TEXPROCIL

THE COTTON TEXTILES EXPORT PROMOTION COUNCIL

(SPONSORED BY GOVERNMENT OF INDIA)

Exporting Excellence 70 Years & Beyond

IBTEX No. 183 of 2024 | **November 25, 2024**

Currency Watch			
USD	EUR	GBP	JPY
84.27	87.92	106.17	0.55

INTERNATIONAL NEWS

NATIONAL NEWS	
No	**Topics**
1	India-UK FTA talks likely to restart in January amid complex issues
2	Textiles sector poised for a big growth
3	Europe boosts Indian textile exports in FY25
4	Major port cargo contracts 3.2% to 68 mt in October, shows govt data
5	CBIC should review its MOOWR instructions to ease operations for units
6	India climbs to second position in emerging markets tracker, led by strong export growth
7	The hidden charges in international payments for Indian exporters
8	Demand for Indian cotton emerges as prices drop to ₹53,000 a candy
9	ASEAN-India: Progress in initiating tariff negotiations
10	Andhra Pradesh to announce new textile policy: S Savita, Minister for Handlooms & Textiles
11	Uniqlo India to hit Rs 1,000-crore sales milestone this fiscal

INTERNATIONAL NEWS

ICE cotton rises on strong China demand, dollar caps gains

ICE cotton gained due to short covering and indications of strong demand from China. Stronger crude oil also supported US cotton to go upward. However, rising US dollar index capped gains in ICE cotton. The increase in dollar index makes cotton purchase expensive for overseas buyers.

Yesterday, ICE cotton March 2025 contract settled at 70.77 cents per pound (0.453 kg), up by 0.34 cents. The contract gained 2.7 per cent in this week. It was largest weekly rise since the week ending September 20.

Dollar index rose to 13-month high. Stronger dollar capped cotton gains as it made cotton purchase costlier for overseas buyers. However, crude oil gained 6 per cent this week after new developments in Russia and Ukraine. Increase in price of crude oil makes polyester costlier.

The trading volume was 29,105 contracts, the lowest in seven weeks, compared to 34,339 contracts cleared the previous day. The market appears to be transitioning into holiday mode, with lighter trading activity and reduced volume expected in the coming days.

Analysts said that record short positions in the market contributed to the rebound as traders covered these positions.

Mainland China accounted for 21,400 tons of US cotton export sales, highlighting strong demand. For the next market year, export sales increased by 16,000 bales.

ICE cotton for March 2025 was settled at 70.77 cents per pound (up 0.34 cent). Cash cotton was settled at 66.77 cents (up 0.34 cent), the December 2024 contract at 71.65 cents per pound (up 2.46 cent), the May 2025 contract at 71.89 cents (up 0.24 cents), the July 2025 contract at 73.00 cents (up 0.20 cent) and the October 2025 contract at 71.65 cents (up 0.11 cents).

Source: fibre2fashion.com– Nov 23, 2024

HOME

****

Global market for sustainable fabrics to reach $27.8 billion by 2029: BCC Research

A recent study by BCC Research forecasts, the global market for sustainable fabrics will reach $27.8 billion by 2029, growing at a compound annual growth rate (CAGR) of 8.1 per cent from 2024-29. This rise is driven by a combination of factors, including increasing environmental concerns within the textile industry, the growing popularity of organic and eco-friendly fashion, and heightened awareness of health risks associated with textile chemicals.

The sustainable fabric market is segmented by material, application, and region, with the clothing sector set to maintain its dominance through 2029. Asia-Pacific leads the market, accounting for nearly 40 per cent of the global share. The region's prominence is due to its large apparel and textile manufacturing hubs, including China, India, and Bangladesh, among other countries. A shift toward sustainable production practices is gaining traction across the Asia-Pacific, spurred by rising consumer demand for environmentally friendly products.

As sustainability becomes a priority in fashion, more manufacturers in the Asia-Pacific region are investing in greener practices, reflecting a broader global trend towards eco-conscious production. This shift is helping to reshape the industry, as consumers increasingly favor sustainable options in their clothing choices, pushing brands and manufacturers to adopt more responsible practices.

Overall, the growing focus on sustainability, health, and eco-friendly fashion is expected to drive significant growth in the global market for sustainable fabrics, making it a key area of interest for industry stakeholders in the years ahead.

Source: fashionatingworld.com– Nov 23, 2024

HOME

****

China's T&A exports rise by 3% Y-o-Y to 1.76 trillion yuan in Oct'24

According to the latest data released by the General Administration of Customs, China's textiles and apparel exports (T&A) saw rapid growth in Oct'24.

In CNY-denominated terms, China's textiles and apparel exports increased by 3 per cent Y-o-Y to 1.76 trillion from Jan- Oct'24. Among these, textile exports increased by 5.8 per cent Y-o-Y to 829.52 billion yuan, while apparel exports rose by 0.7 per cent Y-o-Y to 932.75 billion yuan. In Oct'24, China's T&A exports increased by 8.5 per cent Y-o-Y and 2.3 per cent M-o-M to 180.65 billion yuan. During the month, China's textile exports increased by 12.6 per cent Y-o-Y to 87.83 billion yuan while apparel exports rose by 4.9 per cent Y-o-Y to 92.82 billion yuan.

In US$-denominated terms, from Jan-Oct' 24, China's cumulative T&A exports totaled increased by 1.5 per cent Y-o-Y to $247.89 billion. Among these, textiles exports reached $116.69 billion, increasing by 4.1 per cent Y-o-Y while apparel exports declined by 0.7 per cent Y-o-Y to $ 131.2 billion In October alone, China's T&A exports increased by 11.9 per cent $25.48 billion. Of this, textile exports expanded by 16.1 per cent Y-o-Y to $12.39 billion while apparel exports rose by 8.1 per cent Y-o-Y to $13.09 billion.

Source: fashionatingworld.com– Nov 23, 2024

HOME

****

Turkiye's employment index increased by 3 per cent in Q3 2024

Turkiye's employment index, including industry, construction, trade-services sectors, increased by three per cent in the July-September quarter of 2024 compared with the same quarter of the previous year, the Turkish Statistical Institute, Turkstat, said in a release.

In terms of sub-sectors, employment in industrial sector decreased by 0.5 per cent, construction sector increased by 7.4 per cent, while trade-services sector increased by 4.1 per cent.

Hours worked index, including industry, construction, trade-services sectors, decreased by 1.1 per cent in the third quarter (Q3) of 2024 compared with the same quarter of the previous year. While industrial sector decreased by 4.1 per cent, construction sector increased by 2.8 per cent and trade-services sector decreased by 0.2 per cent.

Gross wages-salaries index increased by 74.7 per cent year-on-year (YoY) in Q3 2024, with the industrial sector increasing by 73.9 per cent, construction sector by 73.9 per cent and trade-services sector by 75.2 per cent.

Compared with the previous quarter, employment index increased by 0.8 per cent in the third quarter of 2024. When sub-sectors are examined; industrial sector increased by 0.2 per cent, construction sector increased by 1.3 per cent, and trade-services sector increased by 1 per cent, the Turkstat release said.

Gross wages-salaries index increased by 8.8 per cent in Q3 2024 compared with the previous quarter. While industrial sector increased by 8.1 per cent, construction sector increased by 9.3 per cent, and trade-services sector increased by 9.2 per cent.

Source: fibre2fashion.com– Nov 24, 2024

HOME

****

Cambodia can play a key role in promoting regional trade: World Bank

By enhancing its transport links with neighbouring countries and embracing its vision of enhancing multimodal transport development, Cambodia can play an important role in promoting regional trade and connectivity, says a new World Bank report.

The report, 'Cambodia's Regional Connectivity: Unlocking the Full Potential of Transport Corridors', identifies critical challenges in Cambodia's transport sector and proposes targeted investments and policy measures to improve regional connectivity.

The Cambodian government developed the Comprehensive Intermodal Transport and Logistics System (CITLS) Master Plan for 2023–2033 to improve the performance and efficiency of the transport sector and support the achievement of the national development objectives defined in its Pentagonal Strategy Phase 1. In this context, the World Bank report provides complementary recommendations that focus on immediate investments and policy actions to unlock opportunities along key existing transport corridors in Cambodia.

"A comprehensive approach to transport network development will help improve Cambodia's competitiveness, unlock its export potential and promote trade in the region," said Tania Meyer, World Bank Country Manager for Cambodia.

Cambodia's export-driven growth has resulted in increased demand to move ever-larger volumes of goods and cargo more efficiently along its transport network and across its borders. The report proposes priority investments and policy actions to improve the performance of the existing road, rail and inland waterway transport.

A comprehensive and coordinated approach to transport network development with a focus on climate resilience will help improve competitiveness, increase economic efficiency, and promote trade in the region, according to the report.

Source: fibre2fashion.com– Nov 24, 2024

HOME

****

Pakistan: Weekly Cotton Reviews: Prices decline amid low trading volumes

Cotton prices have witnessed a decline, while New York cotton prices have shown an upward trend. Trading volumes remain limited. Approximately 40% of the country's textile mills have already been shut down, and cotton production has decreased by over 50% in the past decade, according to the All Pakistan Textile Mills Association (APTMA).

The country is expected to import cotton worth $2 billion this year. The significant decline in cotton production is largely attributed to mushroom growth of sugar mills, particularly those located in Punjab.

Attacks of worms and flies have also affected cotton cultivation. However, due to the efforts of the Punjab Agriculture Department, the cotton crop in the province has been saved from the pink bollworm and other hazardous pests.

According to the sources in Punjab there has been a decline of nine lac and thirty one thousand acres in the area under cotton cultivation.

The local cotton market witnessed a decline in cotton prices during the past week. The relatively lower cotton prices in countries such as the US and Brazil have led textile spinners to show greater interest in imported cotton. On the other hand, the quality of local cotton is also deteriorating day by day. Furthermore, imported cotton is exempt from taxes, whereas local cotton is subject to an 18% sales tax. This disparity in taxation is making imported cotton a more attractive option for textile spinners, adding to the woes of the local cotton industry.

The quality of local cotton is falling, which is being seen as an indication of a declining crop. Meanwhile, the problems plaguing the textile sector remain unresolved, with no significant progress yet in sight. Furthermore, the financial crisis is intensifying, posing additional challenges for local spinners.

The import of cotton yarn in large quantities is also exacerbating the situation, and to make matters worse; this import is also exempt from sales tax. This has created an uneven playing field for domestic cotton producers and spinners, who are already struggling to compete with cheaper imports.

The figures, released by Pakistan Cotton Ginners Association, show that by 15 November 2024, cotton arrivals totalled only 4,893,948 bales, reflecting a sharp 33.61% decrease from the 7,370,624 bales recorded on the same date in 2023.

The cotton production is expected to be around sixty to sixty five lac bales.

The rate of cotton in Sindh as per quality is in between Rs 16,209 to Rs 17,500 per maund. The rate of Phutti is in between Rs 6,000 to Rs 8,500 per 40 kg.

The rate of cotton in Punjab is in between Rs 17,200 to Rs 17,500 per maund. The rate of Phutti is in between Rs 7,000 to Rs 9,000 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,200 to Rs 18,500 per maund. The rate of Phutti is in between Rs 7,400 to Rs 9,200 per 40 kg.

The rate of Balochi Cotton is Rs 18,500 per maund while the rate of Primark cotton is Rs 18,800 per maund.

The Spot Rate Committee of the Karachi Cotton Association decreased the spot rate by Rs 300 per maund and closed it at Rs 18,800 per maund.

Karachi Cotton Brokers Forum Chairman Naseem Usman has said that international cotton market prices have seen an increase. The price of New York cotton for December delivery was in between 70 and 71 cents per pound.

According to the USDA's weekly export and sales report, for the year 2024-2025, a total of three lac and eighteen thousand and five hundred bales were sold.

Vietnam is at top with one lac and forty one thousand and six hundred bales, followed by Pakistan with fifty five thousand and three hundred bales, and Turkiye is on number third with twenty three thousand and two hundred bales.

For the year 2025-2026, sixteen thousand bales were sold, with Turkiye topping the list with nine thousand and seven hundred bales, followed by El Salvador with five thousand and three hundred bales.

Pakistan's domestic cotton production is failing to meet the country's needs. Factory owners are shutting down their factories in Pakistan and setting up textile units in Bangladesh instead. Cotton farmers in Pakistan are not receiving fair prices and facilities, resulting in a significant decline in production, with only around fifty lac cotton bales produced this year.

Every year, the production is decreasing, and the country is forced to import cotton to meet its needs. According to APTMA Chairman Kamran Arshad, Pakistan's textile industry relies heavily on imported cotton. The industry requires around one Crore cotton bales annually, but the production is only around seventy to ninety lac-9 bales. This year's production has been even lower.

The difference in production is being met through imports, as there is no other solution. Pakistan's cotton production has been declining every year for many years. In 2012, the production was one Crore thirty five lac bales, which was more than the country's total requirement. However, over the past decade, the production has decreased by fifty percent instead of increasing.

Pakistan's textile industry lacks the facilities and incentives that are available in other countries. The main reasons for the decline of the textile industry are expensive electricity, gas shortages, high interest rates, and lack of policy continuity. Electricity and gas rates should be made at par with the global rates. However, the electricity available in Pakistan is the most expensive in the world, costing around 15 cents per unit, whereas Bangladesh, India, and China offer electricity at 9 cents per unit. In such a scenario, Pakistan cannot compete with other countries, and it has become almost impossible for our industry to operate. This is why 125 textile mills have already been closed down this year, and more will shut down next year. In 2020, the electricity price was fixed at 9 cents per unit, which enabled the Pakistani textile industry to operate at full capacity, making us one of the leading countries in exporting textile products worldwide.

The significant decline in cotton production is largely attributed to the sugar mills in Punjab. Most of these sugar mills are located in districts where cotton was previously cultivated, but after their establishment, cotton cultivation has decreased, and sugarcane cultivation increased in these traditional cotton belt areas.

However, this trend has further shifted, and in the past year, a significant increase in the cultivation of maize and rice has been recorded in these districts, replacing cotton and sugarcane. As a result, Punjab has witnessed a decline of nine lac and thirty one thousand acres in the area under cotton cultivation and over three lac and forty one thousand acres in sugarcane cultivation within a year.

In contrast, the area under rice cultivation has increased by ten lac acres, and maize cultivation has increased by one lac and ninety five thousand acres. This shift has led to an increase in smog intensity on one hand, and on the other hand, the textile industry is facing a shortage of raw materials due to the increased cultivation of other crops in districts specifically allocated for cotton production.

Another significant reason for the decline in cotton production is the weakness of the research sector in this regard. The Pakistan Central Cotton Committee has been functioning since 1948. Under this institution, Cotton Research Institutes are established in Multan, Sakrand, and Karachi, while research stations are set up in Bahawalpur, Ghotki, Sahiwal, Sibi, Dera Ismail Khan, Lasbela, and Mirpurkhas.

Despite this, the institution has failed to achieve significant success in increasing cotton production and quality or protecting the cotton crop from the effects of climate change.

Thanks to the efforts of the Agriculture Department in Punjab, it has been possible to protect the cotton crop from hazardous pests, including the pink bollworm. According to Israr Rashid, Assistant Director of the Plant Protection, Pest Warning, and Quality Control of Pesticides, Agriculture Department Faisalabad, research worldwide has proven that integrated and interlinked strategies in the agricultural sector yield the best results.

Therefore, if solid planning is done for the future in this world of research and exploration, achieving difficult goals also becomes possible. Furthermore, to achieve further increases in cotton yield per acre and to obtain the best price in the future, it is essential to develop a comprehensive plan of action. In light of the recommendations of researchers, the Agriculture Department has formulated a comprehensive strategy to achieve better yields for the upcoming cotton crop, known as off-season management.

However, off-season management is crucial after the last picking of cotton, and this year's off-season management has yielded excellent results. Cotton plays a vital role in Pakistan's agriculture and economy, with around 80% of the country's total cotton production coming from Punjab.

To achieve better cotton yields, various factors and stages are crucial. For instance, during the winter season, effective strategies can be employed to protect future cotton crops from pink bollworm damage. This pest typically enters a dormant state in November and spends the winter on seeds, stubble, and leftover cotton balls, as well as in the waste of ginning factories.

The emergence of pink bollworms from hibernation depends largely on temperature, and as soon as the suitable temperature is available, the worms start to emerge, causing damage to the crop. He advised farmers to adopt the following strategies during the winter season to protect the upcoming cotton crop from pink bollworm damage.

After completing the picking, farmers should thoroughly remove small and affected cotton bolls, then spread them in the sun, and after they are fully dried, separate the lint and burn the remaining material. Similarly, farmers should let sheep and goats graze in the fields after the last picking, so that the raw cotton bolls can be consumed by the animals, leading to the elimination of pink bollworm larvae.

It is advised that in fields where the cotton crop has been attacked by pink bollworms, the fallen cotton bolls should be destroyed after picking to kill any remaining worms in the leftover material.

Source: brecorder.com– Nov 25, 2024

HOME

****

Pakistan: Textile exports up by 10.44pc to $6.14b in four months

Textile exports witnessed an increase of 10.44 percent during the first four months of the current financial year (2024-25) as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported.

The textile exports from the country were recorded at $6,146.105 million during July-October (2024-25) against the exports of $5,565.058 million during July-October (2023-24).

The textile commodities that contributed in trade growth included cotton cloth the export of which increased by 5.25 percent to $679.427 million from $645.535 million while the export of knitwear surged by 18.69 percent to $1,759.991 million from $1,482.862 million. The other commodities that witnessed growth in trade included bed wear, the export of which rose by 13.17 percent to $1,069.690 million from $945.181 million, towels by 5.47 percent to $356.461 million from $337.987 million, tents, canvas, and tarpaulin up by 7.02 percent to $ 40.412 million this year compared to the exports of $ 37.763 million last year.

Similarly, the export of readymade garments grew by 25.40 percent to $1,358.890 million from $1,083.679 million, art, silk and synthetic textile rose by 12.26 percent to $131.614 million from $117,241 million, made up articles (excl. towels and bed wear) increased by 12.46 percent to $263.777 million from $234.555 million while the export of other textile materials surged by 7.48 percent to $252.630 million from $235.054 million. The textile commodities that witnessed negative trade growth included cotton yarn, the exports of which declined by 45.49 percent, from $407.564 million to $221.759 million whereas the export of raw cotton dipped by 100 percent from 23.346 million to zero export during the months under review.

Meanwhile, on year-on-year basis, the textile exports witnessed an increase of 13.11 percent during October 2024 as compared to the same month of last year. The textile exports from the country during October 2024 were recorded at $1,625.782 million against the exports of $1,437.287 million in October 2023.

On a month-on-month basis, the textile exports from the country however witnessed a nominal decrease of 1.30 percent during October 2024 as compared to the exports of $ 1,604.856 million recorded in September 2024, according to the data.

Source: nation.com.pk– Nov 24, 2024

HOME

****

Bangladesh: Low wages and production pressure impact garment workers: Study

Low wages, coupled with a constant pressure to maintain production rates, have led to negative ripple effects on garment workers in Bangladesh like dependency of overtime, indebtedness, health hazards and lack of access to basic services, according to a latest study.

Despite being one of the EU's key apparel suppliers, most garment workers here earn wages far below what is needed to cover their basic living expenses, it said.

The new report published from Swedwatch on Thursday also highlighted the devastating consequences of low wages, revealing how the lack of bargaining power, exacerbated by pressure from global buyers, leaves workers heavily dependent on overtime pay and trapped in a cycle of chronic debt.

Bangladesh is Sweden's second largest supplier of textile and clothing following China with imports valued around 8.8-billion SEK in 2022, according to the report.

Swedwatch is an independent and non-profit research organisation safeguarding human rights and environment in business.

Swedwatch's on-site research was conducted in May 2023 in the major garment production hubs of Dhaka, Ashulia and Tongi in collaboration with the Awaj Foundation, an organisation dedicated to advocating for workers' rights in the garment sector.

According to the report, the recent increase in the national minimum wage from Tk 8,000 to Tk 12,500 (€94) per month still leaves workers earning only 38 per cent of what would be considered a living wage.

This wage is also significantly lower than Tk 23,000 (€198) demanded by workers, unions and international organisations, including unions affiliated with IndustriALL Global Union Bangladesh.

This means that essential needs like food, adequate housing, healthcare, and education for their children remain unaffordable for many, reinforcing cycles of debt and exploitation.

Long working hours and excessive overtime are a major concern among Bangladesh's garment workers, it said, adding that under pressure from global buyers to meet production targets and unreasonable deadlines, factory owners often impose 12-16-hour shifts, seven days a week.

"Workers have limited options and accept these excessive hours. A declining proportion of their so-called 'basic salary' has forced them to rely on overtime, while refusal may lead to punishment," the report says.

All of this takes a heavy toll on their well-being, with many workers reporting health concerns such as stress-related illnesses, depression and fatigue, it said.

The minimum wage in Bangladesh consists of a range of elements, including a "basic salary" with allowances for health, housing, transport and food.

The basic salary percentage is especially important for workers as their overtime payment, bonus, yearly pay rise and all other bonuses and benefits, including maternity payments, are calculated based on this basic salary amount.

Moreover, low wages leave workers no option but to accept overtime while basic payment-the main determiner to pay overtime-has been decreasing over the years.

The basic payment of garment workers in Bangladesh has declined by 14 points as the fundamental pay now constitutes to 53.6 per cent of the total minimum monthly wages of Tk 12,500 fixed in 2023.

The basic pay was 67.67 per cent of the minimum wage of Tk 1,663 fixed in 2006, according to the report.

Garment workers in Bangladesh remain trapped in an exploitative system that deprives them of the ability to meet their basic needs. Decades of activism and corporate pledges have yet to secure a so-called living wage - a fundamental human right - for these workers.

"With global brands sourcing garments from Bangladesh facing stricter human rights requirements, they have no excuse but to take an immediate and decisive action aimed at improving workers' access to living wages," says Sofia Käll, programme officer at Swedwatch, who conducted the research in Bangladesh.

The report recommended that global brands should enhance their due diligence efforts by meaningfully engaging with garment workers, unions and non-governmental organisations (NGOs) to address adverse impacts, adopting responsible purchasing practices to prevent wage suppression and ensure worker wellbeing, promoting supply-chain transparency, providing accessible grievance mechanisms and staying engaged to support suppliers and living wages.

Swedwatch called upon EU member states and global brands to unlock the full potential of the CSDD (Corporate Sustainability Due Diligence) directive by guaranteeing fair wages and safe working conditions.

Source: thefinancialexpress.com.bd– Nov 24, 2024

HOME

****

Following Months of Unrest, Bangladesh RMG Sector Looks to the Future

At Sourcing Journal's annual fall summit, Bitopi Group managing director and BGMEA support committee member Miran Ali said the trade group, which represents thousands of factories, is "going to reform everything"— and it's not stopping at the RMG industry.

"We are changing the constitution, the judiciary, the civil service, the police, every aspect of life in Bangladesh will be reformed and will be representative of the constituents that it's supposed to represent," he said.

Student protests erupted across Bangladesh in June over demands for changes to quotas in government jobs, and that civil unrest led to a heavy-handed response from law enforcement and the country's military. Hundreds of individuals lost their lives in these skirmishes, and demonstrations boiled over into a total uprising against the Bangladeshi government, culminating in the ousting of Prime Minister Sheikh Hasina in August.

"We needed this change. We needed to get freedom," Ali said. "Most of the population of Bangladesh is below the age of 24; these are people who have grown up… living under the oppressive dictatorship of the previous regime for 17 years."

"What we have right now in Bangladesh is a post-revolutionary society we are building—we are actually building a new country," he added.

A leadership shakeup at BGMEA (led by Bangladesh's Ministry of Commerce, which ordered the group to dissolve its board) led to the placement of Md. Anwar Hossain, vice chairman of the Export Promotion Bureau, as administrator in October. He was tasked with initiating a free, fair election within 120 days to solidify the power transfer.

"Mr. Anwar is here as a symbol of the fact that the interim government of Bangladesh is fully in support of our industry, and the fact that… industry and government will work together in making the necessary reforms," Ali said.

Hossain took the stage at the Sourcing Journal fall summit to speak to the roadmap for the months ahead.

"As administrator, my role is to collaborate and facilitate a smooth transition to new leadership that can actually complete the reform agenda we are facing right now," he said. He is relying on 10 advisors from the industry and discussions with brands throughout the country to inform a strategy that will prioritize the country's RMG sector, which accounts for 82 percent of Bangladesh exports and "a huge contribution to our economy."

Despite headwinds like production delays from curfews and unrest, ongoing garment worker demonstrations and a monsoon that caused shipping disruptions over the summer, Bangladesh's RMG sector is still in growth mode, according to Hossain.

The industry saw 23-percent year-over-year export growth between October 2023 and October 2024, he said. During the period between July and October 2023, RMG accounted for $11.5 billion in exports. One year later, that figure grew by nearly $1.3 billion to $12.8 billion during the same three-month period.

Ali said that while Bangladesh is just beginning to emerge from the upset of the past several months, he is confident in a return to normalcy.

"One of the challenges is that when you when you have a repressed society that suddenly gets complete freedom, there will be a period of disruption," he said. "I would say, considering the national trauma that our country has gone through over the over July and August and the last 17 years, we are remarkably stable."

"As a matter of fact, the unrest that has happened is scattered, not a generalized problem. It is a specific issue related to individual factories," he added.

With a new labor advisor issuing a stern warning to factories that don't settle their worker dues, Ali said he believes that "any institution, any company where workers are not being paid—the government will start taking action."

There "will be a transition" in attitudes surrounding the treatment of workers under the new government regime, and while it won't put an immediate end to unrest at every factory, new BGMEA leadership and a new relationship with the government could lead to a "period of stability" not seen in recent years, he said.

With domestic labor force issues resolved, the BGMEA will be able to focus on advancing the industry on the global stage, he added. Decarbonization projects for the fashion industry are now taking shape with the buy-in of brands and international organizations.

In September, BGMEA signed a Memorandum of Understanding (MoU) with global nonprofit Cascale to promote socially and environmentally responsible practices within the apparel sector. Meanwhile, brands like Bestseller, H&M Group, Gap Inc. and Mango this year signed onto The Future Supplier Initiative, which aims to help suppliers in Bangladesh decarbonize their operations through transitions to low-carbon technologies and renewable energy.

“Until today, everything that has happened in the supply chain, whether it’s minimum wages or working hours or anything else, it’s usually top down. Customers would tell us ‘I want this and I want that,’ but you never really hear suppliers speaking back to you,” Ali said.

“Bangladesh is now transitioning away from the way we were when we used to hear what you had to tell us, and now we have something to say to you as well,” he added. “We will be demanding a different behavior. We will be demanding a more responsible behavior.”

Source: thefinancialexpress.com.bd– Nov 24, 2024

HOME

****

NATIONAL NEWS

India-UK FTA talks likely to restart in January amid complex issues

India and the UK could resume free trade agreement (FTA) negotiations as early as January, although reaching a consensus on issues such as modern trade topics — labour and environment — and a social security pact remains tricky.

While the FTA talks will “resume discussions based on the progress achieved previously”, some agreements made by the previous government under Rishi Sunak may not resonate with the new British government, sources familiar with the matter told Business Standard.

For instance, during the FTA talks, the Labour Party government in Britain is likely to seek commitments on modern trade issues like labour and the environment. India, on the other hand, has been pushing hard for these chapters to be “best endeavour” in nature, avoiding binding commitments.

The new government led by Keir Starmer is also in favour of the rollout of the carbon border tax, which India has vehemently opposed, instead bargaining for relief measures as part of the FTA.

“The UK announced the rollout of the carbon border tax under Sunak. It may be equally or more difficult for India to secure relief under the current government,” one of the sources said.

Biswajit Dhar, a distinguished professor at the Council for Social Development, said that issues like labour and the environment rank high on the UK’s trade agenda.

“In Western Europe, there has been a trend towards enforcing labour standards. This began when the UK was part of the European Union. There is also a move towards developing due diligence laws for supply chains, which countries like Germany and France have already initiated.

This is part of the broader agenda of developed nations. Even the Indo-Pacific Economic Framework for Prosperity is moving in this direction,” Dhar said.

Developed countries, unable to implement these measures multilaterally, are advancing them through bilateral FTAs, he added.

Last week, India and the UK announced that FTA talks will resume next year, following a pause due to general elections in both countries. The announcement came after a meeting between Prime Minister Narendra Modi and his British counterpart Keir Starmer on the sidelines of the Group of Twenty summit in Brazil. This was the first meeting between the two leaders.

India and the UK have been negotiating a trade agreement since January 2022, with 14 rounds of negotiations held so far.

Despite progress, a proposed social security agreement (SSA) — a key demand for India — remains a sticking point in the trade deal.

“A social security pact will continue to be a tough call for the new UK government, as it is a politically sensitive matter,” one source said.

SSAs are bilateral agreements designed to protect the interests of skilled, professional cross-border workers by ensuring social security contributions are not paid in both countries or doubly charged.

Another contentious issue has been the proposed bilateral investment treaty (BIT), particularly regarding dispute resolution. “While the previous UK government wanted to finalise both the FTA and BIT simultaneously, it remains to be seen if the current administration prioritises this in the same way,” the source added.

Other areas of dispute include India’s demands in the services sector, such as the movement of skilled professionals, and the UK’s requests for reduced tariffs on whisky and automobiles. The UK is also pushing for greater access to India’s legal, architecture, and financial services sectors.

Speed bumps ahead

- Some matters agreed upon by the erstwhile Rishi Sunak government may not resonate with the new government in Britain

- The Labour Party government in the UK may expect commitment on modern trade issues like labour and environment

- The Keir Starmer-led govt is in favour of the rollout of the Carbon Border Tax, which India has been vehemently opposing
- During April-September, India's export basket to the UK was led by mineral fuels, machinery, precious stones, pharmaceuticals, apparel, iron and steel, among others

Source: business-standard.com– Nov 24, 2024

HOME

****

Textiles sector poised for a big growth

Globally, the size of the textile trading industry is estimated at $800 billion, with India's export contribution being around $35 billion. Recently, the government of India announced a road map for the industry to reach $100 bn by 2030, implying a 19% CAGR over the next six years. This would not only entail investments of close to Rs 200,000 crore, but also generate direct employment for 3 million people.

Between 2001 and 2014, the sector witnessed a 9% CAGR. However, over the past 10 years, textile exports from India stagnated due to the expiry of the EU trade treaty, COVID and high channel inventories. While growth aspirations may look stretched, besides 'China plus one', two key catalysts – PLI and FTA with the EU/UK – could help India achieve its lost glory in textiles.

India emerging as a strong player: MNCs are now increasingly looking to diversify their supply lines away from China due to geopolitical tensions as well as high labour costs.

This has led to a potential shift of exports from China towards other countries. Some of the biggest global brands have already begun reducing their exposure to China. We believe India's competency across factor cost and a well-established textile ecosystem (across cotton segment) will allow it to benefit from the 'China plus one' theme.

Despite Bangladesh being a very strong player in garments trade due to FTAs and low labor costs, the recent political turmoil may force retailers to evaluate other options, with India once again emerging as a country of choice.

Apparels and home textiles to lead the way: Within the textile sector, we remain most excited about garmenting and home textile space rather than the commodity-based weaving, spinning and yarn manufacturers who are prone to cyclicality.

What excites us about garmenting is global retailers looking to diversify away from China and now Bangladesh as well, along with vendor consolidation.

This means certain large garment manufacturers will get disproportionate share in contracts, with Indian companies being already strategically positioned with retailers. Moreover, technical textiles, used in human protection (for doctors, fire fighters, Army), industrial belting, ropes etc, are growing at a fast pace owing to domestic demand and export opportunities. Building blocks in place to create a strong garmenting industry: Garment is a labour-intensive industry and has been fragmented with no company with above $1.5 bn in revenue.

To attract investments and generate employment, certain states are providing labour subsidies to companies and trying to provide a holistic ecosystem for manufacturers. We are also witnessing a trend towards consolidation, wherein larger manufacturers are acquiring good production facilities or companies with diverse client bases. Such M&As help companies offer a wider product boutique, cross-sell their offerings, negotiate better with customers and vendors and ultimately become a supplier to MNC retailers.

FTAs with UK and EU could be a game changer: Currently, India does not have FTAs with Europe and the UK. As a result, due to higher import duty, India's share in readymade garments and home textiles has been negligible in these countries. With FTA negotiations in the final round, opportunities emerge as a whole new market opens up for home textile and garment players.

Similarly, the government's focus on PLI schemes and incentivising the textile industry, creating an ecosystem for textiles, will help companies achieve the target set by the Centre. Financials to improve as opportunities galore: The combined EBITDA of the textile sector in India grew at a 9% CAGR over the past decade. With focus on manufacturing, especially on garments, home textiles and technical textiles, we believe the sector can grow faster.

Over the next few years, we believe certain pockets in the textile sector will offer wealth creatin opportunities and prefer integrated companies or companies which are up in the value chain (garments, home textiles) vs pure yarn and fabric manufacturers.

Source: financialexpress.com– Nov 24, 2024

HOME

****

Europe boosts Indian textile exports in FY25

Indian textile exports are showing signs of recovery in 2024-25, with demand from European markets playing a crucial role in boosting figures, according to data from the ministry of commerce and industry. Exports to Europe during the April-October period reached $5.66 billion, marking a 6.39% increase compared to $5.32 billion in the same period of FY24.

However, the numbers still fall short of the $5.84 billion achieved during FY23, the commerce ministry data showed, highlighting recovery challenges despite growing interest in Indian textiles across key European nations.

According to the Niryat portal of the ministry, ready-made garments (RMGs) led the surge, contributing $3.18 billion. Cotton yarn, fabrics, made-ups, and handloom products followed, accounting for $1.10 billion.

The demand for textiles during the first seven months of the current fiscal was strong from Germany, Italy, Sweden, Finland, Switzerland, Turkey, Latvia, Austria, Greece, the UK, Poland, the Czech Republic, and Slovenia.

In 2023-24, key markets included Sweden, the Czech Republic, Bulgaria, Switzerland, Finland, the Netherlands and Ireland, while new traction emerged from Austria, Greece and Slovenia.

Europe's share in India's textile exports stood at $9.66 billion in FY24, representing 28.08% of the total $34.40 billion, down from FY23, when Europe accounted for $10.48 billion or 29.48% of the total $35.55 billion. In FY25 (April-October), Europe contributed $5.66 billion, or 27.34% of the total

$20.70 billion in India's textile exports.

"The increased demand for Indian textiles in European markets can be partly attributed to the ongoing crisis in Bangladesh. Political instability, labour unrest, and supply chain disruptions there have driven European buyers to seek alternative sourcing options," said Rahul Mehta, chief mentor, Clothing Manufacturing Association of India (CMAI).

"While there is an improvement, we should not get overly excited as the performance is still slightly below what the sector achieved in 2023," Mehta added.

As per the commerce ministry's India Brand Equity Foundation (IBEF), the market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach $350 billion by 2030. Moreover, India is the world's third largest exporter of textiles and apparel and ranks among the top five global exporters in several textile categories, with exports expected to reach $100 billion by 2030.

"As India's textile exports grow by 7% during April-October FY25, this jump highlights the sector's agility in adapting to evolving global dynamics and the crucial role of maritime and logistics in enabling seamless trade," said Jitendra Srivastava, CEO of Triton Logistics & Maritime, a logistics arm of Abrao Group.

Source: pressreader.com– Nov 23, 2024

HOME

****

Major port cargo contracts 3.2% to 68 mt in October, shows govt data

Central government-owned ports, also known as major ports, recorded a rare 3.2 per cent year on year (Y-o-Y) contraction in their cargo volumes during October, primarily due to a fall in crude oil and coal shipments, according to government data.

Traffic handled at the 12 major ports decreased last month to 68.22 million metric tonnes (mmt). Approximately, a fourth of this cargo arrived through coastal shipping.

Overseas cargo handled by these ports decreased by 5.5 per cent to 52.9 mmt in October, while domestic cargo shipped through coastal waters increased by 5.3 per cent on-year to 15.9 mmt.

Crude Oil, which accounts for almost a fifth of the entire traffic, contracted in volumes by 8.8 per cent to 12.9 mmt, while overall volumes of petroleum products also fell, the data reveals.

Coal, also among the largest revenue generators for ports, showed a Y-o-Y contraction of 13 per cent, led by a large fall in non-thermal coal cargo.

October typically sees higher movement of goods due to increased consumer spending in the festival season. Container volumes at state-owned ports in October remained flat (-0.2 per cent).

In contrast, India's merchandise exports showed a 28-month fastest pace of growth at 17 per cent, primarily led by inventory build-up in the West as the Christmas and New Year season approaches.

Additionally, privately-owned ports in the country recorded a 5.7 per cent growth in cargo volumes at 64.2 mmt with a 5 per cent growth in export-import (Exim) cargo.

Handling of containers at private ports also increased by 21.5 per cent to 13.3 mmt, a sign that these ports gained more from the festival season rush.

So far in 2024-25, India's largest private port operator Adani Ports and Special Economic Zone handled 257.7 mmt of total cargo – a Y-o-Y growth of 8 per cent. This growth was supported by containers, up 19 per cent Y-o-Y, followed by liquids and gas (9 per cent), the company told exchanges earlier this month.

The government collects data from its 12 major ports and 65 non-major (private/state government) ports under 10 State Maritime Boards and Directorates of Ports. Among these, Kolkata Port recorded a 25 per cent fall in cargo, with Visakhapatnam Port's volumes down by 15.5 per cent in October.

So far in FY25, traffic at major ports has increased by 3.9 per cent to 481 mmt.

	Overseas Cargo		**Coastal Cargo**	
Major Port	**October 2024 (in mmt)**	**Change (in %)**	**October 2024 (in mmt)**	**Change (in %)**
Kolkata	4	-28	0.3	2.1
Paradip	6.7	7.8	5.1	4.4
Vizag	4.5	-24	1.6	23.9
JNPT	7.2	1.9	0.5	2.8
Deendayal	10.8	2.5	1.1	-2.6
Total	**52.3**	**-5.5**	**15.9**	**5.3**

Note: Total may not add up as the chart takes five largest of the 12 major ports

Source: Ministry of Ports Shipping and Waterways

Source: business-standard.com– Nov 24, 2024

HOME

****

CBIC should review its MOOWR instructions to ease operations for units

In October 2019, the government introduced much liberalized regulations for manufacture in customs bonded warehouses. Five years later, some problems still persist.

Chapter IX (Sections 57 to 73) of the Customs Act, 1962, deals with warehousing i.e. deferment of import duties on goods deposited in bonded warehouses. Section 58 of the Customs Act, 1962, allows importers to get licenses for private bonded warehouses, where they can store their own goods imported without payment of duties.

The Private Warehouse Licensing Regulations, 2016 (PWLR) prescribe the disciplines for licensing of such warehouses and conditions to be fulfilled by the licensees. Section 65 of the Customs Act, 1962, allows licensing the activities of manufacture and other operations on goods in bonded warehouses.

The Manufacture and Other Operations in Warehouse (No.2) Regulations 2019 (MOOWR) prescribes the procedures and disciplines to be followed by the licensees and the Customs authorities having jurisdiction over the warehouse. The Central Board of Indirect Taxes and Customs has supplemented such legal provisions with useful circulars and frequently asked questions (FAQs).

Any unit seeking a license under MOOWR is first required to get a license under PWLR. The CBIC Circular no.18/2016-Customs dated May 14, 2016, requires the importer to execute a bond for three times the duty on the imported goods at the Customs station of import for clearance of goods under a bill of entry for warehousing and prescribes the formats for a consignment bond or a general bond that could be executed every year.

The CBIC Circular no.34/2019-Cus dated October 1, 2019, prescribes the format of a general bond serving the requirement of both MOOWR and PWLR to be furnished to the Customs authorities having jurisdiction over the premises licensed under MOOWR. The CBIC, however, has not said that a MOOWR unit need not furnish a bond at the Customs station of import.

So, the Customs authorities at the ports/airports continue to insist and take consignment/general bonds from the MOOWR units before releasing the imported goods under bills of entry for warehousing after debiting running bond accounts with thrice the duty amount. They credit such running bond accounts after the MOOWR units submit proof of export of the goods manufactured from the warehoused goods. This procedure works when the all imports of a MOOWR unit take place from only one port/airport.

However, when the imports take place from several pots/airports, a MOOWR unit has to furnish separate utilization statements at different customs stations for taking credit in each running bond account, which is time consuming and costly. So, the CBIC should enforce its instructions asking the MOOWR units to give a single bond to the jurisdictional Customs authorities and allow them to maintain the running bond accounts themselves subject to suitable reporting and audits.

The CBIC Circular no.34/2019-Customs dated October 1, 2019, asks the MOOWR units to pay interest when they clear the imported goods as such in the domestic tariff area, whereas Section 61(2) of the Customs Act, 1962, does not require payment of interest when the imported goods are removed as such by a MOOWR unit.

Source: business-standard.com– Nov 24, 2024

HOME

****

India climbs to second position in emerging markets tracker, led by strong export growth

After falling to the sixth rank in August, India's performance showed improvement in October on the back of reversal in exports growth even as the stock market rout continued. India's economic performance improved significantly among emerging markets' (EM) peers, driven by a remarkable rebound in exports.

Despite a tumultuous stock market and the depreciation of the rupee, the country's growth was fuelled by a 17% year-on-year increase in exports in October, marking a sharp recovery after months of sluggish performance. India secured the second rank last month, steadily improving its position from sixth in August, showed the latest Mint's emerging markets tracker. China reclaimed the first position after a gap of 18 months in October, with its currency and stock market performance best among the peers, bolstered by the country's economic revival package towards the end of September.

In India, while gross domestic product (GDP), purchasing managers' index (PMI) have been doing consistently well, exports growth gave the much needed boost in October.

Exports grew 17% year-on-year in October, as opposed to contraction or tepid growth in the previous four months. Even though the rupee depreciated, its performance was better than currencies of most EM peers. Meanwhile, Thailand slipped to third rank from first position as its stock market performance paled compared to China, despite recording an increase in its stock market capitalisation. Slight deterioration in PMI and exports growth also pulled its ranking down.

Launched in September 2019, Mint's Emerging Markets Tracker provides a summary of economic activity across 10 large emerging markets based on seven high-frequency indicators: real GDP growth, manufacturing PMI, export growth, retail inflation, import cover, exchange rate movement, and stock market. The rankings are provisional as the scores will get updated once all latest data is available.

Source: livemint.com– Nov 25, 2024

HOME

****

The hidden charges in international payments for Indian exporters

India's global services sector is booming, now making up over 40% of the country's total exports. This growth is fueled by tech giants, small businesses, and a freelance workforce of 15 million talented individuals—the fastest-growing in the world.

While this creates huge international opportunities, it also brings a challenge: hidden fees in traditional cross-border payments. These unnoticed costs eat into profits, making it vital for businesses and freelancers to manage global transactions efficiently and stay competitive.

Consider Rajeev Khanna, a freelance software developer who recently landed a USD 5,000 game development project with a U.S. firm. After beating out over 100 applicants and putting in long hours for three intense months, he was thrilled to complete the job. However, his excitement quickly turned to frustration when he saw the payout. Due to unfavourable exchange rates, the amount he received after converting USD to INR was far less than he expected.

After his bank processed the wire transfer, he ended up with just ₹3,91,000—nearly ₹30,000 less than he should have received due to various fees and charges. This situation is all too familiar for many freelancers and small exporters, who often find their hard-earned money shrinking because of hidden fees and poor exchange rates.

The hidden charges in traditional banking systems are numerous and often opaque. Banks charge wire transfer fees ranging from $20 to $75 per transaction for using the SWIFT network. Additional charges include the Foreign Inward Remittance Advice (FIRA) fee and transaction fees, each around $5.

One of the biggest culprits in hidden fees is the forex markup charged by banks. For instance, if the market rate is INR 84 per USD, the bank might offer you just INR 83. This means that for a $10,000 transaction, you would receive only INR 8,30,000 instead of INR 8,40,000. While the difference of INR 10,000 might not seem like much at first, it adds up quickly.

These fees can heavily impact small exporters and freelancers, cutting into their profits and creating cash flow problems—particularly for those working on tight margins. Additionally, because banks are often legacy institutions, they may take several days to settle payments and provide the necessary compliance documents. This lack of transparency makes it even harder for smaller businesses and freelancers to plan ahead, as they often rely on timely payments to keep their operations running smoothly.

In contrast, large exporters manage a high volume of international payments, allowing them to negotiate better exchange rates and lower fees with banks. They also benefit from faster processing times and dedicated banking support. Meanwhile, freelancers and small businesses often struggle with high transfer fees, unfavourable exchange rates, and slower processing times. For many years, MSME exporters and freelancers felt trapped by these challenges, as there were few viable alternatives available. But now, that's changing.

New-age fintech platforms are solving many of the challenges of traditional banking. They've created seamless global payment systems by connecting different national payment networks, so businesses don't have to deal with the hassle of cross-border transactions. These platforms collect payments from clients worldwide and then distribute them to Indian exporters via local banks—either through direct bank transfers or credit card rails.

With new options like UPI emerging, they can easily integrate those too. Exporters can even set up international collection accounts, allowing clients to make local payments, and avoiding the complexity of international transfers. By cutting out SWIFT and other fees, these platforms save exporters money with lower transaction costs and live forex rates. Plus, they offer extra services like reconciliation, invoicing, accounting integration, and compliance management. With real-time tracking of every transaction, businesses get better transparency, security, and compliance.

Global payments are expected to hit $290 trillion by 2030, and emerging technologies are driving rapid changes. While traditional banks are improving their infrastructure, fintech platforms are leading with innovations like virtual accounts, digital currencies, AI, and blockchain. These advancements are helping reduce transaction times and lower costs, reshaping the future of payments.

For Indian exporters and freelancers, choosing the right payment method depends on factors like transaction size, payment frequency, and business needs. Whether using traditional banks or fintech platforms, it's crucial to understand the fees, processing times, and exchange rates to make informed choices and save on international transaction costs.

Source: financialexpress.com– Nov 24, 2024

HOME

****

Demand for Indian cotton emerges as prices drop to ₹53,000 a candy

Cotton prices seem to be bottoming out with some kind of demand kicking in from the spinning mills at the lower end of the prices, trade sources said.

Cotton prices, which had touched a seasonal low of ₹53,000 per candy (of 356 kg) on lack of demand, are ruling steady and gained marginally with the purchases of raw cotton at minimum support price (MSP) by the Cotton Corporation of India (CCI) lending some support.

Raw cotton or kapas prices are ruling between ₹6,500 and ₹7,000 per quintal across the country, much below the MSP of ₹7,521.

Cotton prices are under pressure, despite a lower crop being estimated on fall in acreage this season. The lack of demand from mills coupled with fall in cottonseed prices is weighing on raw cotton prices. Cottonseed prices, which were in the range of ₹3,600-4,100 per quintal across various markets at the beginning of the season, are now down to ₹3,000-3,500 levels on fall in demand.

Good quality

The daily arrivals of the fibre is slowly picking up and is hovering around 1.6 lakh bales. In absence of adequate demand from mills, over half the market arrivals is being procured by CCI at MSP, sources said.

"Of late there is some demand coming in at the lower level prices," said Ramanuj Das Boob, a sourcing agent for multinationals and domestic firms in Raichur. Cotton prices had touched a low of ₹53,000 per candy recently from the seasonal start of ₹57,500 levels and have seen some recovery of around ₹500-1,000 per candy in the past two days. Prices are now ruling at ₹53,000-54,000 per candy.

Das Boob said prices appear to be bottoming out and it's a good level for the millers to purchase at these levels. Since the quality of cotton has been good in Raichur and Adoni regions this year, millers from the North have been buying from the region. In North India, the production was down this year on dip in area.

"Farmers in Gujarat are holding back cotton at the current prices. As a result, ginning activity is slow. Some ginners are getting cotton from Maharasthra and Karnataka," said Anand Poppat, CEO of Cotyarn Tradelink in Rajkot. Poppat futher said prices have bottomed out and unlikely to go down from the current levels.

Slack yarn demand

Das Boob said the buying by mills in South is slow on lack of demand for yarn and tight liquidity. Also, the dip in ICE futures has prompted the multinationals to stay away from the market, he said.

"This season is not in favour of farmers, nor the ginners or the spinning mills. Farmers are reluctant to sell and are waiting for the price to move up," said Pradeep Kumar Jain, President of Khandesh Cotton Gin/Press Owners and Traders Association in Jalgaon.

Kapas prices are ranging between ₹6,500 and ₹7,000 levels in Maharashtra. "Farmers want ₹7,500 or more per quintal, but ginners are unable to pay because of the current market conditions. Difficult to predict the market as there is no support," Jain said.

The Cotton Association of India, the apex trade body for the sector, has projected a 7 per dip in output at 302 lakh bales (of 170 kg each) for the 2024-25 season. CAI has pegged the consumption flat at 313 lakh bales. The cumulative arrivals till Nov 22 stood at over 42.60 lakh bales, per CAI data.

Source: thehindubusinessline.com– Nov 22, 2024

HOME

****

ASEAN-India: Progress in initiating tariff negotiations

Some ground was covered towards initiating tariff negotiations at the ASEAN-India Trade in Goods Agreement (AITIGA) joint committee meeting for review of the bilateral pact, per an official statement.

The eight subcommittees set up to negotiate various aspects of the trade pact also made good progress in textual discussions, the statement added. The areas covered under the subcommittees include market access, rules of origin, SPS measures, standards and technical regulations, customs procedures, economic and technical cooperation, trade remedies, and legal and institutional provisions,

The 6th meeting of the AITIGA Joint Committee and related meetings for discussions on the review of the AITIGA, held from November 15-22 in Delhi, were attended by the chief negotiators and senior officials of all ten ASEAN nations and India.

“This round of AITIGA review negotiations was preceded by two high level meetings, 21st ASEAN-India Economic Ministers Meeting in September 2024 and 21st ASEAN-India Summit in October 2024, both in Vientiane, Laos. The Economic Ministers and Prime Ministers/Leaders during both these meetings urged the AITIGA Joint Committee to expedite negotiations and work towards conclusion of review in 2025,” the statement noted.

Review of the AITIGA

India had been demanding a review of the AITIGA, implemented in 2010, as it resulted in disproportionate gains for the ASEAN countries. While India’s exports to the bloc increased to $41.2 billion in FY 2023-24 from $25.62 billion in FY2010-11, imports from the ASEAN countries shot up to $79.66 billion in FY 2023-24 from $30.6 billion in FY 2010-11.

While both sides had agreed to open their respective markets by progressively reducing and eliminating duties on 76.4 per cent coverage of good under the pact, the ASEAN countries did not take on uniform commitments. India wants countries like Vietnam, that took low commitments in the FTA, to open up their markets to Indian goods much more in the review.

India also wants stringent Rules of Origin (ROO), rules that determine the national origin of a product, to ensure that Chinese goods do not enter India at preferential interest rates by getting routed through the ASEAN nations.

India also convened meetings with Thailand and Indonesian teams on the sidelines for discussion on bilateral trade issues. The Indian and ASEAN chief negotiators from Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam, had a separate meeting to develop a mutual understanding on the issues under discussion and the way forward, the statement said.

Source: thehindubusinessline.com– Nov 23, 2024

HOME

****

Andhra Pradesh to announce new textile policy: S Savita, Minister for Handlooms & Textiles

S Savita, Minister for Handlooms and Textiles, Andhra Pradesh, shares, the TDP Government plans to announce a new textile policy for the state.

The government will also set up a textile park in Yemmiganur as part of the 2015 Independence Day celebrations in order to assist the community of weavers. It has allocated 90 acre for the park, Savita added.

Like many other industries, the textile sector allegedly suffered during the previous YSRCP government. The YSRCP Government set aside nearly 14 acre of the textile park's land for housing projects, causing the beneficiaries to petition the court for a stay in order to preserve the property.

Additionally, the government will also establish textile parks in Rayadurgam, Mylavaram, and Pamidi, etc. It would also create a textile park and a handloom park at Chirala.

The government also aims to raise funds from the Central Government for weavers' welfare, notes Savita. Additionally, it would provide tools with 90 per cent subsidy. The Central Government has also approved funds worth $3.55 million to establish a huge textile park in Dharmavaram, she adds.

Source: fashionatingworld.com– Nov 23, 2024

HOME

****

Uniqlo India to hit Rs 1,000-crore sales milestone this fiscal

A subsidiary of Japan's Fast Retailing Co, Uniqlo India aims to hit the Rs 1,000-crore sales milestone this fiscal year, maintaining its annual growth trajectory of 30 per cent. Kenji Inoue, Chief Operating Officer, says, the company aims to embark on a retail expansion besides increasing local sourcing.

India is a key market for Fast Retailing, which recently reported annual global sales of 3 trillion yen (approximately $20 billion). The company has set its sights on tripling sales to 10 trillion yen in the future, with India playing a crucial role in that strategy. It has been an annual growth of 30 per cent and believes, the Indian market has tremendous potential.

Since opening its first store in India in October 2019, Uniqlo has expanded its footprint to 13 locations. By Nov'24-end, this will increase to 15 stores, with new outlets launching in Mumbai's Phoenix Palladium and West Delhi.

Uniqlo India reported a 31 per cent rise in revenue to Rs 814.84 crore and a 25 per cent increase in profit to Rs 85.17 crore for the financial year ending March 31, 2024. The company has achieved profitability within three years of starting operations in India, reaching that milestone in FY'22.

When asked about reaching the Rs 1,000-crore target, Inoue confirmed the company's ambitions, noting that the success of new stores like the one at Phoenix Palladium will be instrumental.

Uniqlo India also aims to enhance its local production by sourcing 18 per cent of its products locally by 2025, as against the current 15.5 per cent. Inoue emphasised the company's dedication to 'producing global standard goods in India' and meeting local sourcing requirements as part of their expansion strategy.

With its growth not limited to the Northern and Western regions, the company is focusing on South India as it aims to ensure that the quality of service and product mix in each store aligns with customer expectations, Inoue explains.

In addition to its physical stores, Uniqlo is expanding its digital presence. Currently, 15 per cent of its sales come from the official online platform, Uniqlo.com, which reaches 17,000 pin codes across the country. The company intends to continue strengthening its online sales through its website and mobile app.

Uniqlo is the largest brand in the Fast Retailing Group, which is based in Tokyo and includes other brands like GU, Theory, PLST, Comptoir des Cotonniers, Princesse tam.tam, J Brand, and Helmut Lang. With India's growing consumer base and its emphasis on quality and sustainability, Uniqlo is positioning itself as a key player in the Indian fashion market, setting ambitious goals for the future.

Source: fashionatingworld.com – Nov 22, 2024

HOME

****