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Currency Watch			
USD	EUR	GBP	JPY
84.41	89.08	107.14	0.54

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INTERNATIONAL NEWS

China's new fiscal plans unlikely to immediately boost growth: Fitch

China's latest fiscal announcements seem aimed at addressing medium-term structural impediments to economic growth from strained local government finances, but are unlikely to offer an immediate boost or offset deflationary risk, according to Fitch Ratings.

Even without new explicit fiscal stimulus, China retains room to accelerate public spending in the fourth quarter (Q4) this year under the March 2024 budget and downside risks to Fitch's 4.8-per cent growth forecast for 2024 are limited, the rating agency said in a release.

China's fiscal stance turned expansionary in Q3 2024, after remaining neutral for most of the year amid slow spending. Fitch still expects a budget deficit of 7.1 per cent of gross domestic product (GDP) this year—up from 5.8 per cent last year.

Fitch Ratings believes fiscal stimulus will remain incremental and responsive to downside risks, including the likelihood of rising trade tensions following the US election, providing a floor to growth, which it still forecasts to moderate to 4.5 per cent in 2025.

The rating agency expects the fiscal deficit to remain elevated over the medium term, potentially exceeding the levels it anticipated during its April 2024 review, when it revised the outlook on China's 'A+' rating to negative.

This will keep government debt on a rising trend and could further pressure China's sovereign rating, depending on how much fiscal and monetary policy stimulus accelerates underlying demand and eases deflationary pressure.

Source: fibre2fashion.com– Nov 13, 2024

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74% of online products in UK feature green claims: BRC & Provenance

In the United Kingdom, 74 per cent of products sold online feature some form of green claim, as per research by British Retail Consortium (BRC) and Provenance, which discovered an average of 2.9 green claims per product. The findings come from an analysis of almost 390,000 claims across nearly 132,000 stock keeping units (SKUs), from 7 major UK online supermarket retailers.

The research claims retailers in the UK are responding positively to the rising consumer expectations about sustainability in recent years. By area of impact, carbon-related claims accounted for just 2.7 per cent of all green claims, 24 per cent of these were classified as high risk. Nature-related claims accounted for more than half (55 per cent) of green claims; just 15 per cent of these were classified as high risk.

The Competition and Markets Authority's (CMA) green claims code went into effect in September 2021. This regulatory advice requires all green claims to be truthful, clear, and supported by evidence; to consider the entire product life cycle; to make fair comparisons; and to provide all essential facts.

The CMA's global study showed that one in every seven claims had a high risk of misleading consumers, which projected that 40 per cent of green claims could be deceptive.

Thes 10 most common high-risk claims mentioned in the research by BRC and Provenance are sustainable, responsibly/sustainably sourced, 100 per cent natural, 100 per cent recyclable, responsible forestry, certified-sustainable, natural goodness, fully recyclable, 100 per cent pure, and eco-friendly.

BRC and Provenance are also collaborating to launch the Retailer Green Claims Forum, a collaborative initiative aimed at enhancing green claims compliance and transparency in the retail sector.

Tracey Banks, climate action roadmap manager at the British Retail Consortium, said: “It's highly encouraging to see that retailers are responding to consumer demand for sustainability.

We recognise, however, that the industry needs more support to ensure their green marketing is clear, accurate, and substantiated. What's at stake is not just compliance, but a very real green growth opportunity. Our new retailer Green Claims Forum with Provenance is a timely and essential initiative to help sustainability leaders collaborate with experts and peers to master green claims compliance and realise their commercial value."

Source: fibre2fashion.com– Nov 13, 2024

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Brazil's retail sales volume up 0.5% MoM in Sept 2024: IBGE

Brazil's seasonally-adjusted retail trade sales volume rose by 0.5 per cent month on month (MoM) in September this year, according to the Brazilian Institute of Geography and Statistics (IBGE).

The MoM rise in August was 0.2 per cent.

The quarterly moving average changed by 0.3 per cent in the third quarter this year.

In the series without seasonal adjustment, retail trade increased by 2.1 per cent year on year (YoY) in September this year, the 16th consecutive positive rate. The cumulative index in the year reached 4.8 per cent, whereas the cumulative index in 12 months stood at 3.9 per cent, an IBGE release said.

Retail sales volume of fabric, apparel and footwear saw a 1.7-per cent MoM drop in September.

Source: fibre2fashion.com– Nov 14, 2024

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Global cotton prices steady amid marginal decreases in key markets

Cotton markets globally witnessed minor price fluctuations over the past month, with overall trends indicating stability or slight declines across major benchmarks, according to Cotton Incorporated.

December futures on the New York Intercontinental Exchange (NY/ICE) have hovered within a trading range of 67 to 75 cents per pound, a level that has held since June. After reaching the higher end of this range in late September, prices edged downward but have since stabilised near 71 cents per pound.

The global A Index, an indicator of world cotton prices, dipped marginally from 85 to 83 cents per pound. Meanwhile, China's Cotton Index (CC Index 3128B) fell from 101 to 97 cents per pound, translating to a decrease from 15,700 to 15,300 RMB per tonne domestically. This movement comes as the yuan slightly weakened against the dollar, moving from 7.05 to 7.16 RMB/USD, Cotton Incorporated said in its Monthly Economic Letter – Cotton Market Fundamentals & Price Outlook, November 2024.

In India, the Shankar-6 quality spot prices saw a decrease from 87 to 83 cents per pound, with domestic prices falling from ₹57,400 to 55,100 per candy. The Indian rupee remained steady against the dollar at around ₹84 per USD.

Pakistan's cotton market remained relatively stable, with spot prices fluctuating around 80 cents per pound. In domestic terms, prices traded between 18,200 and 17,600 PKR per maund, currently at 18,000 PKR per maund, as the Pakistani rupee held steady at approximately 278 PKR/USD.

Source: fibre2fashion.com– Nov 13, 2024

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Egypt's ready-made garment exports surge by 18% to $2.04B

Egypt's ready-made garment sector has seen impressive growth, with exports rising by 18% to reach $2.04 billion during the first nine months of 2024, compared to the same period last year. The announcement was made by Fadel Marzouk, Chairman of the Export Council for Ready-Made Garments, in a recent press statement.

The United States remains the largest market for Egyptian garments, accounting for $871 million, or 43% of total exports. The European Union follows with $482 million, while Arab countries ranked third with $367 million in exports, marking a significant 21% increase in shipments to the region compared to last year.

Marzouk highlighted Egypt's growing importance as a key player in the global garment industry, particularly in Africa. He pointed to the Destination Africa event, which underscores Egypt's central role in the continent's textile supply chain. The country is positioning itself as a hub for a wide range of products, including ready-made garments, fibers, yarns, and accessories.

A key factor driving Egypt's success in the garment sector is its long-standing reputation for high-quality textiles, particularly Egyptian cotton, which has earned global recognition for its premium standards. This legacy continues to strengthen the country's textile industry and bolster its position in international markets.

Source: egypttoday.com– Nov 13, 2024

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Turkiye's overall export unit value index up 3.6% YoY in Sept 2024

Turkiye's overall export unit value index increased by 3.6 per cent year on year (YoY) in September this year, according to the Turkish Statistical Institute (Turkstat).

The index increased by 3.2 per cent YoY for manufactured goods (except food, beverages and tobacco) and decreased by 12.1 per cent YoY for fuels. The overall export volume index dropped by 5.2 per cent YoY in the month. This index increased by 1.3 per cent YoY for manufactured goods (except food, beverages and tobacco).

The country's overall import unit value index increased by 4.7 per cent YoY in September. This index increased by 4.3 per cent YoY for manufactured goods (except food, beverages and tobacco).

The overall import volume index decreased by 5.8 per cent YoY in the month. This increased by 2.1 per cent for manufactured goods (except food, beverages and tobacco).

The calendar- and seasonally-adjusted export volume index, which was 155.5 in August this year, decreased by 4.6 per cent to 148.4 in September. The calendar-adjusted export volume index decreased by 5.2 per cent YoY from 160.3 in September last year to 151.9 in the same month this year.

The calendar- and seasonally-adjusted import volume index decreased by 0.7 per cent from 117.9 in August this year to 117 in September. The calendar-adjusted import volume index decreased by 5.8 per cent from 122 in September last year to 114.9 in the same month this year. Turkish trade sales volume rose by 12.7 per cent year on year (YoY) and by 3.2 per cent month on month (MoM) in September this year, a Turkstat release said.

In the same month, wholesale trade sales volume increased by 13 per cent YoY and 4.1 per cent MoM, while retail trade sales volume increased by 15.9 per cent YoY and 2.3 per cent MoM.

Source: fibre2fashion.com– Nov 13, 2024

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S Korea FTA may boost Philippines' garment exports to $1 bn in 2025

The Philippines' apparel exports are projected to reach $1 billion next year, backed by an expected boost from the free trade agreement (FTA) with South Korea expected to be effective in the first quarter (Q1), according to the Foreign Buyers Association of the Philippines (FOBAP).

The Philippines has ratified the FTA and is waiting for South Korea to complete its ratification process.

"We believe the FTA will attract (South) Korean players to set up manufacturing facilities in our ecozones where they can enjoy tax holidays and other investors' benefits," FOBAP president Robert Young said, citing incentives under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

Under the CREATE Act, enterprises in ecozones can enjoy incentives including duty-free imports of capital equipment, raw materials, spare parts and accessories.

The FTA is likely to open doors for Philippine manufacturers to penetrate the zero-tariff South Korean apparel market, thus raising exports, he was cited as saying by domestic media outlets.

Philippine exports of apparel, knit or crocheted items to South Korea were worth only $15.6 million last year, Young said.

The country's apparel exports in the January-September period this year declined by 3 per cent YoY to $520.42 million, according to data from the Philippine Statistics Authority (PSA).

Imports of textile yarn, fabrics, made-up articles and related products during the period also dropped by 5.9 per cent YoY to $958.06 million.

Declining textile imports are a problem as a substantial share of such textiles are used for producing apparel for exports.

Source: fibre2fashion.com– Nov 13, 2024

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21st International Istanbul Yarn Fair set to foster industry growth

The International Yarn Fair, the only trade show in Türkiye specifically dedicated to yarns, has established itself as the biggest event of its kind globally. Since its inception, the fair has contributed to the textile industry's trade volume and continues to be the preferred show for leading brands in the sector, now in its 21st edition. Schedule to connect expert companies with professional buyers from February 26 to 28, 2025, the primary objective of this year's trade show remains focused on fostering further growth.

The Only Trade Show in Türkiye Specifically Dedicated to Yarns

The 20th International Istanbul Yarn Fair, tailored for yarn producers, took place in 2024, spanning an extensive exhibition area of 50,000 square meters. As the only fair of its kind in Türkiye, it presented a diverse range of yarn types, including but not limited to cotton, elastane, silk, linen, wool, and polyester. Catering to professional buyers with its wide product selection, the fair also facilitated the exploration of new trends and the introduction of modern yarns crafted through various techniques to potential buyers.

Leading Companies at the Leading Fair of the Industry

The International Istanbul Yarn Fair has established itself as the preferred event for leading companies in the industry, owing to the exceptional synergy created by 20 years of sector-specific expertise and 45 years of experience in fair organization. Renowned for showcasing a wide array of yarns manufactured using cutting-edge technology, the fair continues to attract prominent industry leaders. The 21st edition of the fair, scheduled for February 2025, is expected to occupy an exhibition space exceeding 50,000 square meters and host over 500 exhibitors.

Consistent Growth Will Continue

The Istanbul Yarn Fair has consistently set new records and is posed for continued growth. In 2024, the fair hosted 490 exhibitors and welcomed 15,267 professional visitors from 87 countries within an expansive 50,200 square meter exhibition space. Looking ahead to 2025, the goal is to attract over 500 companies and nearly 20,000 visitors.

The fair is designed to cater to the needs of its visitors not only in terms of quantity but also in terms of quality. With the participation of distinguished international companies and globally recognized firms, the fair's primary objective is to facilitate the interaction between products manufactured in compliance with global standards and potential buyers. Having established itself as a premier trading platform within the industry, the fair will serve as a venue for fostering significant collaborations over the course of three days.

Source: fibre2fashion.com– Nov 12, 2024

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Uzbekistan working with Better Cotton to accelerate sustainable production

Tashkent, Uzbekistan – Better Cotton has signed a strategic roadmap with authorities in Uzbekistan's agricultural and textile sectors to boost the production of more sustainable cotton across the country and its Better Cotton Program.

Better Cotton launched in Uzbekistan in December 2022 after the International Labour Organization (ILO) found that the country had successfully eliminated systemic child labor and forced labor in its cotton sector.

The roadmap will drive immense improvements to the Better Cotton Uzbekistan Program by leveraging the network and resources of partners to streamline farmer enrolment, strengthen and expand field-level support and increase investment opportunities through grants and government subsidies.

It has three core objectives:

- Align a strategic partnership model and define management, finance and implementation responsibilities
- Ensure effective cooperation with program partners and stakeholders to promote sustainable cotton farming practices
- Develop and implement a joint set of measures to eliminate barriers to scale

Uzbekistan is the 7th largest cotton-producing country in the world, accounting for 3% of total production in the 2023/2024 cycle. The country is unique for its cotton clusters – vertically integrated enterprises which grow, harvest and process cotton.

A priority will be to train the Ministry of Agriculture and Uztekstilprom to equip them with the knowledge and resources required to become Better Cotton partners and lead engagements with cotton farming communities.

Better Cotton will also work with its collaborators to strengthen assurance activities, reduce audit fatigue, improve the flow of assessment data and engage supply chain actors to demonstrate the benefits of processing Physical Better Cotton, which is Better Cotton that has been tracked through the supply chain.

Source: hometextilestoday.com– Nov 13, 2024

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Vietnam: Textile, garment exports projected to hit 44 billion USD this year

According to statistics of VITAS, total textile and garment export turnover in October reached 3.86 billion USD, up 10.7% over the previous month and 24.26% compared to the same period last year.

The export turnover in the first ten months of this year reached 36.11 billion USD, up 9.86% over the same period in 2023.

Vietnam has exported textile and garment products to more than 100 countries and territories.

Giang said that textile and garment export activities are expected to continue to improve at the end of the year, with key export markets of Vietnam such as the US, the EU, Japan, and China still maintaining growth. Meanwhile, there is potential in the ASEAN, Russian, and Canadian markets for businesses to increase their sales.

In addition, the continuing downward trend in freight rates is also supporting the growth of textile and garment exports. In addition, the cooling interest rate policy in the US and Europe is expected to stimulate year-end shopping demand.

However, he noted that the textile and garment industry is still facing many challenges including stricter standards from buyers in the EU and US markets and a growing trend of green, sustainable, and digital development which require businesses to focus on investing in technology to adapt and seize opportunities.

Source: vietnamnet.vn– Nov 13, 2024

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Pakistan: Retaining export competitiveness through traceability

Traceability has become essential in the modern textile supply chain as buyers increasingly demand transparency, sustainability, and compliance with their countries' regulations. It involves tracking a product's journey from raw material to the final garment.

Beyond meeting international standards, traceability can safeguard labor rights, promote environmentally sound and ethical practices, and enable Pakistan to effectively address persistent issues of tax evasion, Golmaal, and flying invoices.

The EU, the UK and the US, key markets for Pakistan's textile exports, are increasingly demanding traceability to ensure sustainable sourcing. Together, they accounted for a significant 50 percent share of Pakistan's total export earnings during FY 2024. Compliance with their traceability standards is essential for retaining market access and sustaining Pakistan's exports.

A lack of traceability will immediately impact a whopping 75 percent of textile exports directed to these markets and put the remaining 25 percent at risk as global requirements become more stringent (Figure 1b). Over time, the other half of exports to countries outside these three key markets (Figure 1a) will face similar challenges as global standards continue to tighten.

Figure 1a: Half of Pakistan's Exports are directed towards EU, UK and the US (FY 2024)

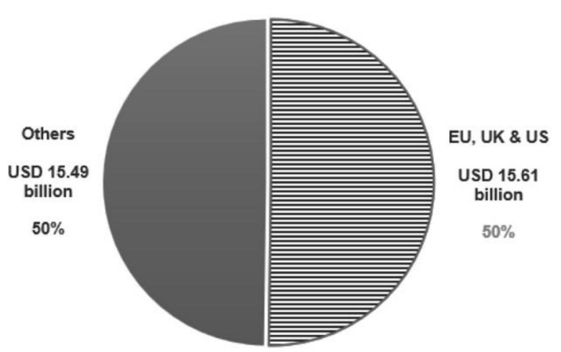
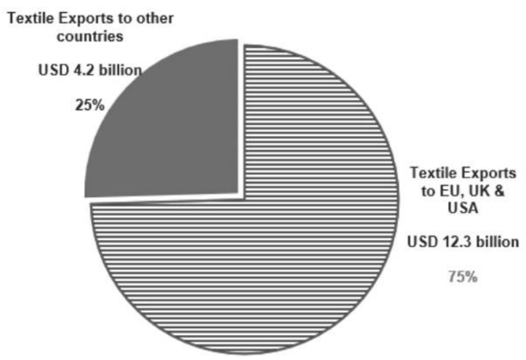


Figure 1b: Lack of traceability will immediately impact a whopping 76% of Pakistan's textile exports, with broader implications likely to disrupt the remaining 25% over time. (FY 2024)



While there are over 30 emerging legislations across the EU and the US focusing on due diligence, consumer claims, and transparency, the EU alone has enacted 16 legislations specifically addressing supply chain accountability. Among the EU directives concerning the value chain, traceability will become crucial for all suppliers under its Green Deal: Circular Economy Action Plan. A key component, the Digital Product Passport (DPP), mandates suppliers to provide exact information on products, processes, and stakeholders.

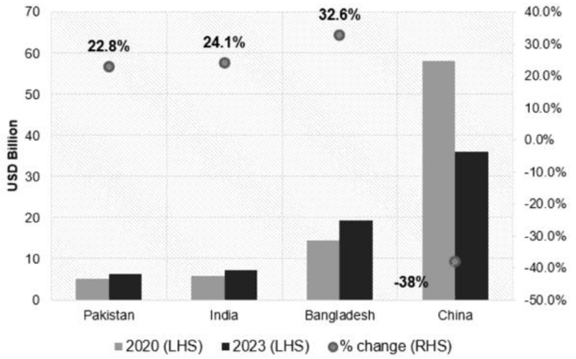
Meanwhile, the US has raised concerns about sourcing from countries linked to the Uyghur region in China over forced labor issues. Given the highly integrated regional textile supply chain and the reliance of Asian countries on inputs from China, traceability has become critical as companies face limited time to prove compliance.

Shifts in the EU and US textile and apparel market

US fashion companies are diversifying their sourcing beyond China, with the US Fashion Industry Association's 2024 benchmarking study showing that buyers now rely on at least 40 percent of their sourcing value from other Asian countries. About 11-30 percent of orders come from large-scale suppliers like Vietnam, Bangladesh, and India, while 1-10 percent come from smaller countries (by manufacturing capacity) such as Cambodia, Indonesia, and Pakistan. This shift away from China signals that the EU and US are prioritising traceability as a condition for market access.

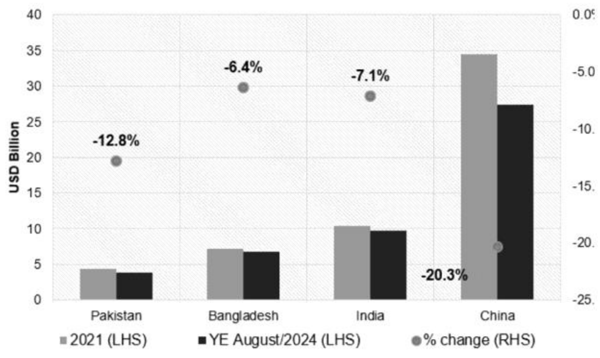
The data indicates a surge in EU textile and apparel imports from all countries except China, which have plummeted by over 38 percent since 2020 (Figure 2a). The surge in imports from other Asian countries can be attributed to their market access through the GSP arrangement.

Figure 2a: EU Textile & Apparel imports surge across the board, while China takes a sharp plunge



Source: Directorate-General for Trade, European Commission

Figure 2b: US Import of Textile & Apparel is down from all suppliers mainly China



Source: International Trade Administration, U.S. Department of Commerce

Beneficiary countries are required to comply with the core principles of 15 fundamental conventions on human and labor rights (Standard GSP and EBA), while GSP+ beneficiaries must implement international conventions on environmental protection and good governance, in addition to the aforementioned 15 conventions.

In contrast, the decline in imports from China highlights the EU's increasing concerns regarding the Due Diligence and Corporate Sustainability directives.

Similarly, US textile and apparel imports have declined from all suppliers (Figure 2b), with the sharpest drop observed from China (-20.3 percent). Since the enactment of the Uyghur Forced Labor Prevention Act (UFLPA) in 2021, traceability, transparency, and sourcing strategies have become critical, as both the US and EU emphasize their commitment to improving working conditions and enforcing human rights due diligence across the value chain.

By prioritising traceability, Pakistan can attract buyers seeking reliable supply chains and gain a first-mover advantage in the region.

The critical need for traceability in ensuring transparency and combating tax evasion

Pakistan's textile value chain is 80 percent fragmented, highlighting the need for an integrated traceability system. While initiatives like Better Cotton, Loop Trace, and Fiber Trace have been adopted by many large manufacturers to comply with international standards, their effectiveness remains limited without national implementation across the entire value chain, including SMEs.

Establishing traceability as a legal requirement and designating a single regulatory authority are crucial for boosting exports and strengthening the national economy, especially considering the EU's DPP, the USA's diversification strategy, and the persistent menace of Golmaal in the country.

An integrated traceability system not only reinforces compliance with international standards but also strengthens tax collection.

According to the FBR, around 1.5 million cotton bales remain outside the tax net each year, indicating that up to 15 percent of cotton output goes unrecorded to evade sales tax on both cotton bales and seeds. In FY 2024, this resulted in an estimated loss of Rs 28.4 billion in sales tax revenue on cotton bales, with additional losses on cotton seeds.

A traceability system could have increased sales tax revenue on cotton bales from Rs 143.2 billion to Rs 172 billion. It is crucial to understand that the sales tax loss on cotton bales accumulate at every stage of the value addition process.

Addressing tax evasion is only one part of the solution. Misuse of the EFS is another challenge that needs to be tackled. Following the removal of exemptions on local supplies under the EFS, some textile players have exploited the scheme by importing cheaper yarn and selling it domestically instead of re-exporting it.

As a result, duty-free yarn imports surged by 422 percent during July-August FY 2025 compared to the same period of last year. To address this issue, random DNA testing at ports is essential to verify whether inputs imported under the EFS are processed and re-exported as claimed. Establishing an in-house DNA testing lab is crucial to facilitate this testing and to counteract the misuse of the EFS, the perpetual challenge of Golmaal, and the prevalence of flying invoices.

While addressing tax evasion and EFS misuse is vital, the overarching challenge of enforcement persists. Instead of confronting the underlying causes of tax evasion, the FBR has initiated an unsubstantiated crackdown on textile manufacturers over alleged sales tax fraud. These actions not only damage the industry’s reputation but also erode international business confidence and negatively impact exports.

Authorities should instead prioritise making traceability mandatory to promote transparency and ensure compliance with sales tax regulations.

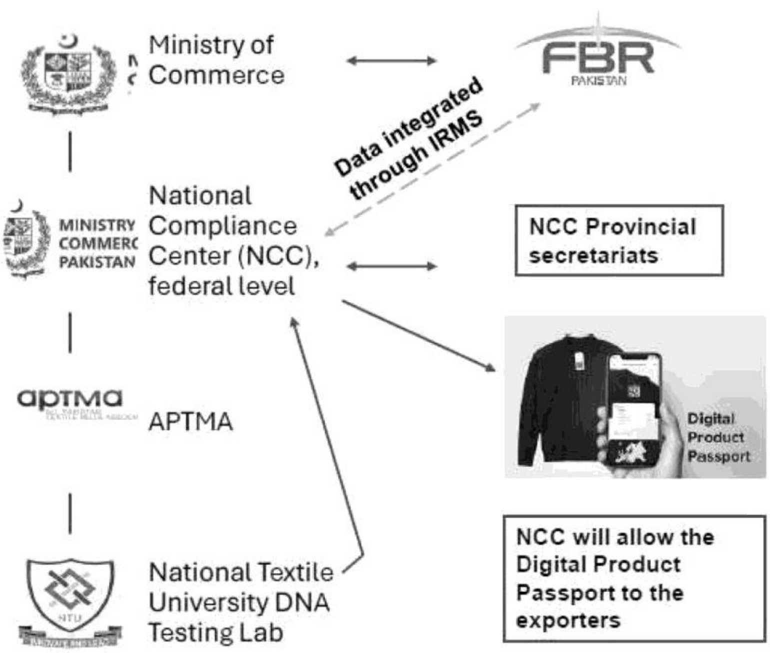
Enhancing cotton quality and market access through traceability

In addition to enhancing tax compliance and curbing misuse of schemes, implementing traceability systems helps combat the use of fake or uncertified cotton seeds by promoting accountability in the supply chain.

Covering cotton’s origin, type, and breed has become crucial, as it improves transparency and enables farmers to secure premium prices and fair compensation for their certified produce, whether organic or regenerative. Improving Pakistan’s cotton grading system is also essential.

Currently, grading relies on manual inspections, while countries like the US, Australia, and Egypt employ automated systems such as the High-Volume Instrument (HVI) to measure fiber fineness, staple length, uniformity, tensile strength, color grade, and trash content.

Figure 3: Mandatory Traceability Plan



By integrating traceability with automated grading, Pakistan can enhance cotton quality, increase production, and expand market access. This is particularly critical given the country's reliance on imported long-staple cotton from the US and Brazil for value-added textiles.

The need for an integrated traceability system in Pakistan: a call to action

To effectively trace products in the value chain, Pakistan must develop a comprehensive ecosystem that integrates data using barcodes and RFID technology. Meeting US market requirements for identifying the origin of cotton necessitates adopting advanced forensic methods, such as isotope and DNA testing.
Additionally, to comply with the EU's stringent monitoring of GMOs and accurately identify cotton varieties, establishing a dedicated DNA testing lab is crucial.

In 2023, APTMA partnered with the Ministry of Commerce (MoC) to establish the National Compliance Centre (NCC) to streamline international compliance and traceability requirements. However, despite being more than a year since its inauguration, the need for robust traceability remains urgent.

APTMA has proposed setting up a DNA testing lab at the National Textile University (NTU) through the Export Development Fund to improve tracking capabilities and enhance Pakistan's global reputation. While large-scale manufacturers have implemented individual traceability systems, these efforts remain limited without integration with the Integrated Risk Management System (IRMS).

Therefore, making traceability a mandatory legal requirement for all exporters and designating the NCC as the primary authority for monitoring compliance is essential. The MoC will oversee the NCC, which will issue DPP to the exporters based on compliance.

If successfully implemented, this initiative will enhance Pakistan's capacity for transparency, compliance, and export growth, marking a significant milestone in the country's textile industry.

Traceability as a cornerstone for future exports:

With regulations like the EU's DPP and U.S. scrutiny over forced labor, traceability has transitioned from being a value-add to a necessity. In simple terms, without traceability, exports to the West will cease. Compliance with these standards is essential for sustaining national revenue and improving Pakistan's reputation among international stakeholders.

Implementing the proposed traceability framework can help Pakistan recover lost sales tax revenue and attract orders moving away from China and Bangladesh. Additionally, it can help reduce production costs and enhance capacity through increased orders.

This presents a timely opportunity for Pakistan to leverage shifting global sourcing trends driven by US and EU policies. Therefore, it is essential for authorities to act proactively rather than waiting to react to external pressures.

Source: brecorder.com – Nov 13, 2024

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Bangladesh: EU due diligence key to sustainable RMG business

Bangladesh needs to follow the European Union Corporate Sustainability Due Diligence Directive (EU CSDDD) and other compliances strictly so that the country's garment business does not get affected after Bangladesh's least developed country club graduation in 2026, according to experts and industry professionals.

They also suggested that international clothing retailers and brands pay higher prices to the local suppliers as the implementation of these compliances needs additional investment.

The EU due diligence, which targets net zero carbon emissions by 2030, has already come into effect in July this year and EU members also started applying the new rules on sourcing companies.

The speakers said these at a roundtable, titled "Bangladesh's Apparel Edge: Meeting EU's New Sustainability Directive", jointly organised by The Daily Star and Solidaridad at The Daily Star Centre yesterday.

Tanjim Ferdous, in-charge of NGOs and foreign missions at The Daily Star, moderated the discussion.

Selim Reza Hasan, country manager of Solidaridad, said the EU CSDDD is very significant for Bangladesh.

He said Bangladesh already has a good volume of annual trade with the EU. Now, it needs sustainability and further increase.

In this case, improving energy efficiency, resources and workforce productivity are important. As Bangladesh looks to be a sustainable production hub, capacity building is important too, he added.

In his keynote paper, Mohammad Yousuf Khan, programme manager of textile and apparel at Solidaridad, said the EU CSDDD came into force in July this year and member states are going to adopt it as national law in the next two years.

Now, compliance is at the core of every value chain, he said.

With the directive, the EU targets net zero carbon emissions by 2030. Due diligence failures may have legal and civil consequences like sanctions, penalties and market access restrictions, he said.

However, with appropriate steps, it could be an opportunity for Bangladesh as well, Khan said, mentioning that the implementation would bring additional burden, especially for the small and medium enterprises, but the buyers also have commitments.

Since Bangladesh is going to graduate to a developing nation, the country needs not only implementation of the EU due diligence, but also other compliances so that the nation's external trade remains unaffected, he added.

Mohammad Abbas Uddin Shiyak, assistant professor at the Bangladesh University of Textile Engineering (BUTEX), said brands are looking for goods made from recycled materials.

The EU, UK and other countries are also looking for sustainable manmade fibre garments, he said adding that Germany and China had already discarded cheap labour and cheap products and elevated to value-added products.

Although buyers prefer products made in green garment factories, they are not paying enough for that, he also said.

Mohammed Zahidullah, chief sustainability officer of DBL Group, said local exporters have a lot of responsibility for the supply chain.

He said although local exporters have very transparent costing, it is not reflected in the price offered by international retailers and brands.

Buyers need to play a role here by paying fair prices. Cost of compliance is very high, so the prices also need to be increased, he also said.

Mohammad Monower Hossain, head of sustainability of Team Group, said all of the compliance issues require reliable data.

A data disclosure platform is required, he said, adding some of the companies are voluntarily disclosing the data. Suppliers are accountable for disclosing data to buyers under the due diligence, he added.

Willem Grimminck, director of One to Watch, said they offer financing for green projects and solar energy.

Fossil fuels largely cause carbon emissions, he said, adding sustainability is a combination of quality and prices, which makes differences in the competition.

We do things for the next generation as sustainability is the key. Brands need to have minds on how to play a role in sustainability efforts, he added.

Carla Dohmwirth, implementation lead at the IGS and GIZ, said this is a journey shared by stakeholders, communities and beneficiaries of the law. The implementation of the law should be through participatory engagements.

She said fear of retaliation is a challenge to the implementation.

In the law, there are options allowing companies to file complaints. As a result, Germany has already witnessed many cases filed against the country as it came into effect in Germany in 2023.

Ashfike Khaleque, programme coordinator of Fair Wear Foundation, said risk identification is important in the supply chain. If the risks are identified, these can be addressed.

Cost is an important issue in the adaptation of due diligence. Adaptation of new technology is also important. For sustainability, more efficient machines are required. Obviously, buyers will have to pay more as cost is involved here, he said.

Tanzila Tajreen, senior policy advisor, the Embassy of the Kingdom of the Netherlands in Bangladesh, said proactiveness is very important.

Lead time is also important. Yes, price is an important issue as it is discussed as the producing countries spend money for more compliances. Also, safety of the workers and their rights and the working environment are important.

"The due diligence is almost here and it needs a little tickling," Tajreen said.

Ole Rosenborg Justesen, sector counsellor of the Embassy of Denmark in Bangladesh, said they definitely agree that the EU due diligence is highly transparent not only in Europe, but also in the supplying countries.

They are working closely with the government, supporters and unions in this connection. They support not only manufacturers but also look at the logistics as well.

They also work for investment in renewable energy, policy and occupational safety and standards as well. They want to make it clear that Bangladesh is a sustainable hub of garment items.

Fazlee Shamim Ehsan, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said the EU CSDDDs are almost in place here over the last three years.

He said that it is not something new to them. German and the EU guidelines are almost the same.

"We are more or less ready for it," he said, adding that they are now working on it and help desks have been established at the apparel trade association to help the members.

"We always talk about the manufacturing part but we also need to work with the buying part," Ehsan said.

"Is it possible to include lawyers in this process so issues could be resolved in cases of breaching the law?" he questioned.

Ehsan said big buyers of the EU are fine, but there are also other small and medium enterprises who source from Bangladesh.

These small sourcing companies, who employ less than 1000 employees, will not come under the due diligence law. "We also need to include them. We are ready as we are working on it over the last few years," he added.

Shuly Akter, senior assistant secretary of the Department of Inspection for Factories and Establishments (DIFE), said after the Rana Plaza collapse in 2013, Bangladesh significantly improved the factory standards, including labour standards and grievance mechanism.

Sara van Hoeve, first secretary, economic affairs and private sector development at the Embassy of the Kingdom of the Netherlands in Bangladesh, said: "We also need to hear the voice of a producing country like Bangladesh. It makes sure that we are doing business in the right way."

Small and medium-sized enterprises (SMEs) are also very important. There is a huge opportunity for Bangladesh, according to Hoeve.

Kazy Mohammad Iqbal Hossain, South Asia sustainability manager of Lindex Bangladesh Liaison Office, said the due diligence would be challenging for small and medium enterprises. They need financial support.

It is a competitive advantage for Bangladesh as it is not even discussed in other countries, he added.

Ashraf Wares, senior assistant secretary of the Skill Development Programme of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said after Covid-19, they have conducted some basic training for the factory management about the EU due diligence.

Aleya Aktar, advisor at the Desh Group of Companies, said they really understand the importance of EU due diligence. But it needs to be implemented at the factory level to eliminate the fear about due diligence. Mousumi Margaret Chiran, advisor at German development cooperation agency GIZ, said the EU due diligence is important when it comes to data and transparency. Sometimes the brands forget about their responsibility. Trust about data is important among brands, buyers and factories for compliance improvement, she also said.

Ashikur Rahman, consultant at Solidaridad, said almost all factories have planned in detail and targeted the implementation of the EU due diligence.

Between 80 percent and 90 percent will comply with the due diligence while only 10 percent of the small factories may face challenges, he said. But it needs to include all the factories, he added.

Source: thedailystar.net– Nov 14, 2024

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NATIONAL NEWS

Trade and investment are important pillars of India, Saudi Arabia partnership: Jaishankar

Trade and investment are important pillars of India and Saudi Arabia partnership and the two countries are strengthening collaboration in new areas including technology, energy, renewable energy, connectivity, health and education, External Affairs Minister S Jaishankar has said.

Jaishankar expressed deep concern over the situation in West Asia, particularly in Gaza, in his opening remarks at a meeting with Saudi Foreign Minister Prince Faisal bin Farhan Al Saud on Thursday.

“While we condemn acts of terrorism and hostage taking, we are deeply pained by the continuing death of innocent civilians. Any response must take into account the international humanitarian law. We support an early ceasefire,” Jaishankar said.

The Minister said that India supported an early ceasefire in Gaza.”India has consistently stood for resolution of the Palestinian issue through a two-State solution. We have also contributed to the building of Palestinian institutions and capacities,” he said and

On bilateral ties, Jaishankar pointed out that the two countries had maintained a good tempo of high level engagements and coordination across the multilateral fora. “The Indian community in Saudi Arabia is 2.6 million strong, and I take the opportunity to thank you for their welfare and comfort,” he said.

Saudi’s Vision 2030 and Viksit Bharat 2047 hold complementarities for industries in both countries to build new partnerships, the Minister pointed out. “I am glad to note that our businesses are collaborating intensively. Trade and investment are important pillars of our partnership, and we are strengthening our collaboration in new areas including technology, energy, renewable energy including green hydrogen, connectivity, health and education,” he said.

Source: thehindubusinessline.com– Nov 13, 2024

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India and Japan in Asia emerge as powerhouses, says State of Fashion 2025 report

While China's economic growth slows, international fashion brands are setting their sights on new Asian markets. India and Japan, with their unique strengths and growing economies, are poised to become major players in the global fashion scene.

India: The mid-market's new darling

India's rapid economic growth and burgeoning middle class are making it a focal point for fashion brands, particularly in the mid-market segment. With a projected growth rate of 12 to 17 percent in 2025, India's fashion market is set to outpace the global average significantly.

"India is a unique country which has both sourcing as well as consumption capacity," says Nandita Sinha, CEO of Myntra, India's leading fashion e-commerce platform. "This is where the value for international brands becomes extremely lucrative, where they can reach out to this large base of customers in a manner that taps into the supply potential of the country as well."

However, entering the Indian market requires careful consideration. International brands must overcome infrastructure challenges, navigate complex regulations, and adapt to local consumer preferences, which often favour traditional wear and fusion styles.

Japan: The luxury market's shining star

Japan's luxury fashion market is experiencing a remarkable boom, fuelled by a weak yen and a surge in tourism. In the first half of 2024, the market grew by 25 to 30 percent, attracting luxury shoppers from around the world.

"The crucial point here is we try to find the customers again and again that fit our model," says Michael Kliger, CEO of Mytheresa, a leading online luxury retailer. "In-person events for top customers are one of Mytheresa's primary sales drivers."

With tourism spending expected to reach almost $100 billion by 2030, Japan's luxury market is set for continued growth. However, brands must adapt to local preferences for personalized services and curated experiences to fully capitalize on this opportunity.

A new era for fashion in Asia

As India and Japan take centrestage, the fashion industry must rethink its approach to these dynamic markets. Localizing go-to-market strategies, building robust omnichannel capabilities, and understanding the nuances of each market will be crucial for success.

The rise of India and Japan presents a unique opportunity for the global fashion industry. By embracing these Asian growth engines, brands can unlock new avenues for growth and innovation, shaping the future of fashion in Asia and beyond.

Source: fashionatingworld.com– Nov 13, 2024

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India-Kazakhstan business partnership in manufacturing sector gets a big boost

The India-Kazakhstan Business Conference on Electronics Equipment and Engineering Goods was held on November 11 in Astana, at the Astana International Financial Centre (AIFC). The event brought together prominent business leaders, government officials, and industry experts to discuss opportunities for increased trade, joint ventures, and collaboration in the electronics and engineering sectors.

The Keynote address was delivered by Ambassador Dr. T.V. Nagendra Prasad. The chief guest was Mr. Meiram Pshembayev, Chairman of the Association of Kazakhstan Machinery Industry.

The event was held in the hybrid format. Around 50 companies from both sides participated in the event. Thematic sessions on Electronics and Engineering Sectors took place in which experts from both sides gave presentations, followed by a lively question and answer session. From the Indian side, the event was also joined virtually by the Electronics and Software Export Promotion Council (ESC), Engineering Export Promotion Council (EEPC), Federation of Karnataka Chamber of Commerce (FKCC) and their member companies dealing in exports of electronics and engineering goods.

On the occasion addressing the gathering, Indian Ambassador to Kazakhstan Dr. T.V. Nagendra Prasad, said, “Kazakhstan is the largest trade partner of India in Central Asia. In 2023, our bilateral trade is around USD 1 billion which is much below the potential. There has been an increasing trend in engineering and electronic goods opening new avenues for bilateral trade.

We have grown swiftly in the tourism sector in the last two years, with over 100,000 Indian tourists visiting Kazakhstan. There is huge scope for medical tourism to India. Due to the flagship programmes like Make in India, Productivity Linked Incentive scheme etc India is becoming a favourite destination for manufacturing for several multi-national companies.

Indian companies are investing in infrastructure, logistics, power, mining, oil & natural gas, renewable energy, agriculture, medical equipment across the world and Kazakhstan must explore the opportunities as there is huge potential for India-Kazakh cooperation in these sectors.” “Our growth trajectory in electronics complements Kazakhstan’s ambitions for digital transformation. I congratulate Kazakhstan on its ranking, its 24th in the Global government development index of the United Nations. The “Digital

Kazakhstan" program is driving the adoption of advanced technologies, making the country an attractive partner for digital collaboration. India has offered UPI (Unified Payment Interface) platform to Kazakhstan for making their digital payment system an interoperable platform. By aligning our technological advancements, we can explore new avenues of cooperation, from manufacturing and software development to the implementation of smart systems and IoT solutions.

Turning to the engineering sector, we see that, it too, has emerged as a powerful driver of trade between India and Kazakhstan. This sector encompasses a wide array of opportunities, from automotive components to industrial machinery and electrical equipment. India has long been recognized for its engineering expertise, and our companies are well-equipped to contribute to Kazakhstan's infrastructure projects. The potential for collaboration is vast: Indian firms can play a critical role in building energy-efficient systems and developing infrastructure for Kazakhstan's smart city initiatives," the Ambassador noted.

At the conference Indian manufacturers, known for their expertise in electronics and engineering, were highlighted as ideal partners for addressing the evolving needs of the Kazakh market. The event explored avenues for expanding trade and leveraging mutual strengths to foster economic growth in both countries.

One of the central goals of the conference was to facilitate business relationships and create opportunities for joint ventures between Indian and Kazakh companies. By encouraging collaborations, the conference sought to ease market entry for Indian firms in Kazakhstan. These partnerships are expected to drive innovation, create jobs, and unlock new business avenues in both nations.

The conference also featured discussions on the latest technological advancements in electronics and engineering, focusing on how these innovations can help Kazakhstan meet its developmental goals. Indian companies shared valuable insights into cuttingedge solutions that can boost Kazakhstan's infrastructure and manufacturing sectors, enhancing productivity and sustainability.

Source: economictimes.com– Nov 13, 2024

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WTO says trade restrictive measures by G20 economies increased during 2023-24

There has been an increase in the trade restrictive measures introduced by G20 member countries during mid-October 2023 to mid-October 2024, a WTO report said on Wednesday. It said that during the review period, G20 economies introduced 91 new trade-restrictive and 141 trade-facilitating measures on goods, both of which mostly dealt with imports.

"The trade coverage of the trade-restrictive measures was estimated at USD 828.9 billion which was up significantly from USD 246.0 billion in the last G20 report," the World Trade Organisation (WTO) said.

Similarly, the trade coverage of trade-facilitating measures grew to USD 1,069.6 billion (up from USD 318.8 billion), it added.

WTO Director-General Ngozi Okonjo-Iweala said that the report indicates a trade-restrictive trend, which should be a cause for concern.

"These measures, on both the import and the export sides, contribute to shortages, price volatility, and uncertainty. G20 economies must work to keep markets open and predictable, to enable goods to flow smoothly and foster the certainty that helps incentivise investment and job creation," she added.

G20 members include India, Argentina, Australia, Brazil, Canada, China, France, Germany, Japan, Russia, the UK, and the US, among others.

"Trade restrictive measures introduced by G20 economies significantly increased in coverage over the past year," according to the 31st WTO Trade Monitoring Report on G20 trade measures issued on November 13.

Source: economictimes.com– Nov 13, 2024

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Merchandise exports set for modest rebound, to hit $107.5 billion in Q3: India Exim Bank

India's merchandise exports are likely to rise 1.85% year-on-year to $107.5 billion in the third quarter of FY25 (October-December), according to India Exim Bank. In the same period last year, goods exports stood at $104.61 billion.

Exim Bank has projected non-oil exports at $91.7 billion, marking a year-on-year (YoY) growth of 7.39%. Non-oil, non-gems, and jewellery exports are forecasted at $82.7 billion, reflecting a 7.8% YoY increase.

This anticipated growth signals a modest yet steady rebound amid global economic uncertainty, driven by India's strong fundamentals and stable demand from key trading partners. Potential global monetary policy easing could further support the export environment.

However, Exim Bank cautions that external risks persist, including uncertainties in advanced and emerging economies, rising geo-economic fragmentation, crises in the Middle East and West Asia, potential protectionist policies, and ongoing supply chain disruptions.

The positive momentum in total merchandise, non-oil, and non-oil, non-gems, and jewellery exports is expected to extend into Q4 FY25, according to Exim Bank.

"The export forecast for this quarter is only slightly higher than last year's, but when looked at on a monthly basis, it's clear that real growth is not happening," said Pronab Sen, an economist and former chief statistician of the country.

"There's no substantial increase; the growth we're witnessing is far below what was anticipated. For an economy targeting a 7% growth rate, exports should ideally grow by 14-16%.

However, exports are not reflecting this pace. Although numerous factors are affecting exports, a slowdown in the global economy isn't one of them. The global economy is, in fact, holding steady. We need to take a closer look at why our exports are struggling to gain momentum," Sen told Mint.

India's goods trade deficit narrowed to a five-month low in September, buoyed by a modest rise in exports. However, sequential declines indicate that momentum remains fragile. Imports also hit their lowest level since May, reflecting softer demand.

India's trade deficit—the gap between exports and imports—stood at $20.78 billion in September, down from $29.65 billion in August. It was $23.5 billion in July, $20.98 billion in June, $23.78 billion in May, and $19.1 billion in April.

India’s goods exports reached $109.11 billion in Q1 FY25 and $102.34 billion in Q2, compared to $101.87 billion in Q1 FY24 and $107.5 billion in Q2 FY24.

Exim Bank’s quarterly export growth forecasts are updated in May, August, November, and February for each corresponding quarter. These projections are based on the bank's Export Leading Index model, which gauges export outlooks using domestic and global indicators. The next forecast for Q4 FY25 (January-March) is expected in early February.

Source: livemint.com– Nov 12, 2024

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CMAI's Brands of India 2nd Edition opens in Dubai

The second edition of the Brands of India apparel trade show, organized by The Clothing Manufacturers Association of India (CMAI), was inaugurated on November 12, 2024, by Satish Kumar Sivan, Consul General of India to the UAE. Held at Za'abeel Hall 4 in the Dubai World Trade Centre, the exhibition presents over 150 Indian apparel brands, highlighting a broad selection of Men's, Women's, and Kids' fashion. From casual and formal wear to athleisure, winterwear, and accessories, the event serves as a unique sourcing platform for international retailers, wholesalers, agents, and e-commerce companies.

In his opening remarks, Sivan highlighted Brands of India as a strategic initiative for Indian apparel manufacturers to capitalize on the India-UAE Comprehensive Economic Partnership Agreement (CEPA), which facilitates duty-free apparel imports. He noted the opportunity for Indian manufacturers to attract global buyers amid supply chain challenges in other manufacturing hubs like Sri Lanka, Bangladesh and China, emphasizing Dubai's role as a vital gateway to global markets.

Santosh Katariya, CMAI President, praised India's position as a preferred sourcing destination known for low labor costs, flexible order sizes, competitive pricing, and on-time delivery. He noted that this year's event brings together manufacturers from key production hubs such as Mumbai, Jaipur, and Tirupur, showcasing India's manufacturing diversity and quality.

The show has drawn more than 1,500 pre-registered visitors from 60+ countries, including buyers from the UAE, Saudi Arabia, and other Middle Eastern and African nations. Notable retailers like Lulu Group, R&B and Landmark Group are among those in attendance. CMAI has extended exclusive privileges, including hotel accommodations and business matching services, to enhance buyer participation.

Running for three days, Brands of India is positioned as a comprehensive sourcing opportunity, with on-the-spot buyers also expected to attend.

Source: fashionatingworld.com– Nov 13, 2024

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Prime Minister Internship Scheme: Youth registration deadline extended to November 15, says MCA

The Prime Minister Internship Scheme (PMIS)—a landmark initiative aimed at boosting employability among Indian youth—has so far received more than 5 lakh internship applications, Corporate Affairs Ministry (MCA) has said.

The registration window for young applicants on the dedicated portal under the PMIS will now close on November 15 as against the earlier announced deadline of November 10.

“Last Call! Don’t miss your chance to apply for the PM Internship Scheme! Applications close on November 10th—seize this opportunity to shape your future! #PMInternship#YouthEmpowerment#MCA21”, said a social media post by MCA in platform ‘X’ on Wednesday.

PMIS allows youth to apply for upto 5 internship opportunities in their own State or any other State. Under PMIS, more than 1.25 lakh internship opportunities are available across 745 districts and 25 sectors.

The response to the Prime Minister Internship Scheme has been overwhelmingly positive, with a diverse range of industries eager to engage young talent and shape the future workforce.

Already 280 companies have onboarded to the dedicated portal —- www.pminternship.mca.gov.in— and offered 1.28 lakh internship opportunities in the dedicated portal under the scheme.

The window for corporate registration under the scheme closed on October 20.

The pilot scheme under PMIS was launched on October 3 for corporates to onboard and register their internship opportunities. The window was opened on October 12 for Youth registration.

The MCA is administering the PMIS, which was announced in this year’s union budget. The PMIS was launched to address the growing need for employable skills and industry readiness among India’s youth.

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

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

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

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

PMIS

PMIS is aimed at providing young Indians with practical industry experience and enhancing their employability.

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

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

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

The sectors where one has seen maximum number of internship opportunities are Oil Gas & Energy, automotive , travel and hospitality, banking and financial services and metals and mining.

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

PMIS Benefits

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

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

Source: thehindubusinessline.com– Nov 13, 2024

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CCI starts buying cotton at minimum support price

The Cotton Corporation of India (CCI) is buying cotton at minimum support price (MSP) in five States as the market prices are low.

Lalit Kumar Gupta, the Chairman and Managing Director of the CCI, told The Hindu that it had started the MSP operations for the current season (October to September) and procured 2.25 lakh bales of cotton so far. A clear picture on the price trend and areas where the prices would be less than the MSP would be known in two weeks.

Nishant Asher, secretary of the Indian Cotton Federation, said cotton arrivals had picked up to 1.3-1.4 lakh bales a day. “Indian cotton is still expensive by about 5 % compared with the international prices. The demand and export of yarn remains subdued and hence cotton prices remained weak,” he said.

According to the Federation, the price of Shankar-6 variety of cotton on Wednesday was ₹54,500 a quintal of ginned cotton.

Source: thehindu.com – Nov 13, 2024

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