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Currency Watch			
USD	EUR	GBP	JPY
84.07	90.65	108.78	0.55

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INTERNATIONAL NEWS

Gradual deceleration in US GDP growth, looks set to slow further: DNB

US economic growth has continued to gradually decelerate and looks set to slow further as unemployment ticks up, according to Dun & Bradstreet (DNB) Global Economy Outlook October 2024.

But the business decision-making data and analytics company does not expect the US economy to tip into recession.

Restrictive monetary policy continues to hold back the private sector in the country and consumer spending is likely to provide less support as wage growth softens and the labour market cools.

Easing inflation and lower rates will likely provide support to economic growth.

Though its result may have some of the most significant implications for global industry and economic growth, the US presidential election in early-November, is too close to call.

The gap between the economic performances of the United States and Canada is expected to begin narrowing over the remainder of this year and into 2025, the outlook noted. This will probably be achieved through an improvement in Canada's economic outlook, coupled with a mild pullback in US growth.

The Bank of Canada made its third consecutive interest rate cut in September and signaled that borrowing costs may be lowered further before the year is out—and at an accelerating pace should economic growth or the labour market disappoint.

Source: fibre2fashion.com– Oct 23, 2024

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US cotton prices dip due to profit booking, rising dollar

ICE cotton prices eased yesterday due to profit booking and gains in the US dollar index. The rising dollar made cotton purchases more expensive for overseas buyers. The US cotton market largely ignored the rise in crude oil prices, even though stronger crude oil typically supports cotton prices, as higher production costs for polyester, an alternative to natural fibre, tend to boost cotton demand. Yesterday, the ICE cotton December contract settled at 72.08 cents per pound (0.453 kg), down by 0.12 cents. The contract traded within a range of 70.16 to 74.55 cents over the past five weeks, moving a total of 439 points during this period.

The US dollar index reached its highest point in over two months, making US cotton less competitive globally, as the cost of purchasing cotton increased for overseas buyers. However, the rise in crude oil, which surpassed $72 per barrel, helped limit the fall in US cotton prices. Crude oil has fluctuated between $68.69 and $78.46 over the past two weeks. Trading volume dropped significantly to 38,600 contracts, down from 49,945 in the previous session. Total open interest decreased by 452 contracts to 258,109, marking the first decline after eight consecutive sessions of gains.

The decline in US cotton prices was attributed to speculative trading. Global demand remains subdued, especially in the absence of significant cotton purchases from China. Profit-taking was observed following the previous day's rally. US equities were mixed but ended the session nearly unchanged. Traders are now closely watching the USDA's weekly export sales report, due on Thursday, for additional market cues.

At present, ICE cotton for December 2024 is trading at 72.21 cents per pound, up by 0.13 cent. Cash cotton is trading at 67.08 cents (down 0.12 cent), the March 2025 contract at 74.18 cents per pound (up 0.14 cent), the May 2025 contract at 75.41 cents (unchanged), the July 2025 contract at 76.34 cents (down 0.03 cent), and the October 2025 contract at 74.71 cents (unchanged). Some contracts remained at their last closing levels, with no trading activity reported today.

Source: fibre2fashion.com– Oct 23, 2024

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Europe textile sorting, recycling industry in crisis

EuRIC Textiles and AISBL believe Europe's textile sorting and recycling industry is grappling with a severe crisis that is more significant than the pandemic and could lead to domino effect.

The organisations submitted a joint statement that suggests the problems have stemmed from the war in Ukraine, logistical challenges in Africa and the rise of ultra-fast fashion. As a result, there is now an oversupply of used textiles with a sharp decline in demand from traditional export markets.

Notably, the duo explained the volume of used textiles traded between the EU and non-EU countries decreased from 464,993 tonnes in 2022 to 430,185 tonnes in 2023.

Demand for used textiles has plummeted

The duo pointed out that Germany's exports to Ghana, a key market for used textiles, also saw a sharp drop from 7911.2 tonnes in 2020 to 4532.9 tonnes in 2023. Compounding this issue, demand for recycled materials remains low. In 2023, only 319,000 tonnes of recycled cotton were produced globally, compared to 24.4m tonnes of virgin cotton.

This oversupply has reportedly caused a significant drop in prices for secondhand textiles, while the costs associated with collection, sorting, and recycling have surged. The duo explained that since spring 2024 the prices for sorted garments no longer cover processing costs, leading to financial strain for sorting operators who now face major cash flow problems: "Warehouses are becoming overwhelmed, increasing the risk of textile waste being incinerated."

Downside of lower demand, suggestions for the industry

EuRIC Textiles and AISBL are urging the EU to take swift action.

The duo is calling for VAT reductions on textile repair, reuse, and recycling activities within the existing VAT Directive framework, and the introduction of a tax on new petroleum-based materials. They believe that such measures could "incentivise" the use of recycled textiles and reduce reliance on virgin materials.

Moreover, the crisis is likely to increase processing costs for municipalities, potentially raising waste disposal fees for residents. Downstream players, such as tearing and spinning mills, are also facing severe challenges, resulting in significant staff cuts, argued the two organisations.

EuRIC Textiles and AISBL emphasised that to prevent widespread bankruptcies in the industry immediate financial and legislative support is critical.

The duo is calling for short-term financial incentives for companies contributing to sustainable circular textile chains, alongside increased investment in recycling technologies and infrastructure.

Scaling recycling tech, Waste Frame Directive, EPR scheme

EuRIC Textiles and AISBL also suggest the facilitation of public-private partnerships to foster innovation in textile recycling and to scale up recycling technologies across Europe.

Moreover, the duo stressed the need for a swift revision of the Waste Framework Directive (WFD) and the rapid implementation of Extended Producer Responsibility (EPR) schemes.

They said: "In the mid-term, efforts should focus on making the textile reuse and recycling sector competitive, in line with EU Commission President Ursula Von der Leyen’s ambition for a competitive and strong circular economy (through a future Clean Industrial Deal and Circular Economy Act)."

To reach this ambition, EuRIC Textiles and AISBL noted that the EU needs to increase demand for recycled textiles, expand recycling capacity, and promote sustainable materials through upcoming ecodesign requirements.

"Without urgent action, Europe risks undermining its climate goals and jeopardising the future of its textile sorting and recycling industry," the organisations concluded.

Source: globaldata.com– Oct 23, 2024

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Levi Strauss Publishes First Net Zero Roadmap

Levi Strauss & Co. (LS&Co.) pledges net zero emissions by 2050 in the company's first climate transition plan.

The roadmap outlines how the San Francisco-based company will reach its near-term greenhouse gas (GHG) emissions reduction target by 2030 and its goal of being a net zero company by 2050. Improving owned operations, working with suppliers to mitigate Scope 3 emissions and following a holistic business approach through responsible governance and planning are part of denim behemoth's strategy.

"Our climate transition plan embodies our commitment to doing our part, reaching our targets, and working with partners across our value chain to enable collective action to address climate change," said Jeffrey Hogue, LS&Co.'s chief sustainability officer. "These steps will not only move us toward our net zero climate ambition by 2050, but also strengthen our own business's resilience to the effects of climate change."

In its own facilities, LS&Co. plans to invest in energy efficient technologies and renewable technology, seek certifications through the U.S. Green Building Council's LEED green building program and collaborate with utility companies and landlords on decarbonization. A global energy management system to over 1,300 company-operated locations around the world, has informed the company about its energy usage, while partnerships with Wal-Mart and others have secured the Gigaton Power Purchasing Agreement, a virtual power purchasing agreement in the U.S.

The company will integrate climate change KPI's into its partnerships and procurement processes as well.

The climate transition plan will likely bring LS&Co. closer to its suppliers as the company plans to set climate targets for key suppliers that align with the SBTi and facilitate financing for some suppliers to invest in energy and emission reductions and energy audits.

To date, LS&Co. said key suppliers responsible for approximately 80 percent of its final product volume have agreed to emission reduction targets between 40-60 percent.

Additionally, LS&Co. said it will continue to invest in materials that are third-party certified as more sustainable and supports circularity. Levi's Circular 501 jeans and Plant-based 501 jeans are the result of the brand's efforts. To ensure the climate transition plan is integrated across the entire business, LS&Co. will embed climate risks and opportunities into its annual plans, seeking third-party expert feedback on the development and implementation of the plan and using its influence and partnerships to advance policies that support the climate transition. The company's long-term plan is to link executive compensation to climate and transition plan-related considerations relevant to job functions.

Closer on the horizon, the company is working toward a 90 percent absolute scope 1 and 2 reduction in GHG emissions by 2025, a 42 percent absolute scope 3 GHG emissions reduction from purchased goods and services for apparel production emissions related to tops and bottoms by 2030 and 100 percent renewable electricity in all company-operated facilities by 2025. Additionally, LS&Co. aims to half its freshwater use in manufacturing in areas of high-water stress by 2025.

The company's path to 2030 has been optimized to deliver the most achievable and impactful solutions. By accelerating what works like establishing new industry partnerships and future-proofing designs with more recycled fibers, LS&Co. is chipping away at its larger pursuit of reaching net-zero by 2050. A transition plan stakeholder workshop helped inform the plan, which LS&Co. said aligns with the "latest and most ambitious climate science," as well as the Task Force on Climate-Related Financial Disclosure (TCFD), the CDP, and the We Mean Business Coalition reporting frameworks.

Eliot Metzger, director of sustainable business and innovation at World Resources Institute, participated in the workshop. "In a time where companies may be tempted to stay quiet on sustainability efforts, it's important to push for this level of transparency. A climate transition plan allows all stakeholders to understand how the company will work together with its value chain. I urge companies to focus on people, inside and outside the company, who will be critical partners in achieving the transition plan," Metzger said.

Source: fashionatingworld.com– Oct 22, 2024

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One Denim: Revolutionizing denim design with sustainability at its core

With fast fashion and overflowing landfills, the denim industry is facing a reckoning. The constant demand for new styles and washes often comes at a high environmental cost. But what if a single fabric could be the key to a more sustainable and creative approach to denim design? That's the premise behind One Denim, a groundbreaking initiative spearheaded by Kingpins Show, designer Piero Turk, and Italian wash innovators Tonello.
The genesis of One Denim

The idea of One Denim was born from a desire to challenge the status quo and inspire change within the denim industry. The project aims to demonstrate the incredible versatility of denim fabric and promote sustainable practices by showcasing a collection crafted from a single fabric.

At its core, One Denim aims to promote sustainability by reducing overproduction and waste in the denim industry. By demonstrating that a single high-quality fabric can be transformed into a diverse range of garments and washes, the project encourages designers and brands to rethink their approach to denim production. "Brands are using a lot of different denims for different styles and different washes. This also means a lot of waste," says Piero Turk, the designer behind One Denim. "One Denim should show to everybody, mills and brands, that with just one quality you can do [almost] everything. You do not need to use many different denims to develop new ideas and have variety in a collection."

Beyond sustainability, One Denim serves as a source of inspiration for the industry. Each season, the project partners with a different denim mill to create a capsule collection comprising ten distinct silhouettes, all crafted from the same fabric. This showcases the fabric's versatility and inspires designers to push the boundaries of their creativity.

Each season, One Denim partners a different denim mill to bring its vision to life. This season, the spotlight falls on Cone Denim, a historic US-based manufacturer renowned for its quality and innovation. Cone Denim's Stout fabric takes center stage, chosen for its robustness and potential for diverse applications.

The One Denim team comprises:

Kingpins Show: The renowned denim trade show provides the platform for showcasing the One Denim collection to a global audience of designers and brands.

Piero Turk: A celebrated designer, Turk lends his creative expertise to curate and co-design the collection's silhouettes, ensuring both style and wearability.

Tonello: Masters of garment finishing, Tonello utilizes its cutting-edge, sustainable wash technologies to transform the single fabric into a diverse range of looks.

Shifting perspectives

Since its inception, One Denim has made significant moves to raise awareness about sustainable denim production and inspiring creativity within the industry. By showcasing the potential of a single fabric, the project challenges conventional thinking and encourages a more conscious approach to design. One Denim is poised to continue its impact on the denim industry, promoting sustainability and inspiring innovation. The project's commitment to collaboration and its focus on pushing creative boundaries ensure that it will remain a driving force in the evolution of denim.

What’s new this season…

This season, One Denim partners Cone Denim, to highlight the versatility of their Stout fabric. The collection, debuting at Kingpins Amsterdam on October 23-24, Kingpins Hong Kong on November 21, and Kingpins New York on January 22-23, 2025, will feature 10 unique silhouettes, including classic five-pocket jeans and trucker jackets alongside contemporary pieces like vests, T-shirts, and dresses. Each garment will be treated with Tonello's sustainable wash technologies, further emphasizing the project's commitment to responsible production.

"This collaboration can inspire a visual story of how one fabric can transform into many interpretations, without constraints," says Pierette Scavuzzo, design director at Cone Denim. "One Denim serves as inspiration and a model for brands; The bigger the vision, the better, with using only one fabric.”

One Denim's message is clear: creativity and sustainability can go hand in hand. By embracing innovative approaches and responsible technologies, the denim industry can reduce its environmental impact while continuing to produce exciting and fashionable garments.

Source: fashionatingworld.com– Oct 23, 2024

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VIATT 2025 to drive sustainability & digitalisation in Vietnam

In recent years, Vietnam has rapidly transformed into one of the world's key textile producers, solidifying its position as the world's third-ranked exporter behind China and Bangladesh. With a history rooted in silk textile craftsmanship and currently embracing wide ranging modern textile production, the country's thriving sector offers tremendous growth prospects for both domestic and international businesses. In a bid to harness the potential in Vietnam and Southeast Asia, the Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies (VIATT) will return from 26 – 28 February 2025, with a renewed focus on promoting sustainability and digital transformation.

Vietnam's textile and apparel sector comprises approximately 7,000 companies and employs over three million workers, with 80% of production capacity used for export and 20% for domestic consumption. Progress is aided by well-developed logistics networks, skilled labour and a stable political environment. As its textile industry evolves, several key trends are influencing its future direction, reflecting a growing emphasis on sustainability and technological advancement, and leading to new opportunities for exhibitors and buyers across the value chain at Vietnam's comprehensive textile showcase.

Major trends shaping Vietnam's textile market reflected at VIATT

More Vietnamese enterprises are adopting eco-friendly materials, including organic cotton, recycled polyester, and Tencel, while numerous global brands manufacture in Vietnam, and have committed to the "Fashion Industry Charter on Climate Action", aiming to achieve net-zero carbon emissions by 2050.

To further advance sustainable initiatives in the domestic and international textile industry, VIATT 2025 will introduce Econogy Hub, a dedicated platform for innovative, eco-friendly suppliers and service providers to connect with like-minded visitors. The show's other new Texpertise Econogy features will include the Econogy Finder, an independent verification tool to help sustainable exhibitors effectively communicate their green credentials, and Econogy Talks, the overarching category for eco-focused seminars, forums, and product presentations.

Apart from sustainability, the Vietnamese textile industry is also embracing advanced technologies in design and manufacturing. The launch of the fair's Innovation & Digital Solutions Zone will provide a centralised platform for exhibitors to showcase innovations such as 3D printing, AI-driven design, and digital printing, which enable manufacturers to boost efficiency and customise products to meet specific market demands.

As well as the introduction of two new product zones, the India Pavilion, organised by The Cotton Textiles Export Promotion Council (TEXPROCIL), will also make its debut at VIATT 2025. Additionally, the Japan and Taiwan Pavilions have confirmed their return, with the Japan Pavilion recognised by VIATT's visitors as a standout showcase within Southeast Asia's textile fair landscape. Overall, the fair will feature a diverse range of exhibitors across apparel, home textiles, and technical textiles, with many showcasing innovative and sustainable products. Highlighted exhibitors in each sector include:

Apparel fabrics, yarns & fibres and garments

- Alumo AG (Switzerland): with over a century of expertise, this STeP by OEKO-TEX-certified company creates high-quality cotton shirting fabrics utilised by leading shirt designers. The company is dedicated to maintaining the art of weaving, ensuring that each fabric is finely crafted.

- Wynist Retail Solutions (Taiwan): committed to sustainability, Wynist focuses on recycling and upcycling post-consumer and agricultural waste, transforming raw materials such as coffee grounds and textile waste into products with practical, on-trend industry applications.

Home & contract textiles

- Sigma Vietnam Industrial (Vietnam): specialising in home textiles, the company's innovative range of products includes bedding, curtains, and upholstery fabrics. It integrates traditional craftsmanship with modern design, ensuring that its offerings meet both aesthetic and functional needs.

- Coolist Life Technology (China): the leading bio-based polyurethanes solutions and applications enterprise announced a new technology in 2024, that utilises captured carbon dioxide combined with bio-based polyol, to create a new generation of bio-based and bio-degradable foam.

Technical textiles, nonwovens, and textile technologies

- Ultra Tech Asia (USA): as a leader in advanced textile solutions, the company offers innovative nonwoven materials for various applications, such as medical, automotive, and personal care, designed to meet the rising demand for high-performance textiles in diverse industries.

- JB ECOTEX Limited (India): one of the leading manufacturers and exporters of high-quality recycled polyester staple fibre (RPSF) and rPET Flakes, the company has transformed millions of used plastic bottles into superior-grade, eco-friendly products. Since its inception, the company has maintained a zero liquid discharge policy, and 50% of its power is generated from renewable resources.

The Vietnam International Trade Fair for Apparel, Textiles and Textile Technologies (VIATT) is organised by Messe Frankfurt (HK) Ltd and the Vietnam Trade Promotion Agency (VIETRADE), covering the entire textile industry value chain.

VIATT will be held from 26 – 28 February 2025.

Source: fibre2fashion.com– Oct 23, 2024

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Vietnam: Opening of the International Exhibition of Textile Industry

The 2024 International Exhibition on Textile and Garment Industry – Equipment, Raw Materials and Fabrics (HanoiTex & HanoiFabric) promises to open up many opportunities for meetings and business cooperation both domestically and internationally with enterprises.

On October 23, in Hanoi, the Vietnam Textile and Apparel Association in collaboration with leading agencies of the textile and garment industry officially opened the International Exhibition on Textile & Garment Industry - Equipment, Raw Materials & Fabrics 10 (HanoiTex & HanoiFabric).

HanoiTex & HanoiFabric Exhibition is held annually in October in Hanoi. This is a platform to display the latest trends and technologies in the production of textile materials and various fabrics, while focusing on prestigious domestic and international brands of textile equipment and machinery.

At the Exhibition, Mr. Le Tien Truong - Chairman of Vietnam National Textile and Garment Group (Vinatex) shared that Vietnam's textile and garment exports reached a record of 4,66 billion USD in August 8, of which exports to the US reached 2024 billion USD, also a record monthly level ever.

It is expected that orders will benefit when US consumer demand improves during the holiday shopping season. However, demand and unit prices will only really improve from 1,9 in a good scenario. With favorable factors both domestically and internationally, the Vietnamese textile and garment industry is facing great market opportunities and affirms that it will continue to be a bright destination on the world textile and garment map.

This year, the exhibition area is over 6.000m² - an increase of 10% compared to 2023, attracting more than 210 exhibitors from 10 countries and territories such as India, Bangladesh, Taiwan (China), Korea, Lithuania, Japan, Switzerland, China, ... and Vietnam.

Exhibitors will showcase the most modern products and equipment in the textile industry, as well as a wide range of fabrics and raw materials that clearly meet each goal of modern and sustainable production trends. The exhibition will also feature seminars on the vision of the textile industry in 2045, green transformation, smart production management and sustainable labor.

This year's exhibition is expected to welcome nearly 10.000 trade visitors. This is an opportunity for domestic and foreign businesses to meet, cooperate, promote their brands, seek partners and expand their markets.

The event will be held at the International Exhibition Center ICE Hanoi, 91 Tran Hung Dao, Hoan Kiem; taking place over 3 days (from October 23 to October 10).

Source: vietnam.vn– Oct 24, 2024

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Bangladesh's apparel exports to EU sees fluctuations

Bangladesh's apparel exports to the European Union (EU) have seen a mixed bag in 2024. While August saw a 3.1 per cent increase, driven by knitwear and woven garment exports, the overall trend for the first eight months remains negative.

Knitwear exports from Bangladesh rose by 1.4 per cent in August, totaling €1 billion. Woven garment exports experienced a stronger growth of 6.2 per cent, reaching €602 million.

However, Bangladesh's total apparel exports to the EU for the first eight months of 2024 dropped by 3.51 per cent to €11.90 billion. Knitwear exports in this period fell by 6.51 per cent, while woven garment exports saw a slight increase of 1.05 per cent.

The EU's total apparel imports between January and August 2024 also decreased by 3.62 per cent. Despite these challenges, Bangladesh remains optimistic about future growth, citing improving EU economic conditions and government efforts to boost exports.

While Bangladesh's exports have fluctuated, China, the largest apparel exporter to the EU, has seen a steady increase. Turkey, the third-largest exporter, experienced a decline.

The overall trend in the EU apparel market has been a decline in imports, reflecting reduced apparel consumption. This has affected exports from various suppliers, including Bangladesh.

Moving forward, Bangladesh will need to navigate the challenges of fluctuating demand, competition from other suppliers, and the ongoing impact of global economic factors.

Source: fashionatingworld.com– Oct 23, 2024

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NATIONAL NEWS

India's business activity grows at faster clip in Oct, PMI shows

Growth in India's business activity picked up slightly in October after softening last month, led by stronger demand in the manufacturing sector, according to a survey that also showed job creation rose at the fastest pace since February 2006.

HSBC's flash India Composite Purchasing Managers' Index, compiled by S&P Global, rose to 58.6 this month from September's final reading of 58.3, which was a 10-month low.

The headline index has been above the 50-level separating growth from contraction for 39 consecutive months - the longest expansionary streak since June 2013.

"India's flash manufacturing PMI indicated that the manufacturing industry regained growth momentum in October. Several components accelerated after a modest slowdown over the past two to three months," noted Pranjul Bhandari, chief India economist at HSBC.

"New orders and new export orders expanded at faster rates, providing a good omen for industrial production for the remaining months of 2024."

Backed by strong sales, the manufacturing index showed bigger gains to 57.4 from 56.5 in September, while the dominant services industry reading rose slightly to 57.9 this month from 57.7. Goods production growth was at a two-month high.

That's encouraging news for India's manufacturing sector which accounts for less than one-fifth of the economy. Prime Minister Narendra Modi's government has been trying to boost goods production.

A government official recently said since the production-linked incentive scheme was launched, the country has attracted over $17 billion of investment, resulting in production worth about 11 trillion Indian rupees ($131 billion) and nearly a million jobs.

The survey also noted increased international demand in October with a faster rise in overall exports.

That prompted companies to hire more staff with overall employment generation rising at the fastest pace in around eighteen-and-a-half years. Job creation in the services sector was higher than manufacturing.

Robust demand gave firms the leeway to pass on an acceleration in input costs to customers with prices charged rising at the steepest pace in three months. Companies reported higher prices for chemicals, eggs, meat, packaging, steel and vegetables.

"Manufacturers' profit margins are still under pressure as input price inflation continued to pick up pace," Bhandari said.

The business outlook over the coming year was mixed with manufacturers at their most upbeat since July, while the sentiment faded somewhat for services companies, the survey showed.

Source: thehindubusinessline.com– Oct 24, 2024

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BRICS nations agree to boost trade, financial settlement in local currencies

BRICS nations on Wednesday agreed to strengthen trade and financial settlement in local currencies, study feasibility of an independent cross-border settlement and depositary infrastructure, and a BRICS reinsurance company. The leaders also agreed to jointly develop the New Development Bank into a new type of multilateral development bank (MDB) in the 21st century and supported further expansion of the BRICS-led bank's membership.

In the declaration issued after the 16th BRICS Summit here, the leaders reiterated their commitment to enhancing financial cooperation within BRICS.

"We recognise the widespread benefits of faster, low cost, more efficient, transparent, safe and inclusive cross-border payment instruments built upon the principle of minimizing trade barriers and non-discriminatory access.

"We welcome the use of local currencies in financial transactions between BRICS countries and their trading partners," it said.

Prime Minister Narendra Modi is here to attend the BRICS Summit.

The BRICS leaders encouraged strengthening of correspondent banking networks within BRICS and enabling settlements in local currencies in line with BRICS Cross-Border Payments Initiative (BCBPI), which is voluntary and non-binding.

BRICS, consisting of Brazil, Russia, India, China and South Africa, has now expanded with five additional members - Egypt, Ethiopia, Iran, Saudi Arabia, and the UAE.

The nations also acknowledged the importance of exploring the feasibility of connecting BRICS countries' financial markets infrastructure.

"We agree to discuss and study the feasibility of establishment of an independent cross-border settlement and depositary infrastructure, BRICS Clear, an initiative to complement the existing financial market infrastructure, as well as BRICS independent reinsurance capacity, including BRICS (Re) Insurance Company, with participation on a voluntary basis," it added.

In his address at the 16th BRICS Summit, Modi renewed his call for dialogue and diplomacy as being the only way forward to resolve conflicts, in an unambiguous message to press for the resolution of the Russia-Ukraine war through peaceful negotiations.

Source: economictimes.com– Oct 24, 2024

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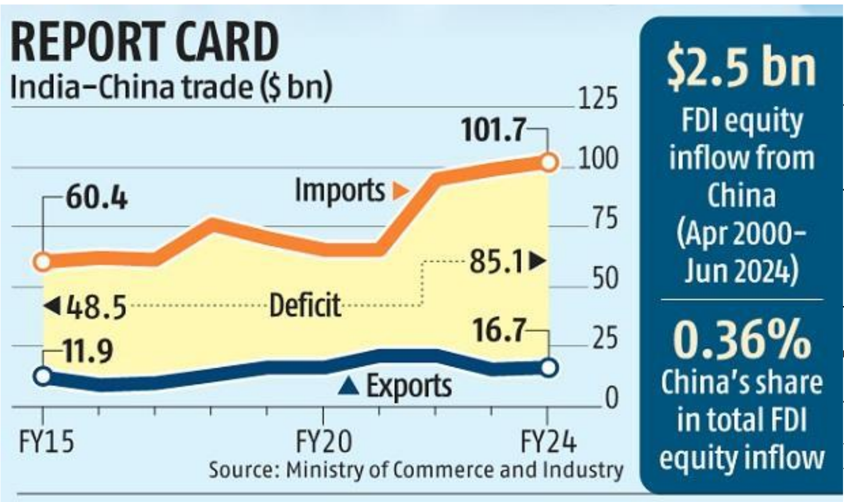
Thaw in Indo-China ties: How bilateral trade faired in last decade

Prime Minister Narendra Modi and Chinese President Xi Jinping held bilateral talks on Wednesday, the first formal meeting in half a decade. The trade and investment relation between the two countries has continued to remain robust despite the ups and downs in the bilateral ties.

China has been among India's top two trade partners for close to over a decade, although New Delhi's import dependency on Beijing has been high as compared to exports.



Government data showed that imports from China peaked at $101.7 billion during the financial year 2023-24 (FY25), as compared to $60.4 billion a decade ago. The share of imports from China fell to 15 per cent in FY24 from 18 per cent in FY15.

On the other hand, exports grew at a slower pace to reach only $16.67 billion in FY24 from nearly $12 billion in FY15. Share of exports to China remained stagnant at 3.8 per cent over the past decade.

As a result, trade balance continued to remain in China's favour and peaked at $85 billion in FY24.

Data also showed that foreign investment from China hasn't been robust.

During the first six months of the calendar year 2024, the FDI equity inflow from China stood at $3.09 million, with a share of mere 0.01 per cent of the total inflows. Cumulative FDI equity inflows between April 2000 and June 2024 stood at $2.5 billion, with a share of 0.36 per cent.

Source: business-standard.com– Oct 23, 2024

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Textile sector to attract Rs 95,000 crore investments in five years: Rachna Shah, Textile Secretary

Driven by the PM MITRA mega textile parks and the Production Linked Incentive (PLI) scheme for man-made fabrics (MMF) and technical textile products, the textiles sector in India is poised to attract investments worth Rs 95,000 crore over the next 3-5 years, reveals Rachna Shah, Textiles Secretary.

In addition to these two key initiatives, foreign direct investment (FDI) and other channels will also contribute significantly to the sector's growth, with a focus on 'sunrise sectors' such as MMF, apparel, and technical textiles, she highlights.

Emphasising on the government's high expectations for Bharat Tex 2025, scheduled for Feb 2024, Shah anticipates, the event will not only lead to signing of new MoUs but also attract substantial investments and business generation.

Each of the seven textile parks being developed by the government is likely to attract an investment worth around Rs 10,000 crore, totaling Rs 70,000 crore, says Shah. Additionally, the PLI scheme for technical textiles and MMF is expected to attract another Rs 25,000 crore in investments, she adds. Some investments under the PLI scheme have already been initiated, and the full scope of these investments will materialise within the next 3-5 years, Shah anticipates. Alongside these initiatives, further investments would be driven by FDI and other sources, she adds.

The seven mega textile parks under the PM MITRA scheme will be established in Tamil Nadu (Virudhnagar), Telangana (Warangal), Gujarat (Navsari), Karnataka (Kalburgi), Madhya Pradesh (Dhar), Uttar Pradesh (Lucknow/Hardoi), and Maharashtra (Amravati).

The upcoming Bharat Tex 2025 will generate concrete business and investment opportunities, rather than just MoUs, Shah affirms. Launched in 2021 with a budget of Rs 10,683 crore, The PLI scheme will to promote the production of MMF and technical textiles over a five-year period, she adds.

P Kumaran, Special Secretary, Ministry of External Affairs, notes, to be held from Feb 14-17, 2025, Bharat Tex 2025 is expected surpass the previous edition in scale. This event offers an unparalleled chance to experience the dynamism and creativity of Indian textiles and gain access to both domestic and global markets, he adds.

Source: fashionatingworld.com– Oct 23, 2024

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DGFT: Exporters claiming RoDTEP benefits to file annual return

Exporters claiming benefits under the government's RoDTEP (Remission of Duties and Taxes on Exported Products) scheme will have to file annual RoDTEP return (ARR), the Directorate General of Foreign Trade (DGFT) said in a public notice on Wednesday. The requirement to file the annual return is initially for exporters whose total RoDTEP claim exceeds Rs 1 crore in a financial year across all 8-digit HS Codes.

Exporters would be required to file the ARR for a particular financial year on the DGFT portal by March 31 of the following financial year, that is, RODTEP claims information for FY24 will be required to be filed by March 31, 2025, DGFT said.

The annual return filing will help the government "assess the nature of inputs used in export production and the amount of actual taxes and duties incurred," the notice said.

Launched in 2021, the RoDTEP scheme enables exporters for rebate of all central, state, and local duties or taxes or levies on the goods exported which weren't refunded under any other scheme.

The scheme refunds the embedded tax or duties that were not refunded or reimbursed to exporters under MEIS such as VAT on fuel used in transport, mandi tax or duties, duty on electricity used in the production of goods, etc.

DGFT said exporters failing to file ARR will be denied RoDTEP's benefits and also no further scroll out of RoDTEP claims for the shipping bills will be permitted at the customs port of export after the grace period of three months, that is, after June 30.

For delay in filing ARR up to June 30, a composition fee of Rs 10,000 will be levied on exporters. This means RoDTEP claims information for FY24 with composition fees can be filed within a grace period of three months, that is, June 30, 2025. Thereafter, a composition fee of Rs 20,000 will need to be paid after June 30.

"Subsequent to the payment of the composition fee, the RoDTEP scrolls will be resumed within 45 days, till an online API based message exchange is established between DGFT and Customs. The resumption of scroll out shall also cover the Shipping Bills that were not scrolled out earlier on account of non-compliance of ARR," DGFT said.

Exporters will also be required to maintain claims' physical or digital records for five years.

Importantly, the government in September this year had extended the RoDTEP scheme for a year till September 30, 2025, for exports made from domestic tariff area (DTA) units. The scheme was earlier valid till September 30, 2024. Moreover, the rates under the scheme were also revised from the earlier range of 0.5 per cent – 4.3 per cent to 0.3 per cent – 3.9 per cent, with effect from October 10 this year.

Source: financialexpress.com– Oct 24, 2024

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India recalibrates FTA strategy amid past challenges and rising imports

Underscoring the need for a 'careful' assessment of guidelines to negotiate Free Trade Agreements (FTAs), India is 'taking it slow' and recalibrating its strategy to ensure it is able to maximise trade and investment gains from such pacts, two people aware of the matter said.

The department of commerce plans to seek the Union Cabinet's approval to implement fresh guidelines for negotiating FTAs, one of the persons cited above said.It is also learnt that a high-level meeting between top commerce department officials and the Prime Minister's Office took place over the weekend to discuss the standard operating procedure (SOP) for FTAs.

The need for drafting SOP for FTAs comes against the backdrop not only of its past FTA experience, but also of the growing importance of sustainability and issues such as government procurement, labour and digital trade being a part of modern trade deals. There's also a realisation that creating an institutional memory for future negotiations is critical and should be part of the new SOP.

"There's a need for a careful assessment of our FTA (negotiating) strategy; deeper study is required to understand what will be India's gains from an FTA with a particular country. Our past experience with FTAs, including the recently signed ones, haven't resulted in large gains for India. It has been seen that the trade partner has made larger gains (as compared to India)," the person told Business Standard.

That apart, India also needs to be wary of the rising imports from China and whether FTAs signed by India are being used to route goods to India, the person said. Barring proposed FTAs with large and strategically important nations – UK (United Kingdom), the European Union (EU), Maldives – India, for the time being has slowed down the pace of FTA negotiations with other countries such as Peru and Oman. The idea is to get back to the negotiations once India firms up its guidelines on FTAs.

India forged three major trade deals since 2022, with the United Arab Emirates (UAE), Australia and European Free Trade Association (EFTA). It had also launched negotiations with at least four more nations – Peru, Oman, United Kingdom (UK) and the European Union (EU). Over close to three years, India was also in discussion with Canada, Israel, and the Gulf Cooperation Council (GCC), although they were not able to launch negotiations due to a lack of common ground or even political issues.

After walking out of the China-backed Asian trade bloc Regional Comprehensive Economic Partnership (RCEP) in 2019, there was a rush to sign trade deals, mainly stemmed from the realisation that the world has moved into bilateral or regional arrangements and there is a need for India to engage with the rest of the world.

This is despite India's not so pleasant experience in the case of trade deals with Japan, South Korea and the 10-member ASEAN grouping. In the case of all these FTAs, the imports from these South East Asian countries grew at a much faster pace as compared to exports, resulting in a high trade deficit for India. India continues to face non-tariff barriers in these regions that it is still trying to sort out.

More recently, the trade deal with the UAE has also seen some challenges, related to the sudden massive surge in the import of precious metals and even food items such as dates.

New plan of action

–SOP will take into account India's strategy towards modern trade FTA issues such as environment, labour, digital trade

–SOP awaiting Union Cabinet's approval

–Creating an institutional memory for future negotiations will also be in focus

–India has slowed down pace of FTA negotiations with other countries such as Peru, Oman

–Till date, India has signed 14 FTAs with its trading partners

–Since 2022, India signed three major trade deals, with the UAE, Australia and EFTA

Source: business-standard.com– Oct 20, 2024

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Major port cargo rises 6% in September at 65 million metric tonnes

Major ports, owned by the central government, registered a 6 per cent growth in cargo in September at 65 million metric tonnes (mmt), primarily driven by crude oil cargo shipments and an increase in miscellaneous commodities.

The previous month saw a near 9 per cent increase in export-import (Exim) cargo and a 1.9 per cent fall in coastal cargo.

Crude Oil and miscellaneous (other) commodities, which cumulatively account for a third of major port cargo, saw an increase of 9 per cent and 41 per cent respectively.

On the other hand, ahead of the festival season, the last month also saw private ports – or non-major ports – reversing their slow growth so far this fiscal, seeing a cargo growth of 10 per cent, with a 12 per cent increase in Exim cargo.

For major ports, containers, which are a proxy for trade of finished goods, grew only by 3 per cent in September as private ports took a large pie of festive shipments with a 26 per cent growth.

While crude oil volumes at non-major ports had been contracting throughout the financial year (FY25), September saw a sharp 20 per cent year-on-year rise in crude oil shipments, and experts opine that these volumes will continue to rise as crude oil cargo at private ports had been sluggish due to planned shutdowns in refineries of oil majors like BPCL Kochi, IOCL and Nayara Energy took planned shutdowns in this fiscal, which also impacted the petroleum product exports.

Major ports have so far in FY25 handled 414 million mmt of cargo, which is a 5 per cent increase compared to the last year. At this pace, they outpace their private peers growing at 4 per cent.

During the same period last year, major ports were on a slow growth trajectory with a 2.4 per cent growth in cargo, and over the last two years, the first half of the financial year has been fraught with international shipping challenges such as the Russia-Ukraine war, Israeli attacks across

West Asia and the prominent emergence of Iran in the Israel-Palestine conflict.

In terms of port performance, traffic at Deendayal Port Authority (Kandla Port) grew by 28 per cent in September. Part of it is due to a low-base effect, as the port struggled with cargo in FY24 and lost its place as the biggest cargo-handling major Port to Odisha's Paradip Port. So far in FY25, Kandla Port's cargo handling has grown by 13 per cent.

Coastal cargo accounts for nearly a fourth of the total cargo volumes at major ports and almost a fifth at non-major ports. While the first half of the FY24 had seen a 20 per cent increase in coastal cargo at non-major ports, central government-owned ports had seen negligible growth.

In FY25, coastal cargo at major ports has grown by 4 per cent to 93 mmt, while it has decreased by 2 per cent to 65 mmt at non-major ports.

According to experts, the growth of coastal cargo at major ports can be majorly attributed to the coal evacuation from Paradip Port which handles close to 31 per cent of the coastal cargo amongst all with other ports like Chennai, Kamarajar port and even JNPA witnessing healthy growth, although the share in overall volumes remains low.

The Centre for Monitoring Indian Economy expects cargo movement at major ports to slow down to 3.1 per cent in the current fiscal year.

"A rise in traffic of major commodities such as petroleum, oil & lubricants (POL) and containerised cargo will push the overall growth upwards while a fall in traffic of coal and iron ore will restrict overall growth in 2024-25. Together, POL, coal, containerised cargo and iron ore account for over 77 per cent of the total cargo traffic," it said earlier this month.

Source: business-standard.com– Oct 23, 2024

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