose scale and economic significance present an intractable problem. Three years later, H&M, Adidas and Nike are still smarting from the bottom-line beating the social-media-led backlash generated. And just last month, Beijing opened an unprecedented investigation into whether Calvin Klein owner PVH Corp. took “discriminatory measures” by “unjustly boycotting” Xinjiang cotton.

At the same time, any brand doing business in China must work closely with the government, which means supporting, however indirectly, a genocide that has forcibly transferred more than 1.6 million Uyghurs to inner Chinese factories for cheap and menial labor, ltebir said. She said that the scheme separates families, preventing parents from passing down their values, culture and traditions to children who are taken to state-run orphanages and schools to be “re-engineered” as loyal Communist Party members.

“The forced labor of Uyghurs is part of a broader system of repression that includes mass internment, forced sterilizations, and the cultural erasure of Uyghur identity,” ltebir said. “Brands that continue to operate in Xinjiang may be complicit, whether knowingly or unknowingly, in benefiting from forced labor, which is a severe violation of human rights. Their presence in the region allows China to perpetuate its genocide while …trying to portray to the world that there is no genocide and everything is business as usual.”

Source: sourcingjournal.com– Oct 18, 2024

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Global cotton benchmarks see mixed movements over past month

Global cotton prices exhibited a mix of stability and growth across major benchmarks in the past month, with some regional variations, as per Cotton Incorporated. The December NY/ICE futures contract saw a rise, climbing from values below 70 cents/lb in September to as high as 74 cents/lb. However, early October witnessed a slight retreat, with prices now stabilising around 72 cents/lb.

The A Index, a global indicator, also showed strength, increasing from 79 to 84 cents/lb in the same period, Cotton Incorporated said in its Monthly Economic Letter - Cotton Market Fundamentals & Price Outlook for October 2024.

China's cotton market showed significant growth, with the Chinese Cotton Index (CC Index 3128B) rising from 94 to 100 cents/lb. In domestic terms, prices advanced from 14,700 RMB/ton to 15,600 RMB/ton. A slight strengthening of the RMB against the US dollar, from 7.12 to 7.08 RMB/USD, also contributed to this increase.

In contrast, India and Pakistan experienced price declines. Indian spot prices for Shankar-6 quality cotton decreased from 91 to 86 cents/lb, or from ₹60,000 to ₹56,700 per candy in local terms, while the INR remained stable at around ₹84 per USD.

Similarly, Pakistani spot prices fell from 81 to 77 cents/lb, with domestic prices dropping from 18,500 to 17,700 PKR/maund. The exchange rate held steady at approximately 278 PKR/USD.

Source: fibre2fashion.com– Oct 18, 2024

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USA: Apparel Sales Were The Second Best Store Category in September

Consumers were still spending at retail in September, giving a boost to apparel sales.

Overall U.S. retail sales for September rose 0.4 percent to $714.36 billion from $711.29 billion in August, and were up 1.7 percent from year-ago levels. Estimates were adjusted for seasonal variations and holiday and trading-day differences, but not for price changes. Retail trade sales rose 0.3 percent from August 2024, and were up 1.4 percent from year-ago levels.

Excluding sales at auto dealers and gas stations, economists at Wells Fargo said retailers notched a “solid 0.7 percent increase, more than double the 0.3 percent gain that had been expected.”

Sales at apparel and accessories stores rose 1.5 percent to $26.47 billion from $26.08 billion in August. At department stores, sales inched up nearly 0.4 percent to $10.88 billion from $10.84 billion. Nonstore retailers also saw sales rise 0.4 percent to $124.55 billion from $124 billion. September’s data point for fashion specialty stores were better than August, which saw apparel sales slip for the month, and even July, when sales for the channel were essentially flat.

Sales at apparel and accessories stores was among the largest store category increases for the month, coming in at second place after miscellaneous store retailers that saw a 4 percent increase.

For now, consumers seem to have the wherewithal to spend. Whether that continues for October sales won’t be known until November 15, the date of the next retail sales report from the U.S. Census Bureau.

The early data for October saw first-timer filers for unemployment benefits for the week ended Oct. 12 fall by 19,000 to a seasonally adjusted 241,000, according to the U.S. Department of Labor. Claims rose in the prior week because of the effect of Hurricane Helene, and it is expected that claims could rise in the near-term due to Hurricane Milton.

An economic research note from Goldman Sachs noted that the decline of 19,000 was below consensus expectations, given last week's hurricane spike. The report noted that nationwide continuing claims—the number who receive benefits through statewide standard programs—rose by 9,000 to nearly 1.9 million for the week ended Oct. 5.

It's probably still too early to tell how the holiday selling season will shape up. Deloitte has forecasted that holiday retail sales will grow between 2.3 percent to 3.3 percent, a range that the research and consulting firm said is more in line with trends over the past decade. The National Retail Federation, a retail trade group, expects holiday spending to grow between 2.5 percent and 3.5 percent over 2023, or a total of between $979.5 billion and $989 billion in November and December, versus 2023's $955.6 billion spend. Customer Growth Partners (CGP) is forecasting a "slower spending pace than the ten-year 5.2 percent average growth rate," or a sluggish 4.0 percent rise for Holiday 2024 to $963 billion.

"First, shoppers are buying closer to need, as they stretch out their family budgets in the face of inflation and rising interest rates. Also, households are shopping strategically, trading down if necessary while focusing on deep value retailers," CPG president Craig Johnson said.

CPG is forecasting anemic growth of 2.3 percent for apparel stores this holiday season, slightly less that the year-ago level of 2.9 percent.

Source: sourcingjournal.com– Oct 18, 2024

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€4.6-bn surplus in Aug euro area goods trade; EU sees €1.7-bn deficit

The euro area exports of goods in August were worth €216.7 billion ($234.87 billion)—a decrease of 2.4 per cent year on year (YoY), according to initial estimates by Eurostat. The zone's imports in the month stood at €212.1 billion ($229.88 billion)—a fall of 2.3 per cent YoY.

Estimates of euro area balance showed a €4.6-billion ($4.98 billion) surplus in trade in goods in August compared with a €4.8-billion ($5.2 billion) surplus in the same month last year and a €19.7-billion surplus in July this year.

The significant month-on-month (MoM) decrease in euro area trade surplus was mainly driven by a reduced surplus for machineries and vehicles and a shift in the balance for other manufactured goods.

In January to August 2024, the euro area recorded a trade surplus of €129.6 billion compared with €6.2 billion in the corresponding period last year. Goods exports during the period were worth €1,900.6 billion—an increase of 0.3 per cent YoY, and imports were worth €1,771 billion—a decrease of 6.2 per cent YoY.

Intra-euro area trade fell to €1,714.6 billion in the eight-month period—down by 4.2 per cent YoY.

The European Union (EU) trade balance showed a €1.7-billion ($1.84 billion) deficit in trade in goods in August compared with a surplus of €0.4 billion in the same month last year, an Eurostat release said.

The extra-EU exports of goods in August were worth €195.6 billion—down by 1.8 per cent YoY. Imports stood at €197.2 billion in the month—down by 0.8 per cent YoY.

In August this year, the EU balance decreased significantly MoM and shifted from a €16.8 surplus to a €1.7 billion deficit. This decrease was mainly driven by a reduced surplus for machineries and vehicles and an increase in the deficit for other manufactured goods.

In January to August this year, extra-EU exports of goods rose to €1,709.1 billion—an increase of 0.8 per cent YoY, and imports fell to €1,599.8 billion—a YoY decrease of 6.3 per cent. As a result, the EU recorded a trade surplus of €109.3 billion during the period compared with a €12.4-billion deficit in the eight-month period.

Intra-EU trade fell to €2,684.0 billion in the eight months—a drop of 3.2 per cent YoY.

Source: fibre2fashion.com– Oct 19, 2024

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China's retail sales up 3.3% YoY in Jan-Sep; industrial output up 5.8%

China's retail sales of consumer goods went up by 3.3 per cent year on year (YoY) in the first three quarters this year to 35.3564 trillion yuan (about $4.96 trillion), according to the National Bureau of Statistics (NBS).

Retail sales rose by 3.2 per cent YoY in September.

The country's value-added industrial output went up by 5.8 per cent YoY in the nine-month period and rose by 5.4 per cent YoY in September. The growth pace in September was 0.9 percentage points faster from the previous month's, a state-controlled media outlet reported.

The industrial output measures the activity of enterprises each with an annual main business turnover of at least 20 million yuan ($2.8 million).

Source: fibre2fashion.com– Oct 19, 2024

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Nine in 10 Fashion Companies Fail to Pay Living Wages in Final-Stage Facilities: Study

The 10th edition of Baptist World Aid's Ethical Fashion Report serves as a reminder that progress in fashion continues to come slowly.

The Australian non-profit studied 120 companies, encompassing 460 brands to determine how resilient their attempts to prevent further environmental decay and worker mistreatment. Some of the brands are based in Australia, while others are global brands.

To assess the companies, the organization took into account their supplier relationships, sustainability progress, worker empowerment programs, risk management and general governance, to devise a score out of 100 possible points for each company. The factors were not weighted equally; brands could receive up to 6 points for "policies and governance," up to 15 points for "tracing and risk," up to 33 points for "supplier relationships and human rights monitoring," up to 25 points for "worker empowerment" and up to 21 points for "environmental sustainability."

According to the results, the apparel industry has stronger safeguards against labor and environmental exploitation than the footwear industry. Among apparel players, the average score sat at 32.9, while footwear companies saw an average score of 24.2.

The findings also show significant gaps in sustainability strategy, companies' work to vet whether employees in their supply chains receive a livable wage and more.

Nearly 89 percent of all companies studied in 2024 did not pay a living wage in any of its final-stage facilities. About 10 percent of companies paid a living wage in some facilities, which, as the report points out, could be as few as one to two. Since 2022, there has been a one percentage point decrease—37 percent to 36 percent—in the proportion of companies that have made a commitment to paying a living wage, which may be a sign that, for many companies, that has not yet become a major priority.

Since 2022, when Baptist World Aid last released a report on ethical fashion, companies have stepped up their sustainable fiber game; In 2022, 15 percent of brands used sustainable fibers for more than half their product volume. In 2024, that figure increased by six percentage points to

21 percent of companies studied. Additionally, 68 percent of brands share at least some ways consumers can reduce the environmental impacts of their products, both during use and at time of disposal. That figure grew 11 percentage points from 2022, when just 57 percent of brands could say the same.

Still, sustainability continues to go by the wayside for some. According to the report, “Half of the companies assessed [in 2024] could not evidence any commitment to climate action.” Companies that scored 0 in the sustainability assessment include Temu, Stussy and Nine West.

About half of brands voluntarily disclosed information to the researchers, while the other half were measured based on publicly available documentation like publicly reported supplier lists and sustainability reports.

Among others, brands like Adidas, H&M, Levi Strauss & Co., Lululemon, New Balance, Nike, Puma, Patagonia and Inditex—the parent company of Zara—fell into the index’s top 20 percent of brands, based on final score. While, in general, the organization noted that brands that participated in the process rather than being scored based on public documents fared better in terms of score, H&M and Levis’s did not participate in the process. They scored 57 and 56, respectively, against an average of 31.3. Patagonia and Inditex brought home two of the report’s highest scores—69 and 66, respectively. Adidas earned a score of 63, while Puma scored 61, New Balance came in at 60, Lululemon saw a 58 and Nike grabbed a 51.

Baptist World Aid noted in a blog post published earlier this week that, in the past, it has received questions and criticism on how it’s possible for fast-fashion companies, like Princess Polly, Inditex and H&M, to end up in the top one-fifth of all ranked companies.

“Our research examines a very specific question: ’How strong are the systems companies have to mitigate the risks of worker exploitation and environmental degradation?’ It may be true that these fast fashion brands have contributed to a destructive cultural change, but that’s not what the report is seeking to address,” researchers wrote. “When fast fashion companies score highly, it shows that larger companies are still able to take steps towards a more ethical supply chain.”

Still, not all fast-fashion players saw strong scores. Shein earned a score of 20—more than 10 points below average, but still an increase from its 2022 score—while Temu was given a whopping 0 points. Baptist World Aid noted that Shein participated in the assessment, while Temu did not.

Up until last year, Baptist World Aid had been releasing these reports annually; in 2023, it decided to take a pause to ensure changes it made to the grading policy and methodology in 2022 matched industry best practices and were fair representations.

According to the report, researchers now plan to present the report bi-annually.

“This 10th edition of the report marks the move to a two-year reporting cycle (rather than annual), acknowledging the often-slow pace of progress in the areas we assess and allowing time for companies to advance toward their commitments,” researchers wrote.

Source: sourcingjournal.com– Oct 18, 2024

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60% retail innovation leaders prioritising e-com investments: Survey

A recent survey by BCG and World Retail Congress revealed that 60 per cent of retail innovation leaders are prioritising investments in e-commerce.

Among these, two of the top investment areas are third-party marketplaces (42 per cent) and social commerce (39 per cent). Adopting a marketplace model allows for assortment expansion without significant scaling of internal operations, while deploying social commerce can enhance brand awareness and increase market share among younger shoppers. AI, including GenAI, was one of the top investment areas for all retailers (58 per cent) because it can help them boost efficiency, reduce lead times, manage complexity, and enhance creativity.

Most US retailers, however, are not moving fast enough relative to the market leaders Amazon and Walmart, which accounted for over 38 per cent of the US e-commerce market in 2023 and had a combined market share of over 50 per cent in several product categories.

Nor are they keeping pace with upstart Asian marketplaces such as Temu, whose rapid growth already ranks it among the top 20 e-commerce retailers in the United States.

The success and momentum of these leading retailers have created an innovate-or-perish moment for other retailers with e-commerce aspirations, the survey concluded.

Heightening the urgency is the ongoing upsurge of e-commerce itself. Forrester forecasts that over 70 per cent of total US retail sales will be digitally influenced by 2027. It's only a matter of time before the majority of retail sales across many categories in the US takes place via e-commerce, BCG said in an article on its website.

Increasing the end-to-end speed of their e-commerce initiatives—from identifying and testing opportunities to rapid scaling—will enhance traditional retailers' staying power in this growing market. The slower they move, the greater the risk that they continue to fall behind the innovative traditional retailers or fast-moving digital natives.

Overall marketplace sales are growing at a faster rate than first-party e-commerce sales, with Amazon and Walmart growing much faster than the remaining marketplace players in the United States.

Specialty retailers have also capitalized on opportunities to create marketplaces.

Temu, meanwhile, has demonstrated that digital natives can follow alternative paths to success. Its strategy of low-priced products and a social referral system has led to exponential growth over the last few years, catapulting Temu into an e-commerce leadership position.

The average prices of the products on the Temu platform are around 50 per cent less than the prices on Amazon. Large in-app discount campaigns result in a 10 per cent conversion rate versus the industry average of 2 per cent.

Source: fibre2fashion.com– Oct 18, 2024

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US winter holiday spending expected to rise 2.5% to 3.5% in 2024: NRF

The winter holiday spending in the United States is expected to increase between 2.5 per cent and 3.5 per cent in 2024 in comparison to 2023, as per the National Retail Federation (NRF). That equates to between $979.5 billion and $989 billion in total holiday spending in November and December, compared with $955.6 billion during the same timeframe last year.

A primary contributor of overall retail sales growth is expected from online shopping. Online and other non-store sales, which are included in the total, are expected to increase between 8 per cent and 9 per cent to a total of between $295.1 billion and $297.9 billion. This figure is up from $273.3 billion last year. By comparison, last year non-store sales rose 10.7 per cent over 2022.

NRF president and chief executive officer (CEO) Matthew Shay said, “The economy remains fundamentally healthy and continues to maintain its momentum heading into the final months of the year. The winter holidays are an important tradition to American families, and their capacity to spend will continue to be supported by a strong job market and wage growth.”

“We remain optimistic about the pace of economic activity and growth projected in the second half of the year. Household finances are in good shape and an impetus for strong spending heading into the holiday season, though households will spend more cautiously,” said NRF chief economist Jack Kleinhenz.

As retailers anticipate increased consumer demand during the holiday season, additional associates are needed to support business operations. NRF expects retailers will hire between 400,000 and 500,000 seasonal workers this year, some of which may have been pulled into October to support retailers’ holiday buying events this month. This compares with 509,000 seasonal hires last year.

One differentiating characteristic from last year’s holiday shopping season is that the shopping period between Thanksgiving and Christmas will be five days shorter, totalling 26 days. Additional contributing factors this year could include the economic impact of Hurricanes Helene and Milton;

even though the 2024 U.S. presidential election will take place during the winter holiday season, it is nearly impossible to measure its impact on current or future spending.

NRF's holiday forecast is based on economic modelling using various key economic indicators including consumer spending, disposable personal income, employment, wages, inflation and previous monthly retail sales releases. NRF’s calculation excludes automobile dealers, gasoline stations and restaurants to focus on core retail. NRF defines the holiday season as November 1 through December 31.

Source: fibre2fashion.com– Oct 18, 2024

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Texworld Apparel Sourcing Paris set for February 2025 with focus on sustainability

Texworld Apparel Sourcing Paris will return to the Paris-Le-Bourget exhibition centre from February 10 to 12, 2025. This event promises to be a significant gathering for international buyers and suppliers as they seek to design and develop Spring-Summer 2026 fashion collections. With high booking levels already indicating strong interest, Messe Frankfurt France anticipates a bustling event.

Venue transformation and layout enhancements

Halls 3 and 4 of the Paris-Le-Bourget exhibition centre will host the event, showcasing a completely renovated Hall 3, designed for the recent Olympic Games. The new layout will enhance the coherence of product offerings, allowing for improved synergies between materials and finished goods. Hall 4 will focus on a women's wardrobe, while Hall 3 will feature a dedicated space for outdoor, sportswear, and casual wear. Additionally, all essential services, including a trends forum, dining options, and the Agora for conferences and discussions, will be consolidated in Hall 2. This new organization aims to streamline the sourcing process for buyers, providing them with comprehensive solutions.

This edition underscores the importance of European markets in the fashion sector, spanning ready-to-wear to luxury segments. The event will host exhibitors from leading sourcing nations such as China, Turkiye (with support from the Istanbul Chamber of Commerce), India, Korea, Indonesia, Pakistan, Thailand, and Bangladesh. Despite challenging political climates, these countries remain steadfast in their participation. Notably, Texworld will continue to highlight yarn sourcing through the Yarn Expo pavilion, showcasing the expertise of prominent spinning companies and reinforcing the value of the upstream sector.

Meeting evolving market demands

Messe Frankfurt France is tailoring the trade show experience to meet the changing demands of the fashion and apparel markets. Julien Schmoll, the Marketing and Communications Director, notes that buyers, brand managers, and designers are increasingly seeking partners who can address sustainable development objectives. The event will showcase suppliers capable of offering high-quality, creative products in various quantities at competitive prices, particularly important for mid-range items.

The Texpertise Econogy initiative will play a pivotal role in highlighting sustainability within the textile sector. The Econogy Finder, available online and via a mobile app, will help buyers locate suppliers of sustainably produced textiles. The Econogy Talks will facilitate discussions around sustainability, featuring several round tables in the Agora located in Hall 2. Additionally, Econogy Tours will return on February 10 and 11, led by specialists to explore sustainable offerings.
Future editions and calendar changes

Looking ahead, Texworld Apparel Sourcing Paris has shifted the dates for its Autumn-Winter 2025-2026 edition to September 15-17, 2025. This rescheduling aligns the event with creative cycles, ensuring sourcing and orders are timed closely with collection development. Alongside Texworld, key sectors such as Avantex and Leather world will also feature in this edition, further enriching the event's offerings.

Texworld Apparel Sourcing Paris promises to be a landmark event for the fashion industry, focusing on sustainable practices and innovative sourcing solutions. With enhanced venue layouts and a strong lineup of exhibitors, this event is set to redefine how buyers connect with suppliers in the evolving landscape of fashion and textiles. The combination of traditional sourcing and a commitment to sustainability underscores the industry's shift towards responsible production, making Texworld a must-attend event for anyone in the fashion business.

Source: fashionatingworld.com– Oct 17, 2024

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Vietnam: Textile and garment enterprises catch up with digital transformation

According to Mr. Vu Duc Giang - Chairman of Vietnam Textile and Apparel Association, textile and garment enterprises are applying modern technology such as 3D printing in design, digitalization, and artificial intelligence applications to increase use in fashion Production of ready-made garments according to anthropometric parameters. This helps businesses reduce costs and improve productivity.

As a strong enterprise in digital transformation, PPJ Group is currently operating a closed textile supply chain. Talking about this, Mr. Dang Vu Hung - Chairman of the Board of Directors and General Director of PPJ Group, said that PPJ Group's relatively complete digital ecosystem helps to access and control every corner of production - business activities and corporate governance. PPJ Group has built, completed and operated a comprehensive ERP digital management system, successfully bringing advanced information technology and green technology applications of world to serve the production and business of textiles.

Despite the results achieved in the transformation, however, both leaders of the Vietnam Textile and Apparel Association and PPJ Group commented that this journey is very challenging for businesses.

The cost of conversion is not small. For PPJ Group, in the past 5 years alone, PPJ Group has invested more than 5 million USD in digital operating systems in terms of hardware and software; invested tens of millions of USD in technology and manufacturing green conversion equipment, and this number certainly does not stop there.

On the other hand, in the transformation journey, businesses not only face financial difficulties, but the lack of skilled human resources to grasp and master technology is also a major barrier.

Currently, many businesses have to hire foreign experts to take on many key management positions from middle to high level at a considerable cost, to operate and apply the world's new technologies well, serving the transformation faster and more effectively.

The difficulty lies in the financial policy aspect. Currently, Goverment and the State Bank is very interested in encouraging credit institutions to focus on mobilizing capital sources and implementing financial support packages focusing on digital transformation, green and sustainable development. However, in reality, the implementation of green credit still faces many barriers due to the incomplete and unspecified legal framework, the appraisal process is still quite complicated, especially there are no specific and transparent criteria to determine the "green" nature of projects, as a basis for granting green credit to businesses.

In addition, due to the specific nature of textile and garment production and operations, businesses need support from credit institutions and appropriate financial packages to improve access to capital and ensure long-term financial stability for businesses during the transition process.

To overcome the above challenges, Mr. Vu Duc Giang said that businesses need support from the Government and relevant agencies. Businesses participating in digital transformation and green transformation need to receive support from the State in terms of consumption market and preferential loans, etc.

The Association recommends that the Government, ministries and sectors have policies and solutions to directly or indirectly support businesses and financial institutions in accessing international green financial resources, training programs, and international experience exchange on green growth and green finance.

According to experts, technology is a tool for businesses to achieve digital transformation and green transformation goals. However, first of all, there must be clear goals; promote a culture of innovation; build digital infrastructure, including national infrastructure and business infrastructure. In particular, in the process of digitalization, it is necessary to pay attention to and protect the data and information of the business itself and its employees.

Source: vietnam.vn– Oct 18, 2024

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Pakistan: Cotton production rises 9%

Ginning factories saw an unexpected reversal in the trend for cotton production and supply in the October 1-15 fortnight, when they received 1.062 million bales from farms, which was higher by 9.4% compared to supplies of 0.971 million bales in the same period of last year.

It is for the first time in the current cotton season, ie, 2024-25, when supplies to ginning factories have increased during a fortnight. Earlier, cotton arrivals from farms remained significantly lower when compared with the production of last year.

Cotton Ginners Forum Chairman Ihsanul Haq told The Express Tribune that consequent to the notable increase in cotton supply, an additional 184 ginning units had resumed operations. With this, the total number of ginning factories processing raw cotton surged to 536.

He projected that in the current season, the total harvest of cotton could reach six million bales, provided the weather remained favourable for the crop.

However, this output is far less than the requirement of 15-16 million bales by Pakistan's textile mills every year to produce varying products for domestic and international markets.

By October 15 this season, the total cotton production dived 48% compared to the same time period of last year.

According to the latest data released by the Pakistan Cotton Ginners Association, cotton seed equivalent to 3.1 million bales reached ginning factories across the country by mid-October.

Province-wise breakdown showed that cotton seed equivalent to 1.186 million bales was sent to ginning factories in Punjab while Sindh units received 1.916 million bales, marking decrease of 53% and 45%, respectively, compared to the corresponding period of last year. Textile mills have purchased 1.591 million bales from ginning factories, down from 4.993 million bales in the previous year.

Meanwhile, textile millers have increased imports of cotton to meet their demand for manufacturing goods, particularly for dispatching export orders on time.

Haque mentioned that if electricity tariffs for export-oriented textile mills were reduced, it would greatly help them meet export orders, for which they would be required to import six million bales.

Source: dawn.com– Oct 19, 2024

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NATIONAL NEWS

India has chosen to be a part of solution in sustainability and is changing faster than before: Shri Piyush Goyal

Union Minister of Commerce & Industry, Shri Piyush Goyal during his keynote address at the 13th Society for Human Resource Management (SHRM) India Annual Conference & Expo 2024 today in New Delhi said that sustainability is an area where India has chosen to be a part of the solution and now, navigating change faster than before.

Alluding to the theme of the Conference "India Now: Navigating Change", Shri Goyal said that India's foray into green hydrogen, green ammonia and greater storage will holistically help in combating climate change and reduce the country's import bill on crude oil lowering trade deficits and need for forex. Our effort to adopt a circular economy, move towards electric mobility, produce renewable energy and provide energy to the rest of the world will spur quality of life for India and the world.

He added that the Government's bold and decisive decisions, its efforts to push out technology for the well being of the citizens, and ensuring accountability will help India become a developed nation by 2047.

Shri Goyal said that India's transformational growth in terms of lowest decadal inflation, rapid increase in forex reserves and rapid economic growth has earned the moniker "Trusted Partner of the World". Expanding on the advantage India's demographic dividend has over the world, he said that the Government's efforts to provide basic needs like infrastructure of roads, power, digital connectivity are increasingly reaching the last man at the bottom of the pyramid preparing a nation of youth to engage with the future. That is the India of today, he said.

Referring to India's G20 theme of "One World, One Family and One Future", the Union Minister said that India's progress from being a fragile five economy to being the fifth largest economy of the world India has become the preferred investment destination. He said that India of today is the foundation of tomorrow's India. We have built a strong macroeconomic foundation, we have changed the mindset of the nation to think big and we are confident of achieving our dreams going forward if we align ourselves with the vision and mission of Prime Minister Shri Narendra Modi, he said.

Speaking about India’s paradigm shift in providing low cost smartphones, data and managing large quantities of digital transactions better than the rest of the world, Shri Goyal stressed that India is leading the world in 6G. We hope to deliver and roll out 6G before the rest of the world, he said.

Source: pib.gov.in– Oct 18, 2024

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Corporates respond strongly to Prime Minister Internship Scheme; 253 companies post 1.25 lakh internship opportunities

Corporates have responded enthusiastically to the Prime Minister Internship Scheme (PMIS), with 253 companies collectively making nearly 1.25 lakh offers for internships in the dedicated portal, official sources said.

The initiative, aimed at providing young Indians with practical industry experience and enhancing their employability, has witnessed an overwhelming response from both the private sector and aspiring interns.

The Corporate Affairs Ministry (MCA) is administering the PMIS, which was announced in this year's Union Budget.

Top 500 corporates by CSR spend (average of last three financial years) have been allowed to participate in the scheme and offer internship opportunities to youth.

The strong response to the scheme from corporates can be gauged from the fact that the number of internship opportunities posted in the portal has surged from about 16,000 as of October 7 to about 1,25,000 as of October 18, sources in MCA said.

Already PMIS has received strong response from aspiring interns, with 1,55,109 candidates initiating the process of registering on the PMIS portal within the first 24 hours of its opening on October 12.

PMIS seeks to bridge the gap between academic learning and industry requirements by offering internship opportunities across diverse sectors such as technology, manufacturing, finance, retail, healthcare, and more.

The government's focus on making India's youth job-ready and aligning their skills with market demands appears to be resonating with companies eager to contribute to the nation's workforce development, economy watchers said.

Top corporates participate

Some of the top corporates who have already offered internship opportunities to youth include Mahindra & Mahindra, Tata Consultancy Services, Larsen & Toubro , Reliance Industries, HDFC Bank, Maruti Suzuki, Tech Mahindra, ONGC, Bajaj Finance, Eicher Motor, Max Life Insurance, Muthoot Finance and Jubilant Foodworks.

In fact, Maruti Suzuki is among the leading set of corporates as regards PMIS participation and has offered about 11,000 internship opportunities, official sources said.

Sectoral Response

The maximum number of internship opportunities were seen in oil gas & energy (29,019), followed by automotive (20,433); travel and hospitality (15,518), banking and financial services (12,190) and metals and mining (8,782), official sources said.

The other key sectors that saw internship opportunities posted by corporates include manufacturing & industrial, infrastructure and construction, IT and software development, FMCG and telecom.

Presently, internship opportunities are available in 737 districts, spread over 37 States and Union Territories.

Under the pilot programme, the dedicated PMIS portal —- www.pminternship.mca.gov.in— was opened on October 3 for corporates to onboard and register their internship opportunities.

The window for youth registration under the PMIS was opened on October 12 and is likely to remain open till early November.

The first day candidate registrations count are in fact higher than the overall target of 1.25 lakh candidates that are sought to be provided internship under the pilot project for PMIS being administered by MCA.

MCA has set December 2 as target date by which the 1.25 lakhs internships would be provided under the pilot project.

Youth aged 21-24 and who have passed 10th, 12th, ITI, Polytechnic, Diploma or graduates are eligible to avail the benefits under the scheme.

PMIS Benefits

Under the PMIS, there will be an allowance of ₹5000 per month and ₹6000 as a one-time grant.

MCA has recently stipulated that internship aspirants looking to avail benefits of PM Internship Scheme need to possess Aadhar number or undergo Aadhaar authentication.

The Government has set aside ₹800 crore for the pilot scheme, which aims to provide 1.25 lakh internships to youth aged between 21 and 24 in FY'25.

Source: thehindubusinessline.com– Oct 18, 2024

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At WTO, India breathes fire over Dragon's trade policies

New Delhi: India has questioned several moves by China at the World Trade Organisation (WTO), turning the heat on non-transparent subsidies that lead to an influx of low-priced, poor-quality goods into the country, harming its local industries.

New Delhi flagged concerns over several trade issues during a review of Beijing's trade policies.

It highlighted China's cross-border data regulations and laws, export control measures on critical raw materials, and non-tariff barriers that adversely impact pharma exports, besides export bans on critical minerals.

India also queried the consistency of these practices with global trade norms. The concerns stem from India's $85.07 billion trade deficit in FY24 with China. In the current fiscal year until August, the gap has already reached $40.8 billion.

Non-tariff barriers have hit India's exports of shrimp and bovine meat to China. "Market access to many products is restricted, which would otherwise help lower the trade deficit," said an official.

In this regard, India wanted clarity on the scientific objective of the proposed health certificate format for shrimp imports.

This requires every shrimp consignment to be tested for certain pathogens and viruses.

India reiterated its demand for market access for bovine meat, which has been pending with China for a long time. China responded by saying that its restrictions were related to the outbreak of bovine nodular skin disease in India.

As per officials, India also sought detailed information on how the Chinese authorities ensure adherence to due process and transparency in anti-dumping investigations.

New Delhi has also questioned the China-led plurilateral Investment Facilitation Development (IFD) agreement at the WTO.

The proposed global pact, which India is opposed to, emphasises transparency of investment measures, streamlining and speeding up investment-related authorisations, enhancing international cooperation, information sharing, exchange of best practices and sustainable investment.

The pact seeks to put in place a pre-investment review or appeal system through an independent body that would screen all investments.

This would imply that India will have to explain every move on the investment front if it becomes a signatory, including Press Note 3. This makes prior government approval mandatory for foreign direct investment (FDI) from countries sharing a land border with India. That has brought Chinese investments under greater scrutiny.

India’s worry is that the proponents of the IFD pact are attempting to bring a “non-mandated, non-multilateral issue” to the multilateral fold. New Delhi also wants to know how China plans to integrate the IFD agreement into the multilateral framework as it violates the trade body’s fundamental rule of consensus-based decision making.

Source: economictimes.com– Oct 18, 2024

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Gujarat's New Textile Policy has an edge over others states with its focus on MMF, mega textile parks

Gujarat has just announced its new textile policy for 2023-28. It promises significant incentives and infrastructure development for the sector. “We expect that the policy will be instrumental in attracting an investment of Rs 30,000 crore in the textile sector. One of the objectives of this policy is to make Gujarat a global hub of the technical textile sector. We also made provisions to ensure higher income for women self-help groups (SHGs) engaged in this sector," said chief minister Bhupendra Patel while unveiling the policy. But how does it stack up against policies in other textile hubs like Tamil Nadu, Maharashtra, and Uttar Pradesh? This analysis delves into the key features of various state textile policies, comparing their strengths and weaknesses, with a particular focus on Gujarat's latest offering.

Focus areas

State textile policies generally focus on several key aspects.

Capital subsidies: Financial assistance for setting up new units or modernizing existing ones.

Power and infrastructure: Subsidized power tariffs and support for developing textile parks and infrastructure.

Technology upgradation: Incentives for adopting new technologies and promoting innovation.

Skill development: Support for training and skill development programs for textile workers.

Marketing and export promotion: Assistance in promoting and marketing textile products in domestic and international markets.

To better understand the various focus areas of state textile policies here is a look at a comparative table of different state textile policies.

Table: Key features of state textile policies

How Gujarat's textile policy has an edge

Key features of state textile policies

Feature	Gujarat (2023-28)	Tamil Nadu (2019-24)	Maharashtra (2018-23)	Uttar Pradesh (2017-22)
Capital Subsidy	Up to 20% of eligible fixed capital investment, capped at Rs 7.5 crore	Up to 25% of eligible fixed capital investment, capped at Rs10 crore	Up to 25% of eligible fixed capital investment, capped at Rs5 crore	Up to 25% of eligible fixed capital investment, capped at Rs10 crore
Interest Subsidy	Up to 7% on term loans for 7 years	Up to 5% on term loans for 5 years	Up to 7% on term loans for 7 years	Up to 7% on term loans for 7 years
Power Tariff Subsidy	Rs 2 per unit for 5 years	Rs 1 per unit for 5 years	Rs 2 per unit for 5 years	Rs 1 per unit for 5 years
Infrastructure Development	Dedicated textile parks with plug-and-play facilities	Textile processing parks with common effluent treatment plants	Integrated textile parks with common facilities	Development of textile clusters and infrastructure
Skill Development	Subsidies for training and skill development programs	Training programs for textile workers	Skill development initiatives for the textile sector	Focus on traditional textile crafts and skill development
Focus Areas	Technical textiles, man-made fibers, and apparel	Cotton, silk, and handloom sectors	Cotton, silk, and powerloom sectors	Handloom, powerloom, and silk sectors

Gujarat's new textile policy aims to build upon its existing strengths and further enhance the state's competitiveness. Some key focus areas are:

Emphasis on Man-Made Fiber (MMF) and technical textiles: Recognizing the growing demand for these segments, the policy offers higher capital subsidies and incentives for investments in MMF and technical textiles.

Focus on circularity and sustainability: Promoting sustainable practices and circular economy principles in the textile industry.

Enhanced support for Technology Upgradation: Increased emphasis on Industry 4.0 technologies, automation, and innovation.

Mega textile parks: Development of world-class infrastructure and facilities to attract large-scale investments.

A comparative analysis of Gujarat with other states reveals, Gujarat offers a higher capital subsidy compared to Maharashtra and Tamil Nadu, making it more attractive for large investments. The policy emphasizes technical textiles and man-made fibers, aligning with the industry's future growth areas. It provides more attractive incentives for these high-growth segments. Also, aligning with global trends, the policy promotes sustainable practices and resource efficiency, giving Gujarat an edge. And creating dedicated zones with world-class infrastructure can attract significant investments and boost exports.

However, certain areas still need more emphasis. Gujarat's power tariff subsidy is lower than Maharashtra, it could be a disadvantage for power-intensive textile units. Moreover, while the policy mentions skill development, it lacks specific details on the scope and implementation of training programs.

The Gujarat Chamber of Commerce and Industry (GCCI) has praised the government’s policy which focuses on fostering new industrial units expected to generate substantial employment opportunities. Indeed, Gujarat's new textile policy has the potential to significantly accelerate the growth of the state's textile industry. By focusing on high-growth segments, technology, and sustainability, the policy aims to create a globally competitive and future-ready textile sector. Successful implementation will depend on factors such as effective governance, ease of doing business, and availability of skilled labor.

Source: fashionatingworld.com– Oct 18, 2024

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India, Australia speed up FTA negotiations

Trade negotiators from India and Australia will intensify their engagement on the proposed Comprehensive Economic Cooperation over the next two months to achieve a closure before Australia enters the election phase.

“Ministers have guided the officials to see if the CECA can be expedited. We will be engaging with each other over the next two months to see that those sensitivities can be brought down and can be reduced until we can achieve a closure,” additional secretary in the department of commerce Rajesh Agrawal said.

“Otherwise Australia goes for election next year, maybe agreement will go beyond that. Depending on the work we are able to do in these two months,” he added. Commerce and Industry Minister Piyush Goyal was in Australia late last month for wide-ranging discussions on trade and economic ties between the two countries.

The CECA builds on the Economic Cooperation and Trade Agreement which was in the nature of an early harvest deal. To the five subjects or policy areas that ECTA covered, 14 more have been added to the CECA.

On review of Asean-India Trade in Goods Agreement (AITIGA) India is seeking to address tariff asymmetries that Indian exports suffer and the demand was reiterated at the Asean-India Economic Ministers Meeting and bilateral meetings with member states by minister Goyal.

Asean members include Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

India maintains that while it has eliminated tariffs on 74% of the products for all 10 Asean members, it has got different levels of zero-duty access in each country.

“What we have got is higher tariff elimination from low order economies and low tariff elimination from fast growing and big economies. This tariff asymmetry needs to be addressed.so that it is a balanced FTA in the review process. It has been appreciated and acknowledged by the Asean side,” Agarwal said.

India and Asean goods trade agreement came into force in January 2010.

"We are discussing the issue with them. We would like to go countrywise (on tariff concessions). Asean is a 10-country bloc and not a customs union," commerce secretary Sunil Barthwal said.

"We would like to see a certain amount of differentiation because all of them are at different levels of economic development. This will give us latitude to have a better fit of the tariff concessions. As practice Asean does not follow it. They like to have a single set of concessions. We are trying to discuss it and trying to see what flexibility we can build in the review so that asymmetries can be ironed out," Agrawal said.

In the recently concluded 9th round of negotiations on India-European Union FTA both sides focussed on core trade issues covering goods services, investment and government procurement along with rules of origin (ROO), sanitary and phytosanitary measures, technical barriers to trade and trade remedies. The proposed India-EU-FTA has 23 policy areas or chapters and discussions were held on 20 of them. In the meeting India also raised concerns around carbon tax and other measures the EU is taking that will result in barriers to trade and increase costs.

"The focus essentially was what is key interest and key expectations on market access. Also discussed new regulations like CBAM, deforestation or other host of regulations how they will impact trade," additional secretary in the department of commerce L Satya Srinivas said.

On India-UK trade talks, another official said that resumption of negotiations are expected only after November after the new government presents its first budget on October 30. Before both countries entered into the election mode 14 rounds of talks had been held between them on the agreement.

Source: financialexpress.com– Oct 17, 2024

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