TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
IBTEX – Textile Intelligence Centre – Information Bureau TEXPROCIL
The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 177 of 2024 **November 12, 2024**

Currency Watch			
USD	EUR	GBP	JPY
84.40	89.76	108.23	0.55

INTERNATIONAL NEWS

INTERNATIONAL NEWS

The First 100 Days: A Blueprint for Congress and President-elect Trump to Revive U.S. Textile Manufacturing

As President-elect Donald Trump prepares to enter the Oval Office, he faces an historic opportunity to revive American manufacturing and bolster an industry that has long supported communities across the South, Midwest, and Northeast.

U.S. Textile manufacturers have weathered the Great Depression, the Great Recession, and the COVID-19 pandemic. They've endured historic economic upheavals often driven by rampant predatory trade practices, historically weak customs enforcement, and policies favoring cheap imports.

But today, America's textile industry is facing a significant economic challenge, with over 21 textile plants closing in the last 18 months alone. Textile businesses that have existed for more than 100 years are idling or shutting down capacity and laying off hundreds of workers due to globally illegal trade practices and import fraud.

Yet, a unique opportunity lies in the hands of the incoming administration and Congress to take concrete steps to address these damaging factors and bolster this vital industry's output and expansion.

The "de minimis" provision in U.S. trade law allows imported goods valued at $800 or less to enter the U.S. duty-free and virtually uninspected daily, rewarding foreign companies that can sidestep regulations and tariffs and putting American manufacturers at a competitive disadvantage.

This loophole lets nearly 4 million duty-free, low-value packages into the U.S. daily; nearly half of these packages contain textile and apparel products, and China is by far the largest beneficiary.

President Trump should use his executive authorities to eliminate this dangerous loophole on Day 1 in office. His new administration should also work with Congress on a comprehensive de minimis solution to dramatically reduce these shipments and to help level the playing field for American manufacturers.

Strengthening Customs Enforcement for Trade Violations

The new administration must support and expand a Department of Homeland Security (DHS) textile and apparel enforcement plan launched in April to combat illegal trade practices.

Under the plan, Customs officials are cracking down on import fraud, forced labor violations under the Uyghur Forced Labor Prevention Act (UFLPA), and verifying compliance under free trade agreement rules with partner countries.

We need robust penalties for fraud to deter trade violators. This will help stabilize the U.S.-Western Hemisphere co-production chain and stop rewarding bad actors like China from gaining backdoor access to our free trade agreements.

A continued commitment to this enforcement plan is crucial to prevent ongoing import fraud through our free trade agreements, which will ultimately help stabilize the U.S. textile sector and the U.S.-Western Hemisphere co-production chain in the textile and apparel sector.

Increasing Section 301 Penalties on Chinese Imports & Countries that Don’t Play by the Rules

To counter China’s unfair trade practices, the Trump administration should increase existing Section 301 penalty tariffs on finished Chinese textiles and apparel, as well as tariffs on finished products from other countries that don’t play by the rules. This should be coupled with reasonable 301 tariff exclusions for inputs such as chemicals and textile machinery that cannot be sourced domestically, to help the domestic industry’s competitiveness.

Increasing these existing penalty tariffs, would help U.S. companies compete against artificially and illegally subsidized low-priced imports, often produced under unethical conditions.

Increasing penalty tariffs on finished goods must go hand in hand with closing the de minimis loophole or it will create a gaping duty-free loophole that will exacerbate the economic crisis the industry faces.

Passing the Miscellaneous Tariff Bill (MTB)

The Miscellaneous Tariff Bill (MTB) provides duty relief on inputs like acrylic and rayon that are unavailable domestically, helping U.S. manufacturers remain globally competitive.

Congress has failed to renew this legislation since 2020 and should take action to pass an MTB with retroactive benefits in a lame-duck session, giving manufacturers much-needed relief, enhancing their ability to compete.

Preserving the Yarn Forward Rule of Origin

The yarn forward rule, a core component of U.S. free trade agreements—particularly with our Western Hemisphere trade partners—requires yarn and fabric to be sourced in the U.S. or in the free trade region for apparel products to qualify for duty-free treatment when shipped back to the U.S. market. This rule is vital to preserving U.S. and regional supply chains and jobs and must be kept in place and effectively enforced.

Expanding “Buy American” Policies

The industry needs an immediate ramped up plan for domestic procurement of American-made textiles, from PPE to military items, to help backfill the national strategic stockpile and military reserves.

It is imperative the administration expand procurement for all U.S.-made products, including American flags, sheets and towels and scores of military products. Closing all loopholes in these statutes is needed to maximize benefits for the U.S. industry.

Passing Emergency Relief Funding & Tax Incentives for Domestic Manufacturing

The administration should work with Congress to immediately secure emergency relief funding through FEMA for textile companies hit hard by Hurricane Helene in September. Finally, the domestic industry needs bold tax incentives and a comprehensive tax reform package to encourage companies to build and expand facilities within the United States, reducing our reliance on imports and creating jobs.

Taken together, these policies and legislation will help sustain the U.S. textile industry, which remains integral to our national defense, public health infrastructure, and local economies across the country.

We look forward to working with President Trump's team and Congress to help preserve, promote, and expand this vital sector. We will work across party lines to advance the interests of U.S. textile manufacturers and their workforce.

With the right policies in place, Congress and President Trump can reignite American manufacturing, create jobs, and chart a path forward for industries and communities that are integral to the U.S. economy and prosperity.

Source: sourcingjournal.com– Nov 11, 2024

HOME

****

China's Oct e-com logistics index up 0.6 pts, may grow further in Nov

China's e-commerce logistics index was 115 in October this year—up by 0.6 points from the September figure, according to the China Federation of Logistics and Purchasing.

The sub-index tracking total business volume surged up to 133.7 in the month, hitting the highest record in almost five years, marking a rise of 2.5 points from the previous month.

The index tracking business volume in rural areas also recorded a consecutive growth to 132.2—up by 2.8 points from last month's figure. Northeast China saw the biggest rebound, rising by 7.2 points.

China's parcel delivery sector grew during the period of promotions by e-commerce platforms as the online shopping festival, Double Eleven, started at the end of October, a state-controlled news outlet reported

About 1.92 billion express packages were sent through the national post express from October 21 to 23—an increase of 48.7 per cent year on year (YoY), according to the data from the State Post Bureau.

Travel consumption during the golden week holiday, from October 1 to 7, regional subsidy policies and other stimulus measures motivated the consumer market in October, bringing huge potential opportunities for e-commerce logistics, the China Logistics Information Centre reported.

The large volumes of e-commerce purchases and delivery express may last for over a month, and the e-commerce logistics index is expected to grow this month as well, it added.

Source: fibre2fashion.com– Nov 12, 2024

HOME

****

American Fashion Is About Being Cool, Not Price, Says PVH CEO Stefan Larsson

Stefan Larsson has had a busy branding year at PVH Corp.

It started with Calvin Klein's breakthrough campaign featuring Jeremy Allen White in January and built up to Tommy Hilfiger's closely watched fashion show in September.

This is not new territory for either brand, but the context, how the businesses sit within PVH and how the company is operating, is new.

But it's a transformation that has involved a lot of retrospection.

"We are trying to go back to the DNA that made these brands beloved and cut through culture and then make them current," Larsson, who is chief executive officer, told James Fallon, chief content officer at Fairchild Media Group, at the WWD Apparel and Retail CEO Summit.

It's a process with two parts.

"We have a consumer-facing part, which is driving as much desirability as possible into product, marketing and experience and then we build a data- and demand-driven underlying business engine," Larsson said.

Identifying the brand DNA to build on was the easy part.

Larsson, who spends "50 to 60 percent" of his time traveling, said people all over the world smile when they hear Calvin Klein and Tommy Hilfiger.

"People not only are aware of the brands, they like the brands and there is an underlying love for the brands," he said. "Tommy had a completely unique take on American style — he took classic American style and then he made it current with his twist."

Jeremy Allen White in his second campaign for Calvin Klein denim and underwear.

Calvin Klein "basically created" what Larsson described as "modern American style" that was "confident, essential, minimalistic, rebellious."

"The DNA is so clear and it's timeless because both brands have stood the test of time," he said. "If you look at what's happening in the fashion industry right now, I see there are two places to go. It's the sea of generic brands and generic stuff and then there are the most desirable brands in the world."

Larsson grew up in a small town in Sweden, caught the fashion bug and joined H&M's fast-fashion charge before moving on to Old Navy, Ralph Lauren Corp. and, five years ago, PVH. Along the way he developed a clear take on American fashion.

"What I love about American fashion is that it doesn't try to be pretentious about price," he said. "American fashion to me is about being cool, cool is not about price." Great products and great execution also have very little to do with price, he said.

"It's about the intentionality of saying we're going to set down to do something great," the CEO said. Both Calvin Klein and Tommy Hilfiger sit in the premium space in the market, which Larsson described as a sweet spot.

"We're able to offer the consumer something great at a price that most people can afford," he said. "The biggest lift is about the intentionality to say anything and everything we do … has to be great. And once you start to set that hurdle, everybody else starts to step up their game. But the premium space makes it possible to invest in innovation, quality, experience."

While the idea is to grow two already big brands—Tommy Hilfiger with revenues of $4.8 billion and Calvin Klein with $3.9 billion—the umbrella company does not have to be big.

"I want PVH to be a next-generation brand-building group," Larsson said. "I want us to be as small as we can be from a PVH layer perspective and be as focused on the brands and as consumer-facing as possible. I'm a big believer in leveraging the scale of being big, but working like we are small and that's hard and I'm fairly successful at it.

"The hardest thing for us as a big group is to be close enough to the customer, fast enough, creative enough, risk-taking enough," he said.

In a big company it can be safer to not make a decision than to make the wrong decision, so Larsson said PVH tries to put the decision-makers as close to consumers as possible.

“Is this a decision that we can quickly learn and improve on it?” he said. “OK, then it might not matter if it works or not. Then it’s just the momentum of learning and moving. Is it a big $200 million investment? Well, then we have to think that through.”

The idea is to maintain momentum.

“The consumer keeps moving,” Larsson said. “That’s why we have to be able to learn, to improve, to test, and most big companies are set up to control versus create. That’s why the learning cycle is so important.”

That’s about learning from and keeping up with the consumer.

Larsson is also learning about himself. “I seldom today have the best ideas, almost never,” said Larsson, making an admission that is exceedingly rare in the high-powered world of the corporate corner office.

“But what I can do uniquely in my role is to take away hurdles, to give people the confidence to say, go test, I’ll back you even if that doesn’t work,” he said. “Can you quickly improve? Can you change?”

At PVH, change is still the order of the day—in the structure of the business, at the brands, among the brand’s consumers and more. Larsson is also keen to reframe technology and what it’s used for in the fashion industry.

“We talk too much sometimes about technology and not enough about creativity,” he said. “Creativity is the core. A brand is an aspirational world that somebody dreams of and the product is the physical representation of that. Creativity is number one and technology is an enabler to that. Technology used to be the infrastructure, but now it is getting increasingly to become an amplifier.” And in a world that is ever-more technological, he said creativity will go a long way with consumers.

Source: sourcingjournal.com– Nov 11, 2024

HOME

****

What Will a Second Trump Term Mean for Fashion’s Sustainability Ambitions?

Yvon Chouinard, founder of Patagonia, can’t say he didn’t warn us.

“Trump, Vance and all other climate chaos denier politicians will greatly hasten the chance we won’t even have a liveable planet for our children and other wild things,” he posted on the outdoor-wear brand’s Instagram page on Monday, the day before the election.

If Chouinard was shocked by Donald Trump’s stunning victory on Tuesday night, he hasn’t said. But the question that is likely looming largest in his mind is one that many other environmentalists share: Could the planet survive a second Trump term?

While speculation abounds over how much of the president-elect’s anti-environment rhetoric is empty campaign-trail bluster, the climate change-skeptic-in-chief has made good on this threats during his previous tenure, hauling the United States out of the Paris climate treaty to rein in greenhouse gas emissions, in one memorable example, and appointing a global warming denier to weaken, if not outright dismantle, Environmental Protection Agency policies meant to safeguard the nation’s land, air and water.

Trump, who has dubbed scientific consensus of rising temperatures a “scam,” has promised a reprise of his previous rollbacks and to double down on oil production barely a year after the United States signed a global accord to transition away from the fossil fuels that are stoking that climate breakdown that has resulted in higher-than-usual incidences of deadly flooding, heatwaves, landslides and wildfires. He has pledged to rescind the “unspent funds” under the 2022 Inflation Reduction Act, a federal law that earmarked more than $390 billion for combating the crisis through clean energy production but he previously called “misnamed” and a “waste of money.”

Project 2025, a “presidential transition” blueprint published by the conservative think tank the Heritage Foundation, that could shape Trump’s reform agenda, also proposes gutting efforts regarding clean energy research, air quality monitoring and environmental justice for marginalized communities.

“A Trump presidency will slash regulations, ramp up resource and labor exploitation while spiking pollution,” said Liv Simpliciano, policy and research manager at the international advocacy group Fashion Revolution. “Project 2025 will dismantle critical safeguards like the Environmental Protection Agency and wipe climate change off the agenda entirely, putting clean energy programs and already menial climate progress at serious risk.”

2024 is already shaping up to be the warmest year on record, and scientists say the world needs to rally to reduce carbon emissions from 2019 levels by at least 48 percent by 2030 to avoid even greater devastation that will impact food security, water scarcity and human lives. Trump will be the leader of the free world until 2029. The thinking also goes that if the world’s biggest economy won’t commit to United Nations-facilitated efforts such as increasing funding for vulnerable countries to adapt to the effects of climate change, or achieve net-zero emissions by 2050, then why should others? To say that the fate of the world rests on what happens during Trump’s second act, in other words, may not be an exaggeration.

“A Trump presidency poses an unprecedented threat to human rights, both nationally and globally,” Simpliciano said. “While this fills me with deep concern, repressive governments are nothing new, and collective action has always endured. What’s different now is the accelerating pace of climate change. In the face of this urgency, our response must be stronger and more united than ever.”

Still, there’s a chance that Trump’s rhetoric could filter into the broader zeitgeist, said Divya Demato, CEO of GoodOps, a climate supply-chain consultancy based in San Francisco. Considering that he trounced Vice President Kamala Harris to secure the popular vote by a margin of 4 million, at least at last count, perhaps it already has.

“Consumers’ sustainable shopping intentions were already lagging, and this may decline further under an administration that deprioritizes sustainability,” she said. “As immediate societal issues take precedence, consumer focus is shifting toward personal well-being over collective or global concerns, mirroring the election’s emphasis on individual prosperity over broader societal impact.”

Even so, “atmospheric science doesn’t care whether Trump or any politician thinks climate change is ‘real,’” said Michael Sadowski, a climate and sustainability consultant and former Nike director of sustainable business and innovation. And the effects of warming temperatures are already striking perilously close to home.

“We are seeing the impacts today, from November hurricanes near the U.S.—insane—to deadly flooding in Spain to severe heat and drought in countries that are critical to the apparel sector, e.g., Pakistan and Bangladesh,” he said. These impacts will only get worse as we continue to increase emissions, as will the effects on apparel and footwear companies.”

A ‘deafening void of inaction’

The priorities of the $1 trillion fashion industry, as a microcosm of larger, more existential issues, may seem to pale in comparison, but they’re far from inconsequential. Depending on whose numbers you believe, apparel and footwear production accounts for 2-8 percent of the world’s carbon budget. Many of the world’s biggest brands and retailers—Gap Inc., Levi Strauss & Co., Nike, Calvin Klein owner PVH Corp. and The North Face parent VF Corp., to name a few—call the United States home, yet fashion remains one of the least regulated manufacturing sectors in the nation, falling behind efforts that have already percolated in Europe. Federal climate legislation, in particular, has been near-impossible to push past congressional Republican blockades. A Trump presidency, coupled with a red electoral sweep, renders proposals such as the Securities Exchange Commission’s climate-related financial risk disclosure rules, which are currently suspended in a legal holding pattern, effectively dead in the water.

“The conversation around emissions, like the pandemic before it, has been hijacked by politics, even as emissions themselves continue to present an existential threat to humanity,” Demato said. “The reality is that there is no clear agreement on what companies are emitting, who is responsible or what realistic alternatives can replace the current system.”

She expects corporate action on emissions to grind to a halt over the next few years, leaving a “deafening void of inaction.”

It’s down to the states then, said Maxine Bédat, director of the “think and do tank” the New Standard Institute and one of the architects of New York State’s Fashion Sustainability and Social Accountability Act. Better known as the New York Fashion Act, the bill seeks to hold apparel purveyors of a certain size and stature selling into the Empire State accountable for their outsized social and environmental footprints, requiring not only reporting but also action on greenhouse gas emissions reductions, say, or codifying responsible purchasing practices. It could form a template for other states that are looking for a version of their own.

Pockets of pro-science resistance also emerged on election night. In California, voters overwhelmingly threw their support behind a ballot measure for a $10 billion "climate bond" to fund climate and environmental initiatives such as offshore wind. Over in Washington State, voters soundly rejected a measure to repeal a carbon cap-and-trade law. And, failing everything else, there's always Europe, whose upcoming due diligence and eco-design rules are settling into pole positions, albeit to the possible detriment of American leadership in the global sphere.

"The election of Trump is a significant setback for climate, but it's not the end of the road," Bédat said. "In fact, there is no end of the road, no binary. EU policy is important and will continue to be. State governments are more important than ever in upholding and advancing policy that can usher in the future of the industry."

State legislation can also result in federal pushes, such as the Fashioning Accountability and Building Real Institutional Change, or FABRIC, Act, which stemmed from California's Garment Worker Protection Act and seeks to hold brands liable for labor practices in their supply chain.

"It remains important to make use of all levers of change that are available to both governments and civil society to achieve progress in pursuit of our urgent climate and human rights goals," said Emily Stochl, vice president of advocacy and community engagement at Remake, a fashion advocacy organization that champions the FABRIC Act. "This is also a time for changemakers to adopt a strong 'think globally, act locally' mindset and to remember that strong state-level, and even municipal-level, policy remains a viable tool."

That's not to say there won't be headwinds, said Michelle Gabriel, program director of IE New York College's master's program in sustainable fashion. Like overall climate action, she said, fashion sustainability efforts require a "coalition effort" from different regions and countries that is unlikely to happen under a Trump administration, not to mention the increasingly right-wing tilts being observed in South America, Europe and Asia.

"I think we are unfortunately looking at a likely very tough road," she said.

At the same time, Trump's trade protectionism, the risk of sparking destabilizing tariff wars aside, could provide a boost for the creation of a more circular textile ecosystem in the name of "Made in the U.S.A." It should be no surprise that the so-called Americas Act, which includes $14 billion in incentives to accelerate domestic innovation, is a bipartisan effort. Appearing tough on China, which is also a reason for de minimis reform, is one of the rare issues that both sides of the aisle agree on.

"While the federal headwinds pose a challenge for policies rooted in pure climate-related objectives, Trump's agenda also presents real opportunities for U.S. manufacturing through domestic circular textile policy," said Rachel Kibbe, CEO of the American Circular Textiles, a.k.a. ACT, coalition of reuse and recycling stakeholders, which contributed to the Americas Act. "To balance the inevitable rise in the cost of imported goods to American consumers, there is also an opportunity to support domestic jobs, reduce our dependence on foreign supply chains while improving national security, and enhance our global competitiveness."

ACT's priorities, she said, overlap with many of these objectives. "Trade and tax reform will be front and center in the Trump Administration and de minimis reform and improved Western Hemisphere trade relations will benefit the domestic textile industry," Kibbe said. "Furthermore, President Trump's focus on reversing the country's reliance on foreign supply chains can incent circularity."

For Lewis Perkins, president of the Apparel Impact Institute (Aii), a California nonprofit that's been trying to cobble together $250 million in so-called "catalytic capital" to identify, fund and scale the most promising climate solutions, what gives him hope is the fashion industry's commitment to decarbonizing production despite being buffeted by political changes. Aii has previously compared fashion's decarbonization efforts to the tip of an iceberg, requiring far deeper investment to avoid the nearly 40 percent upswell in greenhouse gas emissions that a business-as-usual scenario all but guarantees from now to 2030. Perkins, however, is an optimist at heart.

"What's keeping this momentum alive? For one, investors, consumers, and even employees are calling for real action on sustainability," he said. "Major brands are seeing that being 'eco-friendly' isn't just about compliance—it also helps lower operational costs, strengthen supply chains, and attract loyal customers who care about the planet. Innovations like textile recycling, renewable energy in manufacturing, and water-saving processes are proving valuable, both financially and environmentally."

While there are emerging signs that sustainability is tumbling lower on the corporate agenda as CEOs fend off a multitude of challenges on different fronts, including inflationary pressures and geopolitical turmoil, Aii partners such as H&M Group, Levi's, Puma, Target, PVH Corp., Under Armour and VF Corp. are "fully committed to moving this work forward," including by voluntarily taking steps to align with international regulations like those in the EU, Perkins said.

H&M and Inditex were among 100 companies that signed an open letter to world leaders ahead of the 2024 UN Climate Change Conference, better known as COP29, on Monday. In it, they urged governments and the private sector to "enhance collaboration" to tackle obstacles like byzantine and inefficient policy and reporting frameworks and "move from pledges to impact" to make good on Paris Agreement goals.

"Businesses are seeing that investing in sustainability not only benefits the environment but also strengthens their long-term stability and market appeal," Perkins said. "So, while we may face new challenges on the U.S. regulatory front, the momentum for advancing sustainability and reducing climate impacts remains strong and continues to grow."

It's a sentiment that Sally Qiu, co-director of the Fashion, Energy, and Climate Network at Columbia Climate School agrees with. She said that despite what will likely be less support at the federal level for sustainability policies, many fashion initiatives are already locked in.

But the industry cannot afford to be complacent. In March, more than 40 fashion purveyors in the Science Based Targets initiative's Business Ambition for 1.5°C campaign had their net-zero commitments removed because their Scope 3 ambitions proved out of reach. They included brands such as American Eagle Outfitters, Gap, Marks & Spencer and Prada and suppliers like Artistic Milliners, Arvind, Nishat Mills and PT Kahatex. So far, only H&M, Levi's and Puma are "on track" to reduce manufacturing emissions by at least 55 percent by 2030 vis-à-vis a 2018 baseline, according to environmental group Stand.earth's most recent prognostications.

Nevertheless, Qiu said, "we may lose momentum, but we should not lose hope."

Holly Syrett, vice president of impact programs and sustainability at the Denmark-headquartered nonprofit Global Fashion Agenda, which released the latest iteration of its GFA Monitor this week, is a fan of the South African idea of "deep democracy" to deal with conflict.

"It's like, even though you have a majority that thinks one thing, how do you work with the others who have a different opinion to actually align on roles?" she said. "And I feel that's an approach that we especially need to apply in times like these."

Despite some measure of progress—a "notable" ramp up in responsible purchasing practices, for instance, and increasing circularity targets — fashion's scale of change isn't happening at the speed of its growth. Virgin synthetic fiber production, to name one example, has increased and the share of recycled fibers has dropped. Wage gaps also persist, especially in countries plagued by soaring inflation and pay disparities between men and women.

"The nuance that's needed is that [the improvements come from] groups that are already committed to doing the work not the vast majority of the industry," Syrett said. "So what about the rest? How do we get the rest on board with that?"

Source: sourcingjournal.com– Nov 11, 2024

HOME

****

NRF Expects Import Flurry Ahead of Trump Tariffs, Possible East Coast Port Strike

The National Retail Federation (NRF) is expecting an import surge in the wake of the 2024 presidential election, which saw Donald Trump voted back into the role as commander-in-chief.

While any details about President-elect Trump's tariff policies are far from set in stone, his anticipated baseline tariff of 10 to 20 percent on all imports is already spooking retailers into bringing goods into the U.S. ahead of his January inauguration, the trade association says.

In a statement, Jonathan Gold, NRF's vice president for supply chain and customs policy, said the group is hearing from some merchants that they will move up their shipments to avoid the expected tariff hikes.

On Monday, the NRF released its own study which calculated that tariff increases proposed by Trump could drive up consumer prices by anywhere between $46 billion and $78 billion a year.

Gold noted that the potential tariff implementation isn't the only catalyst expected to persuade retailers to pull forward their imports. With the Oct. 1 East and Gulf Coast port strike already pushing the industry to bring in goods earlier than normal, the NRF expects concerns of a second strike on Jan. 15 to push retailers to repeat that behavior through the end of 2024.

"That [strike concern] has retailers spending extra to bring in cargo early or continue shifting it to the West Coast to avoid any potential disruptions, much like they did earlier this year," Gold said.

Both the International Longshoremen's Association dockworkers union and their employers, the U.S. Maritime Alliance, are set to resume formal negotiations next week now that the election is over.

But the association remains nervous given the uncertainty at play.

"Neither of these developments are good for retailers, their customers or the economy," Gold said.

The monthly Global Port Tracker, which is produced for the NRF by maritime trade consultancy Hackett Associates, has not revised its projections for the end of the year to reflect the election results. But it has taken the potential port strike into consideration.

The pull-forward of goods ahead of the port strike clearly influenced September's inbound cargo volumes. U.S. ports covered by the Global Port Tracker handled 2.29 million 20-foot equivalent units (TEUs) during the month—down 1.3 percent from August but up 12.8 percent year over year.

Ports of New York & New Jersey and Miami have yet to report final data for the month, so their totals are excluded.

Ports have not yet reported October's numbers, but the Global Port Tracker projected the month at 2.13 million TEUs, up 3.7 percent year over year. November is forecast at 2.15 million TEUs, increasing 13.6 percent from the year prior, and December at 1.99 million TEUs, up 6.1 percent.

With those projections, inbound cargo volume for 2024 would amount to 25.3 million TEUs, up 13.6 percent from 2023. That total would still be 1.9 percent down from the record 25.8 million TEUs that came into U.S. ports in 2021.

October was previously forecast at 2.12 million TEU, November at 1.91 million TEU and December at 1.88 million TEU, and the total for 2024 was previously forecast at 24.9 million TEUs.

To kick off 2025, with another port strike potentially back into play, January is expected to haul in 2.01 million TEUs, up 2.5 percent year over year. February is anticipated to see a 9.3 percent decline to 1.77 million TEUs due to fluctuations in the timing of Lunar New Year shutdowns at Asian factories. Year-over-year import totals should swing back to the positive in March, with a projected 4.4 percent increase to 2.01 million TEUs.

Hackett Associates founder Ben Hackett said the potential for a January port strike "can be seen in the continuing increases in U.S. imports from Asia, which have not fallen away as expected."

And worries over higher tariffs are a global concern, he said.

“We are witnessing elections around the world where discontent is leading to inward-looking policies that threaten trade with the almost certain potential for increasing tariffs,” Hackett said. “In the United States, this is particularly true with the election of Donald Trump but it is not much different in Europe, with the E.U. calling for tariffs to be applied to a growing number of products from China.”

Source: sourcingjournal.com– Nov 11, 2024

HOME

****

USA: Apparel spending, consumer confidence see gains in October: Cotton Inc

In October, the consumer price index (CPI) for garments in the US showed a notable increase of 1.1 per cent month-over-month. This marks a significant shift following a period of declining prices throughout the latter half of 2023. The upward trajectory aligns with the trend seen post-pandemic, where clothing prices have generally risen after an initial collapse during the onset of COVID-19, as per Cotton Incorporated.

Notably, the current price levels for clothing are 7.6 per cent higher than the average recorded in 2019, underscoring sustained price growth in the sector.

After record-setting peaks in 2022, import prices for cotton-dominant apparel have recently stabilised. Current prices are averaging around $3.70 per square meter equivalent (SME), down from the peak of $4.26/SME in November 2022. However, these prices remain above pre-pandemic levels, which averaged $3.45/SME in 2019. This stability in import prices may influence future retail pricing trends as the industry adjusts to the current economic environment, said Cotton Incorporated in its Executive Cotton Update – US Macroeconomic Indicators & the Cotton Supply Chain, November 2024.

Consumer confidence, as measured by the Conference Board's Index, surged 9.5 points to 108.7 in October—its highest level since January 2024. This increase is a positive sign, although the index remains within the range (95 to 115) that has been typical since mid-2021. Meanwhile, overall consumer spending recorded a month-over-month increase of 0.4 per cent in September, with a year-over-year (YoY) rise of 3.1 per cent—the strongest annual growth since December 2023.

Spending on apparel specifically followed this trend, climbing 0.4 per cent month-over-month and 1.7 per cent year-over-year. However, the annual growth in apparel spending has slowed from the 4.2 per cent year-over-year increase seen in July.

The International Monetary Fund (IMF) released updated forecasts in late October, predicting that global GDP growth will remain steady at 3.2 per cent in both 2024 and 2025. This mirrors the growth seen in 2023 (3.3 per cent), signalling a stable but sluggish economic outlook.

In the US, economic growth continues to surpass expectations, with forecasts revised upwards for 2024 and 2025 to 2.8 per cent and 2.2 per cent, respectively. This follows a robust 2.9 per cent growth in 2023 and an average of 2.6 per cent in the five years prior to COVID-19 (2015-2019).

The euro zone, however, faces more modest prospects. Following an average growth rate of 2.0 per cent between 2015 and 2019, economic expansion dropped to 0.4 per cent in 2023. The IMF projects growth rates of 0.8 per cent and 1.2 per cent for 2024 and 2025, respectively. Meanwhile, China's growth is expected to decelerate from its pre-pandemic average of 6.7 per cent (2015-2019) to 5.3 per cent in 2023, and further to 4.8 per cent and 4.5 per cent in 2024 and 2025. Long-term projections indicate growth tapering to 3.3 per cent by 2029, as per the Executive Cotton Update.

US job growth in October fell short of expectations, with just 12,000 new jobs added—the smallest increase since December 2020. This decline is attributed in part to Hurricane Helene and ongoing strike actions. Additionally, revised figures for August and September were downward-adjusted by a total of 112,000 jobs. Despite these setbacks, the unemployment rate remained stable at 4.1 per cent, a relatively low figure by historical standards.

Wages continued their upward trend with a 4.0 per cent year-over-year increase in October. Although wage growth has slowed from a peak of 5.9 per cent in March 2022, it has shown signs of stabilisation since July 2024, when it hit a low of 3.6 per cent. Notably, wage growth has outpaced inflation since early 2023, providing some relief for workers amid rising living costs.

Source: fibre2fashion.com– Nov 11, 2024

HOME

****

2025 Fashion Industry: Navigating uncertainty and emerging opportunities

Economic challenges shape 2025 fashion landscape

The global fashion industry enters 2025 facing significant challenges amid economic uncertainty, shifting consumer behaviors, and environmental pressures. A cyclical economic slowdown and recent high inflation have heightened consumer price sensitivity, while increased regional disparities and the rise of affordable 'dupes' add to industry unpredictability. A survey by Business of Fashion (BoF)–McKinsey reports that only 20 percent of fashion executives anticipate improved consumer sentiment this year, while 39 percent foresee worsening conditions.

Revenue growth for 2025 is projected to remain in low single digits, mirroring 2024's sluggish pace. Notably, non-luxury segments are expected to drive economic profit growth, a first since 2010, as the demand for accessible fashion options grows. Geographic revenue trends are also shifting, with Europe benefiting from falling inflation and tourism, the US buoyed by high-net-worth consumers, and Asia experiencing growth outside of China, as brands increasingly turn to Japan, Korea, and India.

New strategies for a value-driven consumer base

To adapt, fashion brands are recalibrating strategies by broadening price ranges, localizing models, and expanding resale and off-price channels. For brands aiming to sustain premium positioning, enhancing customer experience is crucial. As consumers return to physical stores, well-trained staff and a compelling in-store experience are increasingly important. Meanwhile, e-commerce faces disruptions due to falling demand, high acquisition costs, and the challenge of product discovery, driving brands to leverage AI-powered curation for better online shopping experiences.

Demographic shifts present further opportunities. While youth markets remain key, the over-50 'silver generation' is gaining traction, representing a growing share of fashion spending. Challenger brands, especially in sportswear, are effectively capturing market share by innovating in product and consumer approach, unlike traditional incumbents.

Sustainable supply chains and environmental responsibility

Supply chain agility, driven by nearshoring and geopolitics, will be critical, with brands aiming to minimize inventory risks while adapting to environmental regulations. The climate crisis also remains a top concern; though some consumers hesitate to pay extra for sustainable products, regulatory pressures and long-term cost benefits keep sustainability at the forefront.

In this landscape, fashion leaders who swiftly identify and act on geographic, demographic, and technological opportunities will stand out. Success in 2025 will require a fresh playbookone focused on adaptability and forward-thinking solutions.

Source: fashionatingworld.com– Nov 11, 2024

HOME

****

Vietnam's e-com sector may grow 18% in 2024 to hit $22 bn: Report

The e-commerce market in Vietnam is estimated to hit $22 billion this year, growing by 18 per cent and ranking next to Indonesia ($65 billion) and Thailand ($26 billion) in Southeast Asia, according to the e-Conomy SEA 2024 report by Google, Temasek and Bain & Company.

The rate of growth was also the third fastest behind the Philippines (23 per cent) and Thailand (19 per cent).

Vietnam's e-commerce market is projected to maintain this growth rate, averaging over 19 per cent annually and reaching $63 billion by 2030. At that point, it is projected to surpass Thailand, ranking second in the region behind Indonesia, a domestic media outlet reported.

E-commerce accounts for over 60 per cent of Vietnam's digital economy this year. Retail e-commerce platforms, including Shopee, TikTok Shop, Lazada, Tiki and Sendo, have recently been joined by cross-border giants like Shein, further expanding market choices.

The number of consumer brands in the country with video channels has increased by 5 per cent over the past two years, the report said. TikTok Shop has seen high growth in gross merchandise value (GMV).

On October 10, the top 100 TikTok Shop accounts drew more than 11.7 million views and nearly 500,000 engagements, according to statistics from VeenaMedia and Stickler technology platform.

Artificial intelligence (AI) is also playing an increasingly dominant role in shaping consumer shopping habits and behaviours.

Google's AI interest index, calculated based on search volumes related to AI, is particularly high in Ho Chi Minh City and Hanoi.

Eighty-eight per cent of respondents in Southeast Asia reported making purchase decisions based on AI-generated content and product suggestions, a Lazada survey revealed.

Source: fibre2fashion.com– Nov 11, 2024

HOME

****

Cambodia cancels trilateral pact on trade promotion for CLV-DTA

Cambodia's national assembly last week approved the cancellation of the Agreement on Trade Promotion and Facilitation for the Cambodia-Laos-Vietnam Development Triangle Area (CLV-DTA).

The agreement was originally announced for withdrawal by the government on September 20 this year. The decision was taken after assessing cooperation-related achievements over the past 25 years under the CLV-DTA.

Cambodia believes that each of three countries now is fully capable of continuing and ensuring its own development, according to media reports in the country.

Cambodian minister of commerce Cham Nimul said the government had drafted a law to approve the cancellation of the agreement.

The repealed agreement only covered trade promotion and facilitation in the four Cambodian provinces of Stung Treng, Kratie, Mondulkiri and Ratanakiri that have international borders with Laos and Vietnam, she added.

Source: fibre2fashion.com– Nov 11, 2024

HOME

****

Pakistan's textile exports to reach $100 billion by 2030: Experts

With targeted reforms, Pakistan's textile exports are likely to reach $100 billion by 2030, a level that could transform the country's economic landscape, believe experts.

With its imports continuing to rise, Pakistan has emerged as the largest buyer of American cotton Ehsan-ul-Haq, Chairman, Pakistan Cotton Ginners Forum (PCGF), reveals, the country recently signed contracts for 72,000 cotton bales from the US in just one week. So far this year, Pakistan has imported over 3 million bales of American cotton—a significant increase driven by limited domestic cotton supply and the demand for high-quality fiber.

Cotton prices have also surged domestically, reaching Rs 18,200 per 40kg, a rise of Rs 200 from previous rates. The uptick in imports underscores Pakistan's reliance on the US market to support its textile industry, a sector essential to the national economy.

In related developments, Kamran Arshad, Chairman. All Pakistan Textile Mills Association (APTMA), highlighted the importance of expanding cooperation in fiber recycling and renewable energy to support textile exports and create jobs. Speaking with representatives from Gherzi, a consulting firm, he emphasised the potential for a strategic partnership to fuel economic growth.

Looking to the future, Pakistan's textile sector plans to establish 1,000 garment factories with a $7 billion investment. This expansion aims to boost exports to $50 billion, create employment for 700,000 people, and generate $20 million in annual garment production per plant.

Giuseppe Gherzi, Managing Partner, Gherzi, notes, garment production is likely to slowdown. He advised industry leaders to stay agile to maintain competitiveness amid 34 key trends reshaping the textile sector from production to consumer habits.

Playing a crucial role in Pakistan's economy, the textile industry accounts for 60 per cent of its exports. Despite its importance, the industry faces significant challenges. Cotton yield has stagnated over the past three decades, with production stuck at 617 kg per hectare in 2020, while countries like China saw their yields rise by over 150 per cent to 2,027 kg per hectare during the same period. Rising energy costs and a lack of specialised leadership have further strained the industry.

Source: fashionatingworld.com– Nov 11, 2024

HOME

****

Pakistan becomes top buyer of US cotton

Pakistan has become the largest buyer of American cotton globally, as record imports from the US continue to grow.

According to the Chairman of the Pakistan Cotton Ginners Forum (PCGF) Ehsan-ul-Haq, Pakistan has signed contracts for 72,000 cotton bales from the US in the past week alone.

Ehsan-ul-Haq stated that this year, Pakistan has secured contracts for over 3 million bales of US cotton, marking a notable surge in imports.

He attributed the increase to lower domestic cotton production and limited availability of high-quality cotton within the country.

Additionally, the price of cotton has risen by Rs200, now reaching Rs18,200 per 40kg, he added.

Last week, All Pakistan Textile Mills Association (Aptma) Central Chairman Kamran Arshad underlined the need for cooperation on a wider scale in fibre recycling and renewable energy, aimed at boosting the country's textile exports, creating jobs and contributing to the overall economic growth.

Speaking to a delegation of Gherzi, a textile management consulting and engineering company, he expressed hope that a strategic partnership with the consulting organisation would help expand Pakistan's economy.

He pointed out that member mills of Aptma had already achieved significant milestones in sustainability by complying with international and local standards.

Pakistan's textile industry plans to establish 1,000 garment plants with an investment of $7 billion to ramp up exports to $50 billion, generate employment for 700,000 workers and produce garments worth $20 million per plant every year.

In his presentation, Gherzi Managing Partner Giuseppe Gherzi said that the global textile market was expected to witness a slowdown in garment production growth.

He said industry leaders were advised to stay agile and adapt to new trends to remain competitive in the ever-changing landscape. He identified 34 major trends transforming the textile industry, from production to consumption. "As the textile industry evolves, companies must adapt to these trends to remain competitive and sustainable."

Pakistan's economy heavily relies on two critical sectors: textiles and energy, with textiles comprising 60% of exports and energy accounting for 30% of imports.

Despite this dependence, challenges loom large, especially with projections suggesting Pakistan's textile export potential could reach $50 billion by 2030—up from $16.5 billion in FY 2022-23 and a historical peak of $22.1 billion in FY22.

Some estimates even place this potential as high as $100 billion, a figure that could address Pakistan's chronic balance of payments deficit. The textile sector employs roughly 45% of the manufacturing labor force, making it integral to economic stability.

However, the industry's reliance on cotton makes it vulnerable to agricultural setbacks. Cotton yields have stagnated, with output stuck at 617 kg per hectare in 2020 compared to 615 kg in 1990.

In contrast, China's cotton yield surged over 150% to reach 2,027 kg per hectare during the same period.

The sector has also been hit by escalating natural gas and electricity costs over the past 18 months, placing the industry under severe strain.

Experts argue that solutions are hindered by bureaucratic oversight, which lacks specialized knowledge and effective corporate leadership.
These structural weaknesses are compounded by a culture of intolerance, arrogance, and cronyism, undermining merit and professionalism in key public sector enterprises.

Source: tribune.com.pk– Nov 11, 2024

HOME

****

Pakistan: Delay in sales tax refunds: Textile industry facing financial crunch

The value-added export-oriented textile industry is facing an extreme financial crunch as its major portion of liquidity remains stuck due to delay in release of sales tax refunds for the last four months by the Federal Board of Revenue and just a meagre amount has been released last week.

These concerns were raised by the executive committee members of the Pakistan Readymade Garments Manufacturers and Exporters Association with its Zonal Chairman Dr Ayyaz Uddin in the chair.

The meeting was called to ponder on the financial crisis faced by the garment exporters due to long delay in ST refunds.

The participants of the meeting said that the FBR did not release any fund in October and has now committed to release funds for RPO's, issued until September 30. Thus only funds for the month of July will be released, as almost all of the RPO's for August were issued up to 10th October.

"We request the FBR to extend RPO dates to 10th of every month" demanded PRGMEA chairman. He said that the exporters are solely dependent on timely-refunds to manage their cash flow effectively. "The FBR's failure to fulfil its commitments has put the undue pressure on the value-added textile industry at a time when we can least afford it."

Dr Ayyaz Uddin said the steps being taken by the tax agency are commendable but since it had been agreed to release the refunds within 72 hours, the best course would have been to clear all the pending export claims, as the refunds of sales tax of over Rs4 billion collected in previous month of October could not be paid even four weeks after the due date.

The PRGMEA North Zone Chairman, expressing gratitude for the release of some amount of sales tax refunds, called for a speedy disbursement of the remaining substantial figure of ST refunds pending for the last four months.

Dr Ayyaz Uddin observed that during a meeting with the PRGMEA, the Member of Inland Revenue in April this year it was agreed that the sales tax refunds would be issued by the 10th of every proceeding month but this commitment of the FBR has not been fulfilled yet.

“Effectively now the exporters will have four months of their cash blocked by the FBR. The four months delay of working capital for the exporters is totally unfair, unjust and also unacceptable, as it will ultimately hamper the exports growth and inflow of precious foreign exchange,” the PRGMEA EC members added.

“We welcomes directives of the Prime Minister Shehbaz Sharif and Finance Minister Aurangzeb to the Federal Board of Revenue to clear all pending refunds of exporters, removing bottlenecks from the new refund payment system of the FBR,” the chairman said.

He asked the PM to also get his directives implemented on immediate basis and in their true spirit, as the exporters especially of SME sector, are facing a severe liquidity crunch due to delay in payment of sales tax refunds despite launch of the new system by the FBR.

Source: brecorder.com– Nov 12, 2024

HOME

****

NATIONAL NEWS

Despite revoking GSP status in Trump 1.0, India-US trade surged, Trump 2.0 could continue the trend: SBI

New Delhi: Despite losing Generalized System of Preferences (GSP) status under the Trump administration's first term, India's trade with the United States demonstrated notable resilience and growth, highlighted a report by State Bank of India.

The report noted that while the GSP status has yet to be restored, India has seen rising exports in several key sectors where it has gained a comparative advantage over major competitors like China.

It noted that footwear, minerals, chemicals, and machinery have all shown growth, reflecting India's deepening integration into global value chains and the country's ability to capitalize on shifting trade dynamics.

The report said "India's GSP status has still not been restored, a commodity wise breakup reveals rise in India's export of certain commodities in which it has gained comparative advantage over China".

The report highlighted that from 2017 to 2021, a detailed commodity analysis revealed that India has developed a Revealed Comparative Advantage (RCA) in exports of metals, minerals, chemicals, footwear, textiles, and intermediate clothing goods, with RCA values consistently above 1 in these sectors.

This indicates a competitive edge, particularly as India positions itself as a favorable alternative to China in these industries.

The report also added that the ongoing supply chain relocations and potential for a second Trump administration, or "Trump 2.0," may further enhance India's role in sectors such as pharmaceuticals, electronics, and textiles, which are likely to see gains as companies and countries reassess their dependencies.

"Further, given the global supply chain relocation and Trump 2.0 sectors such as Pharmaceuticals, Textiles, Electronics are likely to gain" the report added.

A closer look at India's iron and steel exports to the U.S. further highlighted this trend. In 2018, the U.S. imposed tariffs of 25 per cent on steel, 10 per cent on aluminum, and approximately 30 per cent on washing machines. Nevertheless, Indian iron and steel exports to the U.S. surged by 44.7 per cent from FY20 to FY21.

India has maintained a trade surplus with the U.S., demonstrating the robustness of its export sector even amid restrictive tariffs.

India's expanding foothold in the U.S. market and its comparative advantage in specific sectors position it well to continue reaping economic benefits, as global supply chains evolve and trade policies shift.

Source: economictimes.com– Nov 12, 2024

HOME

****

Reaching $100 billion in Indo-Russian trade realistic: S Jaishankar

New Delhi: There is a strong possibility of India-Russia bilateral trade attaining the $100 billion target by 2030, External Affairs minister S Jaishankar said on Monday.

The minister, however, called for addressing impediments of non-tariff barriers and regulatory bottlenecks to correct bilateral trade imbalance, currently heavily in favour of Moscow due to oil imports by New Delhi. Jaishankar was addressing the India-Russia Business Forum in Mumbai.

“Our (India-Russia) bilateral trade is today at $66 billion. This makes the goal of reaching $100 billion by 2030 more than realistic,” Jaishankar said in the presence of Russian First Deputy PM Denis Manturov. The two will meet on Tuesday for the joint commission meeting.

The $100 billion target was set by both countries during the annual leaders’ summit in July this year.

“The balance of trade, however, needs urgent redressal since it is so one-sided. It is imperative that non-tariff barriers and regulatory impediments are speedily addressed for this to happen,” Jaishankar pointed out.

He also said that both nations will have to find solutions that provide comfort to those involved in trade.

“A partnership between an India that has an 8% growth rate for multiple decades ahead, and a Russia that is a key natural resources provider and a major technology leader, will serve both of them and the world well,” he said, suggesting an increase in Indian workforce in Russia through businesses.

“The emergence of a global workplace is also today an increasing reality.

“Demographic unevenness has created demand and supply imbalances across the world. India and Russia can be partners in this regard as well. It would require a focused initiative that customises human resources for the Russian market. That is best done with the active participation of businesses,” he said.

Jaishankar also spoke about the importance and the need of settling bilateral trade with Russia in local currency and pushed for giving momentum to three connectivity initiatives – INSTC, Vladivostok-Chennai maritime corridor and the Northern Sea Route. According to Jaishankar, signing of a bilateral agreement between the customs authorities of India and Russia in May 2024 on Authorised Economic Operators, "has had a big impact on smoothening the ease of doing trade."

Manturov, on his part, drew a complementary between Russia's technological sovereignty and the "Make in India" programme. Both these initiatives are aimed at accelerating the pace of production, developing innovations and removing infrastructure restrictions.

"In Russia, according to the results of eight months of this year, production volumes increased by almost 8%. Investments in fixed assets demonstrate high dynamics. In the manufacturing industries, they grew by 25% in the first half of the year," Manturov said, adding, "That is, the authors of the sanctions did not achieve their goals. On the contrary, our country's vector of movement towards sovereign development has only become clearer and firmer."

Manturov outlined the key technological areas on which Russia is placing emphasis. "...we are talking about the development of all types of transport. Including the introduction of unmanned technologies and the transfer of vehicles to alternative fuels. Our special focus is a series of large-scale energy initiatives. Bearing in mind the development of the potential of the nuclear sector, the production of high-power turbines, equipment for solar and wind generation, and the improvement of LNG technologies."

Among other priorities are the healthcare system with advanced medicines and medical products as well as strengthening Russia's leading positions in the field of nuclear medicine, in the production of vaccines and the development of the cellular engineering segment; increasing agricultural productivity; technologies for the transition to a closed-cycle economy and space services. The visiting minister also focused on partnership between SMEs and proposal to create a "Single Export Channel" system.

Source: economictimes.com– Nov 12, 2024

HOME

****

Home textiles to weave 6-8% growth after rebound from last fiscal year: CRISIL Ratings

India's home textile industry is set to stitch a 6-8% growth this fiscal year following a 9-10% rebound in revenue growth last fiscal year, a CRISIL Ratings analysis of 40 companies has indicated.

These companies account for 40-45% of the industry revenue. Such a growth is anticipated on the back of resilient demand from the US and expansion in the domestic market. The credit profiles of home textile companies will remain stable, supported by healthy cash accrual and moderate capital expenditure (capex) plans on the back of deleveraged balance sheets, the analysis stated.

The home textile industry derives 70-75% of its revenue from exports — the US alone accounts for 60% — and the remaining 25-30% from the domestic market.

Gautam Shahi, Director, CRISIL Ratings, says that other than the US, the European Union (EU) forms 15-16% of the import share of the industry. This market could see a muted growth in the current fiscal year given the economic situation in the region as well as the EU's preferential trade tariffs for exports from Pakistan.

"The domestic Indian market forms the remaining 25-30% of the overall industry's revenue. The Indian home textiles market is largely unorganised and the organised players are making continuous efforts to expand their market share in India," he says.

International cotton prices had fallen below the domestic prices between June and September 2024, driven by a surge in cotton supply from Brazil and the US. However, with the commencement of India's cotton season, the gap between domestic and international cotton prices is expected to narrow, protecting India's export competitiveness.

With domestic raw material prices remaining close to international prices, the operating margin is likely to remain stable at 14-15% this fiscal year. The margin will remain insulated from the recent volatility in freight cost as most exports are on a free-on-board basis.

Shahi adds that some of the major categories exported from home textile products from India in FY24 included furnishing articles and bed sheets (38-40%), carpets (30-32%) and terry towels (17-18%), which together form 85-90% of the home textile exports (in value terms). “For 5 months fiscal 2025 (April to Aug 2024), the carpet segment has recorded the highest YoY value growth (14%), vs a lower growth in the other categories.

The other categories (curtains, ropes etc.) are relatively miniscule and will not meaningfully contribute to the overall home textile growth,” he states. On the capex front, the home textile companies had invested Rs 8,500 crore to add capacity over fiscal years 2019-2024. With revenues scaling up gradually, the industry’s capacity utilisation is expected to remain at 60-70% this financial year.

Pranav Shandil, Associate Director, CRISIL Ratings, highlights that with steady operating performance and moderate capex in fiscal year 2025, the interest coverage for home textile companies should remain stable at 5-6 times. “Healthy cash accrual is likely to reduce dependence on external debt for working capital, which will keep the total outside liabilities to tangible net worth ratio low at 0.6-0.7 times this fiscal,” he states.

That said, any significant slowdown in the US or a surge in domestic cotton prices compared with international prices will be monitorable.

Source: economictimes.com– Nov 12, 2024

HOME

****

Trump's return likely to bolster India's textile trade with US: Industry

The Confederation of Indian Textile Industry (CITI) on Monday said the return of Donald Trump as the next US President will bolster India's textile and apparel trade with its largest international market.

In 2023, the US accounted for approximately 27 per cent of India's total textile and apparel exports, underscoring its crucial role in the industry's global reach.

In the current financial year, India's textile and apparel exports to the US during April-August increased by about 6 per cent compared to the same period last year.

"This outpaced the growth rates of key competitors, with China at 2 per cent, Vietnam at 0.4 per cent, and Bangladesh recording a decline of -2.2 per cent. India's enhanced performance signals its growing preference among US buyers and highlights its increasing share in this critical market," said CITI Chairman Rakesh Mehra.

Mehra emphasised that President Trump's previous administration focused on reducing dependency on China by diversifying trade sources, a stance that aligns with India's aspirations to strengthen its position in the US market.

"With the new administration, the Indian textile and apparel industry is optimistic about expanding its role as an alternative supplier to China," said Mehta.

However, a significant barrier remains in the form of high tariff rates, which for certain apparel categories can reach up to 32 per cent.

This restricts India's ability to further increase its market share, said Mehta.

He further stated that new government will work closely with India to facilitate revisions in tariffs, thus positioning India as a key supplier of quality textile and apparel products to the US.

This could catalyse a new phase in India-US textile trade relations, providing a valuable alternative to China for American retailers and consumers alike, said the confederation.

Source: smetimes.in– Nov 11, 2024

HOME

****

Textile hub Tiruppur weaves a comeback as exports spring back to life

After experiencing an 11 per cent contraction in exports in 2023-24 (FY24) due to a dip in exports for 10 consecutive months from April to January, the Tiruppur textile industry is back on track in 2024-25 (FY25).

The cluster, which contributes 55 per cent of the country's total knitwear exports, posted a 13 per cent increase in the first five months of this financial year (FY25), with August seeing a 22 per cent rise — the highest in over two years.

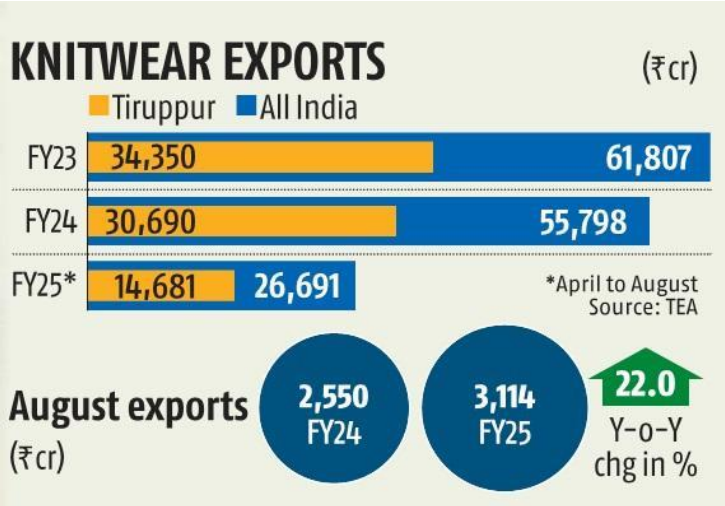
Additionally, global majors like Primark, Tesco, Tommy Hilfiger, Marks & Spencer, and Warner Bros. Discovery Global Consumer Products, among others, are lining up to place orders with manufacturers from this textile city.

According to the Tiruppur Exporters' Association (TEA), a major reason for this shift is the Green Tiruppur sustainable strategy adopted by the manufacturing units, which has made the hub more attractive to buyers in the US and Europe.

Moreover, the recent political instability in Bangladesh has also made Tiruppur an attractive option for global apparel majors. Companies from the US, such as GAP, Carter's, and Walmart, along with European giants like Next and Duns, and Australian companies like Target and Woolworths, have placed orders during the first five months.

The textile industry is traditionally energy and water-intensive and produces substantial greenhouse gas emissions. However, investments in zero liquid discharge, green energy, and tree plantations have positioned the Tiruppur knitwear cluster to comply with environment, social, and governance standards, making it a carbon-negative cluster. This has attracted companies keen on green compliance to the region.

"Companies here are promoting Green Tiruppur. We are planting 2 million trees and generating nearly five times the green energy required, from wind and solar, which totals around 1,900 megawatt (Mw), while our requirement is only around 300 Mw," said K M Subramanian, president of TEA.



"We are also using almost 100 per cent recycled water out of the total water requirement of 150 million litres every day for processing our fabrics," Subramanian added. The manufacturers are supplying the remaining power to the grid.

During the first five months of the current financial year, the region's exports were valued at Rs 14,679 crore, a 13 per cent increase from Rs 12,995 crore during the April to August period of 2023-24. In August alone, there was a 22 per cent rise, reaching Rs 3,114 crore, up from Rs 2,550 crore in August 2023.

This comes at a time when the region's overall exports fell by 11 per cent in 2023-24, to Rs 30,690 crore, compared to Rs 34,350 crore in 2022-23. This decline was due to multiple factors, including the war in Ukraine, the financial crisis in Europe and the US, and global business disruptions.

Tiruppur has around 28,000 manufacturing units involved in various processes across the textile value chain, providing employment to roughly 800,000 people. These include knitting, dyeing, bleaching, fabric printing, garmenting, embroidery, compacting, calendaring, and other ancillary units.

Source: business-standard.com– Nov 12, 2024

HOME

****

Uttar Pradesh govt plans private textile parks to curb Chinese imports

To curb raw material imports from China and promote textiles, the Uttar Pradesh government is looking to set up nearly a dozen private textile parks in the state.

The textile parks would be established under the UP Textile and Garmenting Policy 2022. Districts where these parks will come up include Gorakhpur, Mau, Bhadohi, Aligarh, Baghpat and Shamli.

The first private textile park will be set up in Shamli district with an investment of ~726 crore. The Shamli project--Lonex Textile Park, spanning 27 acres, will be operational by December 2025. This will provide 5,000 direct and indirect jobs. It will comprise 17 production units, including for weaving, dyeing, printing and garmenting.

India’s textile industry is expected to grow at a compound annual growth rate (CAGR) of 8.9 per cent during 2023–2032 and the domestic textile and apparel market, valued at around $165 billion in 2022, is expected to touch $350 billion by 2030.

In the backdrop of this, the Yogi Adityanath government is positioning the state as a potential textile and garment hub in South Asia.

Traditionally, Uttar Pradesh boasts of major textile hubs of Varanasi, Lucknow, Bhadohi, Gorakhpur, Kanpur among others.

According to UP handloom and textile principal secretary Alok Kumar, the proposed private textile parks will not only boost local production but also reduce reliance on raw materials from China and other states.

Moreover, the textile parks will capitalise on disruption in the textile sector in Bangladesh following political unrest, which reportedly forced the closure of almost 1,000 small and medium textile units in that country.

As India is targeting garment exports of $100 billion in the next five years, the state is strengthening its textile value chain.

At the same time, under the central government's PM Mega Integrated Textiles and Apparel (PM Mitra) scheme, a mega Textile Park is being developed covering Lucknow and Hardoi districts over 1,162 acres.

With investment of about ~10,000 crore, the project will generate 300,000 direct and indirect jobs.

About 400 big and small textile manufacturing and processing plants are likely to come up under the project. Leading companies like Reliance Industries, Arvind Mills, Vardhman, Ahuja Textile Mills among others are expected to set up their units under this.

The textile sector is among the largest employment generators in UP and the government is propelling it with policy interventions.

Earlier, the Centre had announced seven PM Mitra parks located in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, UP and Maharashtra.

Source: business-standard.com– Nov 09, 2024

HOME

****

Ginners call off stir as CCI asks farmers to bring raw cotton kapas to the nearest market yards

With cotton millers and traders deciding to call off the proposed strike, the Cotton Corporation of India (CCI) has appealed to cotton farmers in the State to bring their kapas (raw or unprocessed cotton) to their nearest market yards for sale.

"We assure you that we will continue to procure all fair-grade cotton from farmers at the minimum support price (MSP) without any interruption," LK Gupta, Chairman and Managing Director of Cotton Corporation of India (CCI), said in a statement here on Monday.

The millers threatened to stall operations beginning Monday over concerns regarding the selection process of ginning and pressing factories for processing MSP cotton stocks.

The Cotton Corporation of India (CCI) addressed the issue in discussions with State authorities and the ginners' association, leading to the swift resolution of the dispute. "We decided to stop operations from today but have decided to call of the strike following the assurances," a miller said wishing anonymity.

Sources said the CCI had graded ginning mills taking quality into consideration. This would mean that the corporation would procure cotton first from the mill whose cotton processing was better. However, following the agitation and intervention of CCI officials and Telangana government, the issue was settled amicably.

Source: thehindubusinessline.com– Nov 11, 2024

HOME

****

Chatroom: DBK need not be surrendered if export proceeds realised late

We refer to the DGFT PN 27 dated 23rd October 2024 prescribing annual RoDTEP return and suggesting that RoDTEP claims in excess of actual duties/taxes/levies actually paid will be required to be surrendered by the exporters. As we understand, the RoDTEP rates are based on, besides other data submitted by various exporters, the cost of transportation of inputs and export products from/to the port. We are located far away from the port and so such costs in our case are bound to be higher than that of the exporters closer to the port. So, our claims based on the RoDTEP rates determined as an average of duties/taxes/levies borne by a cross section of exporters are also likely to be lower than the actual duties/taxes/levies paid by us. Will we be allowed to claim the difference between the actual duties/taxes/levies paid by us and the actual amount of our RoDTEP claims?

The DGFT PN referred above only talks of surrendering any duty credits claimed in excess of the duties/taxes/levies actually paid but it does not talk of giving you any duty credits in case the duties/taxes/levies actually paid exceed the amount of duty credits claimed under the RoDTEP scheme.

We have received drawback against certain shipments where we have realised the payment after the initial 9 months period allowed by RBI. Are we required to surrender the drawback amount?

No, so long as the bank has credited the amount of export proceeds in your account and has marked off the entry in the EDPMS and regularised the matter by granting an extension in the period for realisation of export proceeds. You may generate the BRC for the payment received and submit the same along with the extension letter to the Customs, if they demand surrender of the drawback amount.

We refer to the Kerala High Court judgement in the case of Sance Laboratories Pvt. Ltd., [WP(C) NO. 17447 OF 2023] striking down Rule 96(10) of the CGST Rules, 2017 as ultra vires Section 16 of the IGST Act, 2017. We are not located in the

jurisdiction of the Kerala High Court. Can we use this judgement to contest the demands based on this judgement?

Yes. Exporters, who are not within the jurisdiction of the Kerala High Court, can take a plea based on the ratio of this case, to contest rejection orders of refund claims or recovery proceedings of refund granted. However, please note that the government may appeal against this judgement to the Supreme Court.

Under Merchanting Trade Transactions (MTT) can we remit payment for the import leg before we receive payment for the export leg or before shipment has been made?

Yes. However, the entire MTT must be completed within nine months from the date of shipment or import leg payment whichever earlier. Also, the outlay of foreign exchange should not exceed beyond four months, i.e. the export leg receipt must be within four months from the date of import leg payment.

Source: business-standard.com– Nov 11, 2024

HOME

****

India's Odisha clears 15 projects, to see textile waste recycling unit

India's Odisha state last week approved 15 industrial projects with a combined investment of ₹3,353.15 crore ahead of the Utkarsh Odisha conclave in January. The projects cover diverse sectors, including manufacturing, renewable energy and textiles.

The planned projects in six districts—Khurda, Cuttack, Puri, Bargarh, Jharsuguda and Koraput—are expected to generate over 4,600 jobs.

The approval came from the state-level single-window clearance authority headed by chief secretary Manoj Ahuja.

Odisha Textile Manufacturing Pvt. Ltd. will set up a facility to manufacture recycled yarn from textile waste at an investment of ₹51.8 crore in Khurda, according to media reports from the state.

Reliance Bio Energy Limited will establish a compressed biogas and fermented organic manure plant in Puri with an estimated investment of ₹121.21 crore.

Source: fibre2fashion.com– Nov 12, 2024

HOME

****