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USD	EUR	GBP	JPY
84.13	91.49	109.01	0.55

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INTERNATIONAL NEWS

Rising headwinds for UK manufacturing sector as Oct starts: S&P Global

The UK manufacturing economy continued to face rising headwinds as October started, according to S&P Global Ratings.

A lack of market optimism, slower economic growth, stretched supply chains and concerns about the impacts of possible announcements in the UK Budget (which were unknown at the time of the survey) led to reduced intakes of new work and a near-stalling of output growth, a release from the rating agency said.

The seasonally-adjusted S&P Global UK manufacturing purchasing managers' index (PMI) posted 49.9 in October, down from 51.5 in September and the earlier flash estimate of 50.3. This is the first time that the PMI has fallen below the neutral 50 mark since April.

The new orders and stocks of purchases components (both of which signalled solid contractions) weighed heaviest on the PMI, while a noticeable easing in the rate of expansion of production also contributed to the decline in its level, the release said.

Although manufacturing output rose for the sixth successive month in October, the rate of increase was only slight and the weakest during that sequence.

The decline in new work inflows reflected a lack of market confidence, economic slowdown and to some domestic clients applying a wait-and-see approach to committing to new contracts before the UK Budget delivered in late-October.

Demand was weaker from both domestic and export clients. New export orders fell for the thirty-third consecutive month, amid reports of lower intakes from clients in Europe, China and the United States.

UK manufacturing employment increased for the third time in the past four months in October. Companies linked job creation to higher production and efforts to clear backlogs of work.

However, the rate of increase was only modest, as many firms remained cautious about incurring additional costs, given uncertainty about the impact of possible changes announced in the UK Budget. It also reflected relatively muted confidence about the future among manufacturers.

Business optimism recovered only slightly from September's nine-month low during October. That said, the majority of firms (52 per cent) still expect to see production rise over the coming year, compared to only 8 per cent forecasting contraction.

Where positive sentiment was indicated, this was attributed to new product development and hopes for a market revival.

There were positive signs on the price front, as the rate of increase in input costs slowed sharply to its weakest in the current ten-month sequence of inflation.

The extent of the easing was among the steepest in the near 33-year survey history.

Part of the increase in purchase prices and other costs of production were passed on to clients in the form of higher output charges in October. Average selling prices rose for the twelfth successive month.

However, the rate of increase eased to its lowest since February, reflecting decelerations in the consumer, intermediate and investment goods subindustries.

Supply chains remained under stress in October, as average vendor lead times lengthened for the tenth month in a row.

Delivery times increased to the greatest extent since February, which companies attributed to shipping delays, the Red Sea crisis, capacity shortages at vendors and port strikes.

Source: fibre2fashion.com– Nov 04, 2024

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UK retail sector to be hit hard by Autumn Budget: BRC

The Autumn Budget will hit hard a low-margin industry like retail, with the odds now stacked firmly against growth and investment in the short term, according to the British Retail Consortium (BRC), which said these new costs also risk increasing prices customers pay at the till.

"As the industry prepares for over £2.5 billion in new costs in 2025, improvements to the business rates system will not come until 2026. We welcome the recognition that retail, along with hospitality businesses, should pay lower rates," said BRC chief executive Helen Dickinson in a release.

"But with the detail still to be worked through, it is unclear whether this will address an imbalance which sees retail, as 5 per cent of the economy, pay 21 per cent of the total business rates bill. In order to stimulate investment, it is vital these changes reduce the overall costs on the industry, rather than simply shifting the burden from one part to another," she said.

Many questions about the new charges and discounts that will be levied from 2026 remain unanswered. Charging more to businesses with higher rateable values may punish not only distribution hubs, but also larger stores, which play a key role in attracting footfall to high streets and town centres, BRC noted.

"With retailers paying over 21 per cent of all business rates in the economy, the solution is not to simply shift the burden around the industry, but to look outside retail. Without action to address the disproportionate impact of business rates on retail, the government's plan is simply robbing Peter to pay Paul," Dickinson said.

"Increases to National Insurance contributions are yet another case of piling taxes on an already overburdened industry—a decision which will reduce investment in shops and jobs. As a low-margin industry and the UK's largest private sector employer, the scale of increases will have an immediate and disproportionate effect on both retailers and their supply chains, who together are responsible for employing 5.7 million people across the country," BRC noted.

"....With retailers facing increases in costs from implementation of the Employment Rights Bill and National Insurance contributions, investment plans and economic growth will be impacted given the larger-than-expected increase to NLW [national living wage]. This adds £367 million more than pre-Budget expectations," Dickinson added.

Source: fibre2fashion.com– Nov 04, 2024

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Latin America-Caribbean shipping struggles amid crises: UNCTAD

The UN Trade & Development's (UNCTAD) Review of Maritime Transport 2024 reveals severe challenges being faced by the maritime sector in Latin America and the Caribbean. These include disruptions in the Panama Canal due to climate changes, geopolitical crises and trade imbalances.

Severe drought in 2023 and early 2024 reduced water levels in the Panama Canal, forcing ships to take longer, more expensive routes. This hit trade from the Americas to Asia particularly hard.

The shift led to a 31-per cent increase in sailing distances and a reduction in cargo volumes, exposing the Panama Canal's vulnerability as a vital maritime route. While improved water management helped in mid-2024, transits remained down by about 20 per cent compared to 2023. UNCTAD's Review highlights the pressing need for climate-resilient port infrastructure across the region.

Freight rates across the region fluctuated throughout 2023. Rates on Europe-to-South America routes dropped by 36 per cent, while Africa-to-South America routes saw a 20 per cent increase.

This volatility has been fuelled by geopolitical shifts, including Egypt's decision to source grain from Brazil and the United States instead of Ukraine. Small island developing states (SIDS) in the region face additional challenges with a 9-per cent decline in maritime connectivity over the past decade, resulting in higher costs and reduced competitiveness.

While Trinidad and Tobago serves as a key hub, smaller ports struggle with inefficiencies, further driving up costs. Without action, these connectivity gaps will deepen trade inequalities, the UNCTAD document noted.

Ports in the Caribbean are facing mounting operational challenges. Port handling charges are two to three times higher than in similar ports globally, worsened by inefficient processes, poor management and infrastructure shortages. The competition between cruise ships and cargo vessels adds to the strain, further limiting trade efficiency, UNCTAD said.

For SIDS, whose economies rely heavily on maritime transport, these inefficiencies present a serious development challenge. The imbalance in trade flows, where inbound vessels arrive fully loaded and leave empty, exacerbates the problem, driving up costs and reducing the viability of maritime services.

The UNCTAD Global Supply Chain Forum held in May this year in Barbados recommended a focus on consolidating cargo volumes, fostering collaboration among shippers and boosting port infrastructure through private investment.

The forum also stressed the need for climate adaptation and resilience-building, particularly for ports vulnerable to extreme weather events. Increased financing and capacity-building for these initiatives are critical to safeguarding the future of the region's maritime sector.

Source: fibre2fashion.com– Nov 05, 2024

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Oct sees sustained, marginal improvement in ASEAN manufacturing health

October witnessed a sustained but marginal improvement in the health of the manufacturing sector in the Association of Southeast Asian Nations (ASEAN) region, according to S&P Global Ratings.

A fresh rise in output was recorded following the first fall in three years in September.

Meanwhile, demand trends improved for an eighth successive month in the region, but at the weakest pace during this growth sequence.

Job creation halted in October following a fractional uptick in the month prior, and purchasing activity contracted for the first time in a year, S&P Global said in a release.

The headline S&P Global ASEAN manufacturing purchasing managers' index (PMI) held steady at 50.5 in October, unchanged from September, indicating the joint-weakest improvement in manufacturing conditions since February.

Although demand trends showed signs of improvement at the beginning of the final quarter, they experienced a cooling for the third consecutive month, resulting in only a slight uptick—the weakest in the current eight-month growth sequence.

Goods producers across ASEAN adjusted their buying activity and workforce numbers accordingly, with the former recording a drop for the first time in 12 months.

As has been the case since March, ASEAN manufacturers reported an increase in backlogs in October, indicating rising pressure on manufacturing capacity. However, ongoing improvements in demand conditions enabled manufacturers to increase their output in the month.

The respective seasonally-adjusted index shifted into expansion territory after posting its first sub-50 reading in three years in September. In October, ASEAN manufacturers continued their destocking efforts, depleting both pre- and postproduction inventories for the fourth and eighteenth consecutive month respectively.

Cost pressures simmered down, with input prices rising at the slowest pace in 15 months. Additionally, manufacturers raised their output prices at a modest pace, an S&P Global release said.

Expectations for output remained positive across the ASEAN manufacturing sector. However, growth projections were downgraded as optimism dipped to a four-month low, continuing a trend of weaker expectations compared to the historical average since November 2022.

Source: fibre2fashion.com– Nov 04, 2024

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Export Sales of U.S. Cotton Improve in Face of Lagging Demand

Cotton prices slipped into the 60s at week's end as the longstanding 70-71 cent price support level was penetrated in the face of the declining demand. In fact, all old crop futures prices have moved lower for four consecutive weeks. December futures lost 310 points over this period. The current support level now rests near 67 cents.

While export sales of U.S. cotton are slightly improved, demand continues to lag USDA estimates. More importantly, there is little to no evidence of any improvement in demand during the coming six months. Thus, December futures will likely trade in the 67-72 cent area through January-February 2025.

Additionally, we continue to suggest the market will not cover storage and other carrying costs between now and July 2025. Expect nearby futures to trade between 67-72 cents between now and February 2025. The trading range from February to May is forecast to be between 72 and 75 cents. The December 2025 contract will likely reach as high as 80 cents, but not until after July/August 2025.

Weekly export sales were good, as net sales of upland climbed to 189,400 bales. But there was a lack of depth in purchases as only three countries – Vietnam, China and Pakistan – accounted for about 82% of all sales. Vietnam was the principal buyer, taking 98,000 bales. Export shipments continue to lag the level needed to meet the USDA estimate for the year. Weekly shipments totaled only 134,300 bales, about 100,000+ bales below the weekly level needed to reach the USDA estimate for the year.

With 39 weeks remaining in the marketing year, there is ample time to ramp up exports. However, the major concern is that poor demand will cause USDA to reduce its estimated level of exports, resulting in an increase in U.S. ending stocks, which adds more bearish pressure.

The 3-day Jim Rogers' long-only spec funds completed their rolls – sell March-buy December – on the week, and the larger pool of spec fund rolls, Goldman Sachs, will begin this Thursday and take five days to complete. These rolls will tend to keep the March contract on the defense, and the contract should also begin to show a decline in open interest.

The December contract settled the week under the 10-,20-,50-,100-,and 200 day moving averages – another signal of near-term bearishness in the market. Near-term bearishness continues to dominate the market; however, higher prices will surface for the 2025 crop. Cotton has been undervalued for most of the year, and supply demand factors call for higher prices late in the 2025 growing season.

Source: cottongrower.com– Nov 04, 2024

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Canada's West Coast Ports Lock Out Foremen After Strike Notice

Maritime employers in British Columbia will lock out more than 730 dock foremen across Canada's West Coast ports Monday afternoon, straining activity at major ports on both sides of the country.

The lockout would severely hamper operations at West Coast ports including Vancouver and Prince Rupert, stoking the flame already started by the current indefinite strike at two container terminals at the Port of Montreal. That walkout has been ongoing since Thursday morning.

The B.C. Maritime Employers Association (BCMEA) unveiled it would institute a lockout after the Local 514 branch of the International Longshore and Warehouse Union (ILWU) issued a 72-hour strike notice on Thursday.

The union, which went on strike at 8 a.m. local time, had first anticipated enacting an overtime strike, and said in a statement that the BCMEA "completely overreacted" by implementing a full-scale lockout.

"Let me be crystal clear to the BCMEA: Our union will not sign any contract which includes concessions that remove existing parts of our collective agreement that our members fought long and hard for over many years," said ILWU Local 514 president Frank Morena in a statement Sunday.

The BCMEA, which called the strike action a "regrettable decision to destabilize Canada's supply chain," is offering the union a 19.2 percent wage increase over four years.

This work stoppage follows the 13-day strike from more than 7,400 longshoremen at the British Columbia ports in July 2023. That strike disrupted the flow of goods into Canada, with $10.7 billion Canadian dollars ($7.7 billion) worth of cargo held up and diverted elsewhere.

It also comes more than two months after the country's two Class I railroads locked out employees for more than 16 hours. The federal government intervened to force the companies back to work.

In a notice to customers, the Port of Vancouver said it expected disruptions to operations starting at 8 a.m. local time Monday.

"This B.C. coastwide labor dispute will impact operations at BCMEA member terminals where Local 514 labor is employed," the port said Friday. "At this time, we expect grain and cruise operations, along with operations at the Westshore coal terminal to continue at the Port of Vancouver."

There is currently limited anchorage capacity at the port, due to elevated seasonal demand in the bulk sector as grain exports are in their peak period.

The port said it is working closely with the industry to ensure port fluidity by prioritizing anchorage assignments to terminals that remain operational. The port is also working with federal partner agencies to proactively manage vessel traffic impacted by the disruption, the port's anchorage availability and expected inclement weather.

Canadian Pacific Kansas City (CPKC) said it would stop accepting export loads and empties headed to Vancouver, effective today. Canadian National (CN) also will halt exports headed to Vancouver's container terminals, as well as those destined for Prince Rupert.

The Greater Vancouver Board of Trade is calling on Canada's federal government to intervene.

"We are extremely concerned that this strike could cascade quickly to shutting down the entire west coast port system," said Bridgitte Anderson, president and CEO of the Greater Vancouver Board of Trade. "If another strike occurs it will again mean higher prices for Canadians at a time when the economy is struggling."

Anderson said the strike notice puts $800 million Canadian dollars ($576 million) per day in trade at risk.

Canada's Labour Minister Steven MacKinnon said in a post on X Saturday that it is the responsibility of the BCMEA and the ILWU 514 to reach an agreement, but indicated that federal mediators are on site, ready to assist both parties.

The employers' association and the union have been bargaining for more than 18 months to renew their collective agreement that expired in March 2023.

The ILWU had previously attempted to strike at port operator DP World's facilities but was blocked by Canadian labor regulators, who said the union cannot exclusively bargain with just one of its employers in the contract dispute.

On Canada's East Coast, the partial strike in Montreal still lingers, slowing down the processing of 40 percent of the containers that are delivered to the port.

As of Tuesday at 7 a.m., the Maritime Employers Association (MEA) will suspend a salary guarantee for on-call workers assigned to container transshipment who are not at work. This guaranteed pay typically enables longshore workers who are on standby, but not working due to light volume at the port, to still receive their full salary.

Salary would not be suspended for longshoremen in the bulk sector and essential services.

The MEA called the move a mitigation measure to reduce the cumulative financial impact of repeated strikes and lower volumes at the Port of Montreal.

Last week, the employers said they proposed entering a period of "accelerated negotiations" with the Canadian Union of Public Employees (CUPE), supported by a special mediator appointed by the McKinnon. CUPE rejected the proposal.

Source: sourcingjournal.com– Nov 04, 2024

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Italian textile machinery orders drop in Q3

In the third quarter of 2024, the order index for Italian textile machinery, as reported by the Economics Department of the Association of Italian Textile Machinery Manufacturers (ACIMIT), showed a decline compared to the period July - September 2023 (-19%). In value terms, the index stood at 50.6 points (base 2021=100).

This drop is due to the decrease in foreign markets (-23%), which account for 86% of total orders. Instead, a 15% increase was observed in Italy compared to the third quarter of 2023. The absolute index value for foreign markets was 49.1 points, while in Italy it reached 61 points. In the third quarter, the order backlog amounted to 3.8 months of guaranteed production.

Marco Salvadè, President of ACIMIT, commented: "The order index remains at low levels. The foreign demand is of greatest concern. Investments in machinery remain stalled in some of the major markets for Italian textile machinery, such as India, Turkey, and Bangladesh."

"The growth in order collection in the domestic market is not sufficient to bridge the gap recorded abroad. Furthermore, the increase needs to be compared with the same quarter in the previous year, when orders were already low. Given the weak demand in several key markets, Italian manufacturers are working to seek new opportunities in countries where the textile industry is still technologically underdeveloped," added Salvadè.

"Recently, ACIMIT organized exploratory missions to Turkmenistan and Kyrgyzstan to assess the local textile market and understand the technological needs of its companies."

Source: knittingindustry.com– Nov 04, 2024

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High freight rates strain supply chains, threaten SIDS, LDCs: UNCTAD

The strain on supply chains and nations due to a surge in global shipping costs in the first half this year is intensifying, with vulnerable small island developing states (SIDS) and least developed countries (LDCs) facing the worst impacts, according to the UN Trade and Development (UNCTAD).

UNCTAD's Review of Maritime Transport 2024 estimates that global consumer prices could increase by 0.6 per cent by next year as shipping costs filter through supply chains.

Vulnerable economies like SIDS are expected to face an even sharper rise, with consumer prices climbing by up to 0.9 per cent, threatening food security and economic growth.

For SIDS and LDCs, which rely heavily on shipping for essential goods, the rising costs are eroding trade competitiveness. SIDS have already seen their maritime connectivity decline by an average of 9 per cent over the past decade, leaving them disproportionately affected by freight rate volatility.

Freight rates have skyrocketed this year due to rerouted vessels, port congestion and higher operational costs.

As freight rates rise, so do concerns over trade sustainability, economic growth and the global effort to achieve sustainable development goals, UNCTAD noted.

As of October 18, the Shanghai containerised freight index (SCFI) was down by 45 per cent from its 2024 high and 60 per cent below its record level during COVID-19. However, it remained 115 per cent above the pre-pandemic average and more than double the 2023 average.

Beyond the primary trans-Pacific and Europe-bound routes, spot freight rates also surged. Disruptions in key routes through the Red Sea, Suez Canal and Panama Canal have significantly increased freight rate volatility.

Factors like increased shipping distances, heightened fuel consumption and rising insurance premia have all contributed to a 'perfect storm' of cost pressures, UNCTAD said in a release.

UNCTAD estimates show that disruptions due to climate-induced low water levels in the Panama Canal contributed 49 percentage points (pps) to the overall 45-per cent rise in the Baltic dry index between October 2023 and January 2024.

Similarly, the Red Sea crisis and Suez Canal disruptions contributed 148 pps to the cumulative 120-per cent increase in the China containerised freight index from October 2023 to June 2024.

Overcapacity in container shipping has mitigated rate volatility, enabling the industry to accommodate increased demand. However, any further disruptions or spikes in demand could expose risks and increase freight rates, underlining the need for effective supply management to balance supply and demand, UNCTAD cautioned.

UNCTAD called for urgent, coordinated action to reduce volatility in freight markets, mitigate impacts and support vulnerable economies.

This includes monitoring freight market trends to detect cost spikes early and provide timely support to vulnerable economies; strengthening international cooperation to reduce chokepoint disruptions and rerouting pressures, helping to stabilise shipping routes and reduce costs; and investing in port and infrastructure upgrades to alleviate congestion and improve supply chain efficiency, especially in key transshipment hubs.

Shipping routes should also be diversified and regional trade initiatives promoted to reduce dependence on long-distance routes, easing pressure on global shipping lanes, UNCTAD suggested.

Low-carbon shipping and port solutions should be supported to mitigate the environmental impacts, improve efficiency and drive a sustainable transition for the maritime industry, it added.

Source: fibre2fashion.com– Nov 04, 2024

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Vietnam's key exports are on a path of recovery: industry experts

Việt Nam's key exports are on a strong path of recovery during the first ten months of the year, with businesses doubling down on improving production, seeking new partners and promoting Vietnamese products in the international market, according to industry experts and policymakers.

The latest data from the General Department of Vietnam Customs showed textile exports increased by US$2.61 billion, or 10 per cent compared to the same period last year.

The last several months have seen a significant number of orders shifting from China, Bangladesh and Myanmar to Việt Nam. Decreased inventories in major markets such as the US, the EU and Japan have resulted in higher demand for Vietnamese textiles and new orders from international trade partners.

Many businesses have reported securing sufficient orders until the end of the second quarter of next year. The industry is likely to achieve its objective of reaching an export turnover of $44 billion in 2024, a 9 per cent increase compared to last year, as the peak demand season in major markets is approaching, said economists.

Cao Hữu Hiếu, director-general of the Vietnam Textile and Garment Group (Vinatex), Việt Nam's largest textile and garment maker, said the group is on the right path to finish this year's production plan with flying colours, with export turnover in the first nine months of 2024 reaching nearly $1.5 billion, an increase of 7 per cent compared to the same period last year. Caution, however, is advised given the current volatile market situation.

He said the most important objective in the remaining months of the year and early months of 2025 is to improve labour supply, productivity, production capacity, value for customers, the supply chain as a whole and increase efforts in lowering carbon emissions.

Meanwhile, Vietnamese wood product and forestry reported an export turnover of $14.05 billion across the same time period, an increase of 19.9 per cent compared to the same period last year. Industry experts said they expected the industry to reach $15.5–16 billion in export turnover this

year, given stable growth at 15-19 per cent, which is more than likely as large buyers of Vietnamese products around the world started showing signs of strong recovery.

They said this is the result of efforts by Vietnamese businesses to seek out new partnerships, adopt new standards and build trust and cooperation with major international brands.

Director of the Trade Promotion Department under the Ministry of Industry and Trade Vũ Bá Phú said frequent appearances at international trade events and exhibitions highlighted Vietnamese businesses' initiative in promoting themselves in the international market. However, he advised them to focus on improving product quality and value, as well as developing a sustainable strategy to compete.

Data from the Vietnam Association of Seafood Producers and Exporters (VASEP) said the country exported over $1 billion worth of seafood last month, an increase of 28 per cent compared to October last year, finally breaking a 27-month dry spell when it dipped under the $1 billion mark. Vietnamese seafood exports, by the end of October this year, had reached $8.27 billion, an 11.4 per cent increase compared to the same period last year.

VASEP Director of Communications Lê Hằng said strong demand recovery in major markets, especially for Vietnamese key products such as shrimp and catfish, has played a pivotal role. In addition, efforts to improve Vietnamese seafood in the international market and consumers' preference have been paying dividends in recent years.

She said, for instance, exports to China surged by 37 per cent in October, making China the fastest-growing market for Vietnamese seafood. With increased consumption of fresh seafood in China's hospitality sector, Vietnamese products enjoy many distinct advantages thanks to their close proximity to China and Chinese consumer preferences. The sector has been forecast to reach $9.5 billion in exports this year, a 7 per cent increase year-on-year.

Source: vietnamnews.vn– Nov 05, 2024

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EU spends nearly US$3.1 billion purchasing garments and textiles from Vietnam

Statistics indicate that garment and textile exports to the EU throughout the reviewed period rose by 9.6% year on year to reach US$3.08 billion.

Among the major markets, the Netherlands and Germany were the two largest consumers, accounting for 46.45% of the total export turnover to the bloc.

Specifically, exports to the Netherlands surged by 24.85% to nearly US$880 million, while exports to the German market dropped by 10.96% to nearly US$562.48 million.

Strong growth was recorded in some markets such as the Czech Republic with nearly US$21.31 million, up 50.69%; Slovakia with over US$4.06 million, up 112.12%; Romania with US$5.24 million, up 55.88%.

According to experts, Vietnamese textiles and garments are anticipated to enjoy better growth opportunities moving forward thanks to rising demand during the year-end holidays.

Moreover, the country also enjoys advantages over many other exporters thanks to tax incentives under the Vietnam-EU Free Trade Agreement (EVFTA).

The Vietnam Trade Office in Belgium and the EU revealed that since the EVFTA first took effect, Vietnamese market share in the bloc's total textile and garment imports increased from 3.3% in 2020 to 4.3% in 2023.

Source: vietnamnet.vn– Nov 04, 2024

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Vietnam's cotton imports rise to $1.309 billion from Jan-May'24: Report

Vietnam's cotton imports increased to $1.309 billion during Jan to May'24, as per the newly released 'Vietnam Cotton Import Research Report 2024-2033'by ResearchAndMarkets.com.In In 2023, Vietnam recorded cotton imports worth $2.744 billion.

Currently, cotton production across the globe is dominated by China, the United States, India, Brazil, and Australia, with China, India, and the US being the most influential players in the cotton market. Highest demand for cotton is generated from the Asia and Western markets with demand in the emerging markets also being driven by economic development and increasing income levels.

Southeast Asia's fast-growing economy and the world's second-largest textile exporter, Vietnam is heavily dependent on cotton imports due to limited domestic production, which fulfills only around 1 per cent of the country's demand. The country is currently the world's third-largest cotton importer, with import values in the billions annually. It mostly imports cotton from the United States, Australia, Brazil, China, and Singapore.

From 2021-24, Vietnam sourced most of its cotton fromthe US, Australian, and Brazilian exporters including Sunray Macao Commercial, Bros Macao Commercial Offshore And Louis Dreyfus Company Suisse SA.Some of the major Vietnamese cotton importers included Brotex (Vietnam) Co, Texhong Galaxy and Texhong Yinlong Technology.

With the continued growth of Vietnam's textile industry, demand for high-quality, stable cotton supplies is expected to rise as Vietnam upgrades its textile production and expands internationally. The report forecasts an upward trend in cotton import volumes as the industry seeks to meet both domestic and international demand.

Source: fashionatingworld.com– Nov 04, 2024

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Bangladesh: Denim demand rebounds gradually: experts

The demand outlook for locally made denim garments is gradually improving as Western economies rebound, local and foreign businessmen said yesterday.

There is intense competition in the global denim market as almost all competing countries, including Turkey, Pakistan and Vietnam, have always been strong denim producers.

Sales of denim products slowed over the last three years due to the severe fallouts of the Covid-19 pandemic, Russia-Ukraine war, and high inflationary pressures in the Western world, including the European Union (EU) and the US.

"Major challenges are coming for the overall export-oriented garment sector since Bangladesh will have to fulfil EU due diligence conditions by 2026 and reduce carbon emissions significantly by 2030," said Syed M Tanvir, managing director of Pacific Jeans, which produces more than 1.5 lakh denim trousers a day.

He also said that denim mills in the country need more value-addition to better compete on the global stage, adding that his company was targeting at least 12 percent export growth by the end of the year.

He made the remarks while visiting the 17th Bangladesh Denim Expo, which kicked-off at the International Convention City Bashundhara in Dhaka yesterday. Md Ali Rasul (Tuhin), director of Team Group, said international clothing retailers and brands were worried by the recent spate of labour unrest in industrial belts as well as political volatility because they want timely delivery of goods.

If normalcy prevails, business will grow and work orders, which shifted to other countries in the aftermath of the political changeover on August 5, will begin to return, he said. At a seminar on the sidelines of the expo, Ziaur Rahman, regional country manager, production (Bangladesh, Pakistan and Ethiopia) of Swedish retail giant H&M, outlined the commitments and improvements that customers would like to see. "If you have demand or grievances, you can't opt for unrest. You need collective discussion. From vandalism, no one wins. Safety and security of the supply chain is a minimum requirement," Rahman said.

"Transparency is key. The supply chain should be self-sufficient. No one will monitor us but us. We should be responsible for our own operations." He also suggested investing more in people and their development.

"Embrace technology. Innovation and research are really missing here," Rahman added. He also suggested producing more value-added products to grab a bigger slice of the pie in the global apparel market, which was estimated to be valued at around $1.8 trillion.

Yilmaz Demir, a representative of Bossa, a Turkish denim fabrics supplier, said the slow demand for denim is temporary. Business will grow as inflationary pressures are also easing.

Muhammad Monsoor Bilal, senior vice-president of Karachi-based Naveena Group, said Bangladesh remains competitive globally because of price and quality.

He supplies five million metres of denim fabrics to local companies annually, adding that he expects his business in Bangladesh to grow at least 25 percent over the next year.

Manish Chauhan, chairman and co-founder of Noize Jeans, said Bangladesh is irreplaceable because of price and quality.

Chauhan has been doing business in Bangladesh for 20 years and is now running two garment factories that export denim goods worth $80 million a year.

Mostafiz Uddin, the organiser of the denim expo, said they were seeking better prices from international retailers and brands. However, he said the law-and-order situation should be improved further so buyers have more confidence in Bangladesh.

According to the organisers of the expo, many international exhibitors could not secure visas this year so they could not attend the event. Still, a total of 56 companies from 18 countries are participating in the two-day event.

Source: thedailystar.net– Nov 05, 2024

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Bangladesh: Govt drafts cross-border e-commerce policy

Bangladesh has drafted the Cross-Border Digital Commerce Policy 2024, marking a significant step towards integrating the economy with the global digital marketplace as it looks to facilitate globally accepted payment methods.

An internationally accepted payment system will be introduced for digital commerce which will be connected to the country's existing payment systems, according to the policy.

The draft will be finalised after discussions with stakeholders, who were provided the documents yesterday, according to commerce ministry officials.

To ensure reliability in the payment system, a cross-border escrow service will be introduced in coordination with Bangladesh Bank, according to the policy.

Measures will be taken to facilitate the repatriation of export earnings and the payment of import expenses for registered digital commerce enterprises, it said.

To encourage exports, special incentives will be provided if payments are made from abroad and the funds are brought into the country.

During the import of any product or service, the name of the associated marketplace or digital platform must be included on the invoice alongside the buyer's name to facilitate payments.

In such cases, Bangladesh Bank will issue necessary guidelines in accordance with the Foreign Exchange Regulation Act of 1947.

Additionally, a central coordination committee comprising stakeholders will be formed to facilitate cross-border payments for imports and exports through digital commerce as well as to resolve any related complexities.

The committee will have representatives from the Ministry of Commerce, National Board of Revenue, Posts and Telecommunications Division, ICT Division, Bangladesh Bank, Bangladesh Telecommunication Regulatory Commission and Bangladesh Financial Intelligence Unit. It will also

include members of the e-Commerce Association of Bangladesh and Bangladesh Association of Software and Information Services.

The policy added that the trade of counterfeit, substandard, fictional or conceptual products through cross-border digital commerce is prohibited. The organisation, issuance, purchase, sale, or exchange of tickets or tokens for online lotteries, gambling, betting, etc is also prohibited.

The purchase and sale of any products or services that are prohibited under import and export policies is also not allowed.

To conduct cross-border digital commerce activities, the relevant digital commerce institution must obtain a Digital Business Identity (DBID).

In the context of exports through digital commerce, opportunities will be provided through letters of credit or, where applicable, requests or contracts made between the importer and exporter.

Policies will be simplified for cottage, micro, small, and medium enterprises to facilitate the export of small parcels through digital commerce. Necessary operational guidelines will be issued for this purpose.

Financial incentives will be provided for exports through digital commerce, similar to general exports.

To expedite exports, policy support will be provided for the establishment of necessary processing centres and warehouses, both inside and outside the country, through private initiatives, with appropriate monitoring.

Necessary policy support will be provided for drop-shipping, which is the direct delivery of goods from the manufacturer to the retailer or customer. A sufficient number of digital commerce export zones will be established near the country's ports for processing goods and services for export.

These export zones will enjoy all the facilities available to other export zones and there will also be trainings for small entrepreneurs.

Source: thedailystar.net– Nov 05, 2024

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Pakistan: PCGA reveals significant cotton output decline YoY

The Pakistan Cotton Ginners Association (PCGA) released its latest data on cotton production, revealing a significant year-over-year decline. As of November 1, 2024, Pakistan's cotton arrivals total 4,291,105 bales, a sharp 36.84% drop from the 6,794,006 bales reported on the same date last year.

In Punjab, production has decreased to 1,842,257 bales from last year's 2,996,921, reflecting a 38.53% decline. Sindh's production stands at 2,448,848 bales, down by 35.51% from last year's 3,797,085 bales, while Balochistan has recorded a production of 131,800 bales to date.

Head of Technology Transfer Department, Central Cotton Research Institute, Multan Sajid Mahmood said that the primary factors contributing to this substantial decline in production include climate change, pest infestations (notably whitefly and pink bollworm), and critically low research funding.

Extreme and irregular weather patterns—such as unseasonably low temperatures in February and March, followed by intense heat in May and June—have severely disrupted the planting and growth phases, weakening early development. Optimal soil temperatures for early cotton sowing are at least 20°C; however, this year, temperatures in February and March dropped below 15°C, impacting germination.

Furthermore, monsoon storms in Punjab and Sindh damaged cotton crops across millions of acres. These challenges were compounded by pest attacks, with whitefly and pink bollworm significantly reducing yields. The extreme temperatures in June and July, reaching 48°C and peaking at 54°C in felt temperatures, further hampered fruit production.

He pointed out that another critical factor in the production decline is the chronic under funding of research and development in cotton. The textile industry, which plays a pivotal role in financing cotton research through the cotton cess, has withheld payments since 2016, resulting in a severe funding shortfall for the Pakistan Central Cotton Committee (PCCC).

This financial crisis has hindered essential research projects and the development of advanced technologies. Consequently, efforts to create high-yielding, disease-resistant cotton varieties have been impacted,

posing challenges for the agricultural sector and putting farmers' livelihoods at risk.

Some analysts also note a rise in the number of unregistered cotton (gol maal) bales in 2024 compared to last year, a trend that warrants closer examination.

Source: brecorder.com– Nov 04, 2024

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NATIONAL NEWS

India will need a lot of very serious reforms to become advanced economy by 2047: Krishna Srinivasan, IMF Asia-Pacific Department

India will need to undertake a lot of very serious structural reforms to meet the aspiration of being an advanced economy by 2047, Krishna Srinivasan, director of the Asia and Pacific Department (APD) at the International Monetary Fund tells Deepshikha Sikarwar in an interview. The IMF in its Regional Economic Outlook has forecast India's growth at 7% for FY25. Edited excerpts:

You have kept the growth projection unchanged for India. But some domestic economists have begun to slash their estimates...

We take note of the mixed performance and select high frequency indicators. Some moderation in these indicators was expected as the post pandemic pent-up demand, especially among urban consumers, has logged its course and base effect has dissipated. At the same time, we expect strengthening of rural demand in light of the relatively stable monsoon. So, our forecast has GDP growth easing from 8.2% in fiscal year 2023-24 to 7% in 2024-25 and then going back to what we call the potential growth of 6.5% in 2025-26. There are risks to the outlook. Demand could be weaker than we expect. You have external shocks coming in, so there are downside risks to the outlook. We have the article IV consultations in December and at that time, we'll have more data points to look at to see whether we need to revise down. But at this point in time, we are comfortable at 7% for this year and going to 6.5% potential starting next year.

How do you see the escalating conflict in the Middle East impacting India?

These are fast moving developments. Things are happening every day so it's very hard for us to document the overall impact very quickly. What we do see is countries in the region have all been affected a lot more because they are in the eye of the storm of the war right now. On its impact on India, what we've seen so far is that there could be some trade disruptions, which it's not the same as in 2022. Its impact on oil and commodity prices has been relatively muted. Overall, a 10% increase in oil prices leads to global GDP coming down by 0.15% next year and an increase in inflation

of 0.4 percentage points. These are global numbers. For a country like India, which is a large oil importer. These numbers could be higher. So those are the kind of risks you have to watch out for.

In terms of the measures, do you think this growth rate is what we are anticipating in the next few years, would it suffice for India to actually meet its 2047 goal?

The goal is to be an advanced economy by 2047. Growth rate of 6.5% will not be enough to meet that goal. To meet that aspiration, lots of very serious structural reforms have to happen. If you were to start even today with growth at 7%, India is not generating a sufficient number of jobs. India adds 14 million people to the labour force every year. In the short run you have to implement the labour codes to make the labour markets a lot more flexible, allow greater efficiency. Second, if India wishes to better integrate service supply chains, allowing firms to compete more effectively, it needs to reduce a lot of trade restrictions. The average tariff has gone up in India over the past 10 years or more. We need to work on removing the trade restrictions. The third thing is to continue to focus on both physical and digital infrastructure. These are the three things which I think are very important for the short term. But going beyond that to have greater potential growth, India has to advance a lot of reforms in strengthening education and skills, advancing land and agricultural reforms, strengthening the social safety net and reducing red tape. If you want to grow at a much faster rate, to get to the levels which you are talking about, you need to have upwards of 8% - 8.5%.

On your point on rise in tariffs in India, it has signed multiple free trade agreements reducing tariffs and influx of cheaper goods is seen as a serious concern. What prompted the statement?

You're seeing a world which is fragmenting along many dimensions, including trade. What we showed in many of our analyses is that from a long-term perspective, fragmentation of this kind hurts everybody. The point is not that you just reduce trade restrictions. It's a package of reforms you have to undertake. If you lower trade restrictions, you have to make sure that local firms can compete. That's why implementing the labour codes is important because firms can make well informed decisions on how much labour to keep and what kind of flexibility you have and so on. You lower trade restrictions, you improve infrastructure, you reduce your red tape, you implement labour codes --all that to make the Indian firm that much more competitive. You have to open up the services sector

much more because most countries in Asia are closed when it comes to services. So, you have an opportunity going forward and to do that, you have to work on many reforms, including on trade, alleviating trade restrictions. But again, it's a package of reforms.

There has been some discussion in India, which has done well in services, attempting to ramp up manufacturing. Can it still spur manufacturing or just focus on its services sector?

India is adding 14 million people to the labour force every year. So, India doesn't have a choice in terms of focusing one or the other. You have to work in every sector of the economy —manufacturing, services. There are many studies which show that manufacturing generates more jobs and even within manufacturing, you can have the low skilled, and you have the higher skill manufacturing which almost blends into services. For every kind of manufacturing there you have an element of services. So, India has to partake in both manufacturing and services. The broader point I would make is that you embrace the reforms, which I talked about, that would help the investor in India decide whether he or she wants to invest in manufacturing or in services. We clearly have an advantage in services if we look at financial services, business services and so on but it's not clear that the service sector will generate the jobs that India needs to create. So, you have to move on both manufacturing and services. And you have not missed the bus. You can still do it. There are areas in manufacturing where you can really catch up. We have in a just released paper talked about how countries in Asia, not India necessarily, but the Asian countries have kind of taken advantage of the trade which is being targeted by China and the US. You have a China and US tariff war in certain sectors. You see that a number of Asian countries have actually ramped up their exports in those particular sectors.

In the budget, India has announced its intent to transition to debt-to-GDP ratio as part of fiscal consolidation. How do you see this move?

If you look at debt trends in Asia, they have not been that reassuring. Starting from the global financial crisis in 2007, public debt levels in Asia have been rising quite steadily. In some countries, like China, they have more than doubled. In Japan it is at 250% (of GDP) and above. And India also, debt levels remain pretty high. But the second point I'd like to make is that the (Indian) government has been very good in maintaining fiscal discipline. Even in the context of the elections, I think the fiscal discipline has been maintained well. I think those are things which we need to

recognize. The intent is good and they have been working towards that. In every country we talk about fiscal reforms and fiscal frameworks it's good to have a debt anchor. We usually have a rule of thumb saying 60% is good to aspire for. If you have a debt anchor, it automatically translates into how much deficits you can have. Public debt ratio provides you the anchor for you to think about what you want to do on an annual basis on fiscal deficit. So, the two are linked. I think it's good for India to think in terms of a well-defined medium term fiscal framework with a debt anchor.

How do you see the Chinese economy?

In July, we had projected China's growth at 5% for this year. The first quarter numbers in the Chinese economy came out well but since then the numbers on economic activity have been most sobering so we have revised down our forecast to 4.8%. But there are two things to watch out. One, the 4.8% does not reflect the Q3 numbers which came out much weaker than we had expected. At the same time, they announced two sets of measures, one monetary and financial in September, and another one fiscal in October. Our latest numbers do not take into account the fiscal measures which were announced in October. We have two offsetting forces for 2024, lower Q3 but more measures. That provides you a balanced risk for 2024. For 2025 if the fiscal measures are larger than what have been announced, and they are well quantified, you could have some upside to 2025, which we right now have at 4.5%. These measures are in the right direction in terms of trying to boost demand, in trying to help the property sector, but we don't think they're sufficient. What we have said is to rehabilitate the property sector comprehensively the Chinese Government needs to spend about 5.5% of GDP over 4 years. We have also said that China is facing a pivot and they need to move away from the old model of investment and export-led growth to a model of growth which is based more on domestic consumption. We are saying that they need to really ramp up emphasis on social safety nets and improve reform, pensions and so on.

How do you see the outcome of US elections playing out for the large Asian economies like India and China?

I won't talk about politics. That's not our expertise. We have no views on that. What we have seen over the past few years is there has been a lot of fragmentation, which is not just trade fragmentation, but also investment fragmentation. That has been inimical to prospects around the world. Going forward, what we would hope is that that fragmentation comes down -- we have shown that when you have fragmentation intensifying,

everybody hurts in the long run. In the short run, you could have some kind of trade diversion and some countries will benefit. For example, some countries like Vietnam and Mexico have been serving as connected countries and they have benefited. But there too, we find you will compromise trade efficiency. It's a costly economic detour when you go through a third country. So, it's important that whatever happens, we work towards a more integrated, less fragmented world.

Source: economictimes.com– Nov 04, 2024

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Manufacturing regained momentum in October, PMI rose to 57.5

With a pick-up in festival demand, the manufacturing sector put up an improved performance in October, private survey data released on Monday showed. The expectation is for the positive trend to continue for some time.

There was good news on the jobs front too.

The results of the survey, better known as the Purchasing Managers' Index (PMI), rose to 57.5 in October, as against an eight-month low of 56.5 in September. This indicates "a substantial and accelerated improvement in operating conditions," a report accompanying the survey result, prepared by S&P Global said. The index is based on responses from purchasing managers of 400 companies. An index above 50 shows expansion, while that below 50 means contraction.

"India's headline manufacturing PMI picked up substantially in October as the economy's operating conditions continue to improve broadly. Rapidly expanding new orders and international sales reflect strong demand growth for India's manufacturing sector," Pranjul Bhandari, Chief India Economist at HSBC, said. Growth in manufacturing is critical as it is considered the biggest job multiplier in India and it also contributes maximum in indirect taxes, especially GST.

The report highlighted that not only did manufacturers hire extra staff at the start of the third fiscal quarter, but also to a greater degree than in September. "Around one-in-ten panelists reported an increase in employment, while 1 per cent shed jobs. This supported the first decline in backlogs in over a year," the report said.

October data signalled stronger inflationary pressures across India's manufacturing sector. Input price inflation quickened to a three-month high, though it remained below its long-run trend. Meanwhile, output prices increased at a solid rate that outpaced the series trend. "Input and output prices are both increasing as a result of persistent inflationary pressures in materials, labour, and transportation costs," Bhandari said.

The report said an increased appetite for safety stocks, supported by shorter lead times, was reflected in another substantial rise in pre-production inventories. October's accumulation was one of the most marked in close to 20 years of data collection. The trend for stocks of finished goods continued to diverge from that of inputs, as firms again utilised inventories to fulfil sales needs. Indian manufacturers became more optimistic regarding future output volumes. Rising since September, the level of positive sentiment was above the average seen over the 13-and-a-half-year series history.

According to Bhandari, to start the third fiscal quarter, business confidence is also very high due to expectations of continued strong consumer demand, new product releases, and sales pending approval.

Source: thehindubusinessline.com– Nov 04, 2024

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Beyond shopping: How brands are redefining traditional retail by engaging customers on a deeper level

Tata Starbucks' first experiential store, which opened in New Delhi recently, is, as the name suggests, an experience in itself. A customer can make his or her own coffee with a choice of five different espresso beans. Additionally, the product offering, store design and service experience are dedicated to and inspired by India. Think Malabar coconut cream latte from Kerala, cinnamon jaggery latte with organic jaggery sourced from Maharashtra; or cocoa bird's eye chilli latte inspired from Meghalaya—with Punjabi floral motifs in the background.

"The launch represents celebration of Indian coffee heritage through variety, artistry and food theatre, complimented by a host of international coffee offerings," says Sushant Dash, CEO, Tata Starbucks.

Similarly, Swedish fashion retailer H&M has introduced omnichannel features like 'scan & buy' and 'visual search' to scan items in-store to purchase online or use image recognition to find similar products offline. This integration offers greater convenience, ensuring customers have access to a range of products.

"We are investing in store rebuilds to modernise spaces and enhance the overall customer experience. This enhances store layouts, making them easier to navigate and pleasant for customers. The 'Home' concept in select stores is expanding our product offering. A key aspect of our strategy is ensuring consistency in content and messaging across our physical and digital channels," says Amit Kothari, head of customer activation and marketing, H&M India.

In a bid to enhance the culinary experience of customers, gourmet food store brand Foodstories, owned by Avni Biyani Jhunjhunwala and Ashni Biyani, has curated eight zones offering regional dishes from Mexico, besides DIY taco kits, sampling stations and interactive learning sessions of tequila production at its store in Ambience Mall in Vasant Kunj, Delhi.

Brands like Tata Starbucks, H&M and Foodstories are trying to redefine retail by engaging customers on a deeper level and creating a transactional as well as memorable experience. The retail marketing strategy, known as experiential retail, goes beyond traditional shopping to include

personalised interactions and tailored in-store offerings, all in a bid to foster brand loyalty.

"The consumer enters the store after extensive online research, product comparisons, and reading reviews. They seek an immersive experience to confirm their choices," says Varun Malik, marketing head, Shalimar Paints, whose brand offers live demo kits, paint panels, expert advice, and digital shade visualisation tools to customers as these elements help to make confident decisions, building trust and fostering long-term loyalty and growth for the company.

Luxury menswear designer Kunal Rawal's stores across India—Mumbai, Delhi and Hyderabad—serve the dual purpose of retail and an event platform. "Just like my designs are traditional and functional wear for multiple occasions, the store is designed as a utility space that can be converted into an event space. The hydraulic leather and conveyor belt-inspired racks move around making space to host events," adds Rawal.

Rajiv Lamba, co-founder and CEO of NeuroSensum, a consumer research company, quotes an example of a leading fashion retailer who launched an interactive wardrobe solution to simplify product discovery with real-time insights into consumer shopping goals and consumer mood.

"Most brands' strategies rely on real-time feedback and behavioural insights, enabling them to refine their approaches effectively. This fosters positive word-of-mouth and social media buzz, setting brands apart in a competitive landscape," adds Lamba.

From restaurant brands like Monkey Bar in Delhi offering espresso coffee made right at the table or DLF Malls hosting Active series, a curated platform with multiple engaging activities for Delhi-NCR consumers, the experience is supposed to be immersive.

"We have converted malls into fitness zones and activity areas. Following the success of Active Noida and Active Gurugram, we started Active Delhi this year to organise runs, zumba, yoga, etc, and partner with sports brands like Nike, Adidas and Puma to hold active pop-up wellness zones in DLF Promenade, Cyberhub, DLF Avenue and Horizon Plaza in Gurugram," says Pushpa Bector, senior executive director and business head, DLF Retail, that is also launching a mall loyalty programme to provide compelling incentives for consumers.

Instagrammable spots, installations and backdrops designed specifically for social media sharing also encourage footfall among Gen Z and Gen Alpha consumers who interact, share their experiences online and promote the mall. “This has resulted in strong footfall and revenue growth across our portfolio and given us the confidence to invest in new projects in Goa, Gurugram and Hyderabad, which will see DLF double its space presence in the next two years,” adds Bector.

Although not a new concept across the world, going beyond its stylish furniture range in India, Swedish home furnishings retail giant IKEA recently introduced its iconic hot dogs at its in-store restaurant. It is for consumers to experience creativity in not just design but retail offering a ‘Swe-desi’ experience in veggie and chicken versions at an affordable pricing of Rs 49 and Rs 79, respectively.

“Food has been a key attraction drawing more visitors to stores beyond our regular shoppers, a segment currently contributing to 8-10% of sales share in India. New food offerings are centred around meaningful affordability (best in quality, convenience and low price) and will be a strong visitation driver, contributing to our vision of creating a trusted IKEA in India,” says Ankit Ghai, country food manager, IKEA India. The brand plans to double up the sales contribution in the future and this launch is the first big step in this direction, he adds.

Knowing well that customers and their living situations are different and so are their homes and needs, IKEA offers in-store experiences based on market to market. “For example, in Mumbai, we focus on small space living with multifunctional spaces, while in Hyderabad the focus is on multi-generational living, more on comfort and luxury,” says Jasmeet Sood, country home furnishing & retail design manager, IKEA India.

Source: financialexpress.com– Nov 03, 2024

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A leaf out of TN's export playbook: Lessons for others

India's export performance faced a setback in FY 2024, with merchandise exports contracting by 3.1% year-on-year to US$ 437.1 billion impacted by factors such as lackluster global demand, geopolitical disruptions, and declining commodity prices. Exports from four of India's top five exporting states saw contractions in FY 2024. Gujarat's exports fell by 10% to US$ 134.4 billion, Maharashtra's by 7.2% to US$ 67.2 billion, Karnataka's by 4.7% to US$ 26.6 billion, and Uttar Pradesh's by 5.1% to US$ 20.6 billion in FY 2024.

On the other hand, Tamil Nadu, India's third largest exporting state, stood out for its export performance with exports reaching US$ 43.6 billion, marking a growth of 7.1% in FY 2024. The state's share in India's merchandise exports rose from 8.3% in FY 2022 to 10% in FY 2024. Unlike many other top performing states, Tamil Nadu's export basket is dominated by industrial goods including high-tech goods which lead to high value addition and are relatively less impacted by commodity prices.

Over the years, Tamil Nadu has emerged as the leader in exports of several manufactured product categories. The state is the leading exporter of telecom instruments, with a share of about 44% in India's total exports of the product group during FY 2024. Similarly, it was the leading exporter of, inter alia, cotton garments (40%), garments of other textiles (38%), motor vehicles (37%), auto components (32%), electronic machinery and equipment (32%), and leather footwear (48%) during FY 2024.

Besides the evident locational advantages that Tamil Nadu enjoys, there are several other favourable factors driving the growth of manufacturing and exports from the state. Tamil Nadu had 51 operational Special Economic Zones as on the close of the last financial year, the highest in the country.

These clusters benefit from fiscal incentives, smooth movement of goods, efficient processes, and strong logistics. Several clusters in sectors with high export potential, namely, apparels, furniture, medical devices, electric vehicles, electronics, and footwear are at different stages of development in the state.

Tamil Nadu was ranked first in NITI Aayog's Export Preparedness Index 2022, demonstrating excellent performance in the pillars of export promotion policy, institutional framework, export infrastructure, and transport connectivity. There is heavy emphasis laid on building robust infrastructure and smooth last mile connectivity across all the industrial zones.

The state was also among the top ranked states in the latest edition of NITI Aayog's India Innovation Index. It has an R&D policy in place which aims at transforming the state into a knowledge-based economy by creating knowledge infrastructure including innovation clusters, hi-tech corridors, knowledge cities, research parks, and centres of excellence in sunrise sectors, among others. The state has also revamped its Startup and Innovation Policy with the aim of emerging as one of the top 20 global startup destinations by 2032.

Overall, Tamil Nadu's export performance in FY 2024 vis a vis other states demonstrates that to accelerate export growth and withstand unprecedented shocks, it is imperative for states to diversify their export baskets, build manufacturing capabilities in high-value goods, invest in trade supporting infrastructure and focus on creating a knowledge-based economy.

Source: newindianexpress.com– Nov 02, 2024

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Domestic challenges keep India's PSF prices high despite global trends

Indian manufacturers have maintained polyester staple fibre (PSF) prices at ₹93,000-₹95,000 per ton (approximately $1,105-1,129) for November 2024, following a ₹1,000 per ton increase in mid-October. Over the past month, the price of purified terephthalic acid (PTA), a key raw material, has decreased by ₹400 per ton to ₹70,100 (approximately $833.42) per ton in the domestic market.

Despite these adjustments, domestic PSF and raw material prices remain misaligned with global prices and the cost of crude oil, which serves as the primary input for the polyester value chain. The domestic industry argues that elevated raw material costs are impeding the competitiveness of India's garment, fabric, and yarn exports, making it difficult for Indian manufacturers to compete in international markets.

R K Vij, emeritus president of the Textile Association of India (TAI) and secretary general of the Polyester Textile and Apparel Industry Association (PTAIA), told Fibre2Fashion that the Indian industry is at a disadvantage in the global textile market due to higher raw material prices, particularly PSF and PTA. For instance, while domestic manufacturers price PTA at ₹70,100 per ton, imported PTA—mainly from China—is available at approximately ₹66,500 (approximately $790) per ton. This discrepancy in pricing prevents Indian exporters from being competitive in the production of yarn, fabric, and garments due to higher production costs.

For November 2024, domestic manufacturers have maintained PSF prices at ₹100,500 (approximately $1,194) per ton, after the ₹1,000 per ton increase in mid-October 2024. However, effective prices, after discounts, are around ₹93,000-₹95,000 per ton. In contrast, PSF from China is available at ₹90,000-91,000 (approximately $1,070-1,081) per ton.

Domestic prices for monoethylene glycol (MEG) and MELT are recorded at ₹58,800 (approximately $699) and ₹80,290 (approximately $954) per ton, respectively. While MEG prices increased by ₹300 per ton, MELT prices fell by ₹340 over the past month. Vij pointed out that domestic manufacturers are unable to command premium prices for MEG, as foreign suppliers, who have acquired the necessary licence under the QCO, can supply MEG more competitively. Additionally, MEG is not the

primary raw material for manufacturing MELT due to its lower proportion in the production process.

Crude oil, the foundational raw material for the polyester value chain, directly impacts prices. However, domestic PSF and its upstream raw materials have not reflected the recent movements in crude oil prices. WTI crude oil was priced at $74.38 per barrel at the beginning of October 2024 and dropped by 4.9 per cent to $70.73 per barrel in the first week of November. Despite this decline, domestic PSF and raw material prices have not followed this trend.

Source: fibre2fashion.com– Nov 04, 2024

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Cotton yarn price down by Rs 10/kg, TN exporters positive about achieving Rs 40,000 crore target

TIRUPPUR: The price of cotton yarn for knitwear production has come down by Rs 10 per kg on Monday. Ahead of New Year and Christmas, orders have started coming in and knitwear exporters said that this is positive for domestic production and exports. Exporters also believe that this surge will help in achieving the export target.

On Monday, spinning mills reduced the price of cotton yarn used in knitwear production by Rs 10 per kg for all counts. For example, 20s kh (18.5 count) yarn's price has been reduced from Rs 220 to Rs 210 per kg. 40s kh (38.5 count) price has been reduced from Rs 248 to Rs 238. The decrease in yarn prices has been taken positively by Tiruppur knitwear manufacturers.

KM Subramanian, president of Tiruppur Exporter's Association, said, "The price of cotton yarn used in knitwear production has come down by Rs 10 per kg. This will help in the growth of domestic production and exports as the price of cotton has come down to Rs 56,000 (per candy). This will help us to achieve our export target of Rs 40,000 crore this year."

MP Muthurathinam, president of Tiruppur Exporters and Manufacturers Association, said, "New Year and Christmas orders have started to come in now. Additionally, we are getting order inquiries from Bangladesh as well, but they have been reluctant due to our high prices. Now that the prices have dwindled, exporters can capture most of those orders."

"We thought domestic sales for Deepavali would be high and a month before Deepavali, orders from other states were coming in good numbers. But after this, number of orders decreased and domestic sales was not up to expectations. So we hope Christmas and New Year export orders will improve the situation and this reduction in price of yarn will aid this. The price of yarn has remained steady throughout this year without any increase," he added. Sources said that in January this year, the price of yarn decreased by Rs 20 per kg. After that, it again dropped by Rs 20 per kg in June. Now the price has been decreased by Rs 10 again this month.

Source: newindianexpress.com– Nov 05, 2024

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