IBTEX No. 186 of 2024 November 29, 2024

| Currency Watch | | | |
|---|---|---|---|
| USD | EUR | GBP | JPY |
| 84.50 | 89.36 | 107.45 | 0.56 |

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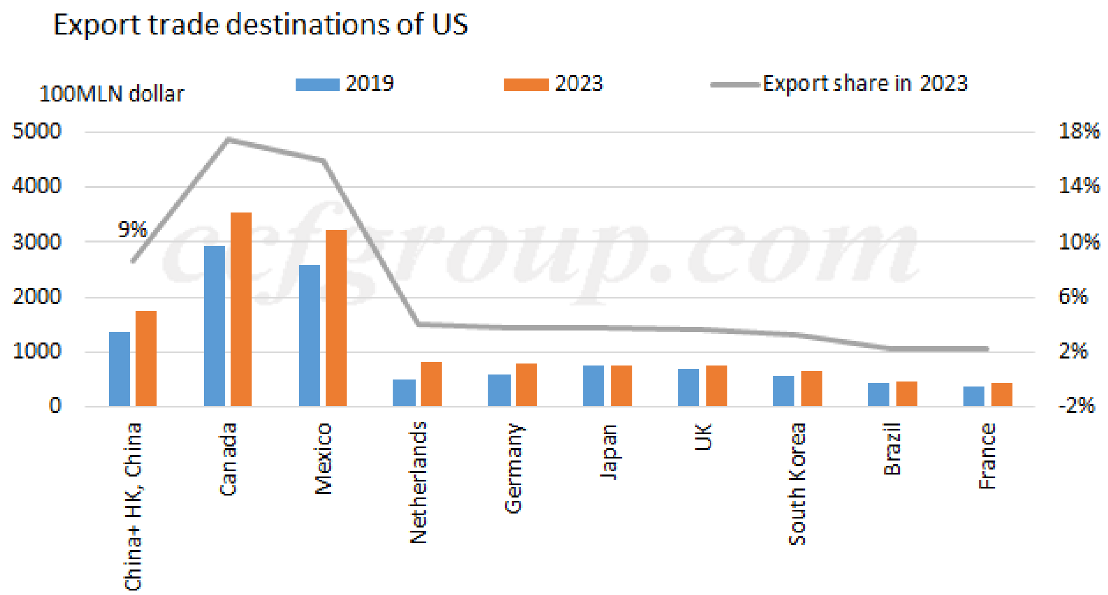
# INTERNATIONAL NEWS

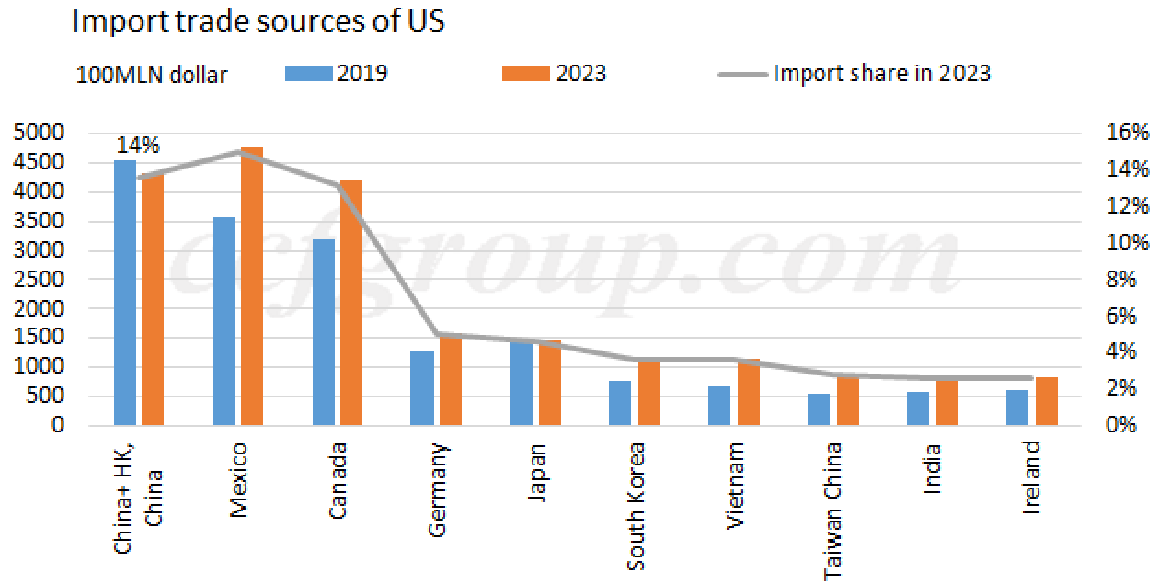
## Will Trump's tariff affect the trade pattern in U.S. and China?

On the morning of the 26th local time, Donald Trump, the incoming U.S. president in 2025, announced on social media that he would impose a 25% tariff on all products entering the U.S. from Mexico and Canada, stating that he would sign an executive order to this effect on his first day in office. He also criticized Mexico for not taking more measures to prevent the influx of undocumented immigrants across their shared border.

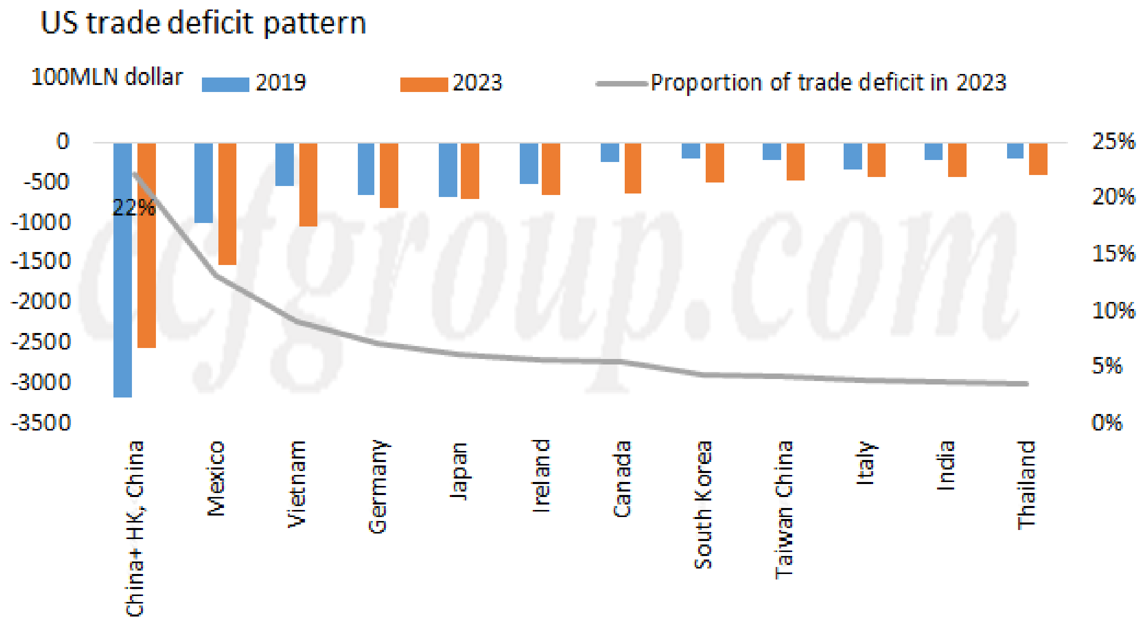
The trade relationship between the U.S., Canada, and Mexico is quite close, ranking first and second in the imports and exports of sovereign nations, surpassing China. In 2023, Canada accounted for 18% of U.S. exports, while Mexico took up 16%; Chinese mainland and Hong Kong together occupied 9%.

For imports, Mexico accounted for 15%, Canada for 13%, and Chinese mainland and Hong Kong for 14%. In terms of total import and export trade volume, both Mexico and Canada represented about 15%, while Chinese mainland and Hong Kong possessed 12%. The countries with close trade relations with the U.S. besides Canada and Mexico include EU member states, the UK, Japan and South Korea.



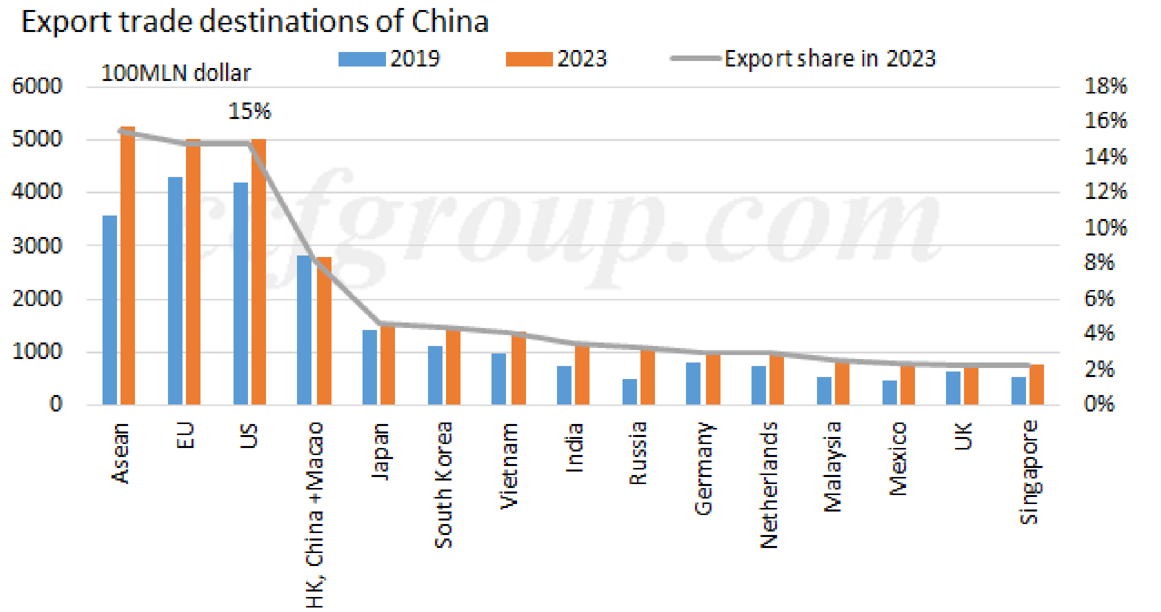



However, when examining the proportion of the U.S. trade deficit, Chinese mainland and Hong Kong together accounted for 22%, ranking first; Mexico accounted for 13%, ranking second; and Canada took up 6%, ranking seventh. The countries ahead of Canada include Vietnam, Germany, Japan and Ireland.

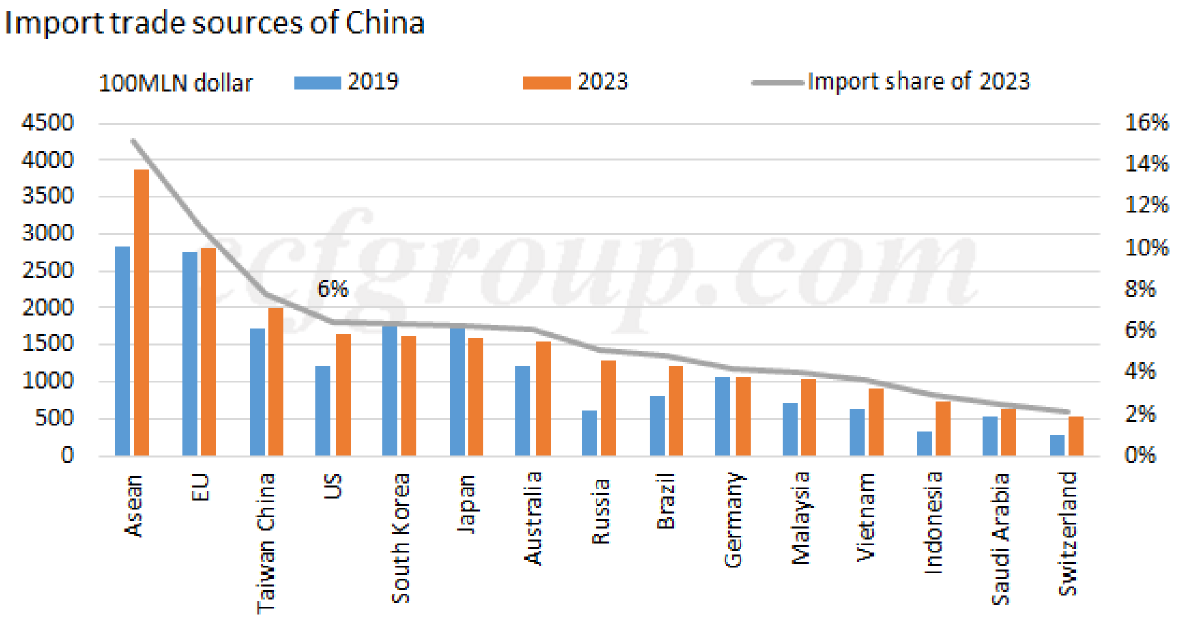



The threat of tariffs against Canada and Mexico may be an effort by the government to balance foreign trade, and amidst political negotiations regarding illegal immigration, there may still be some room for negotiation.

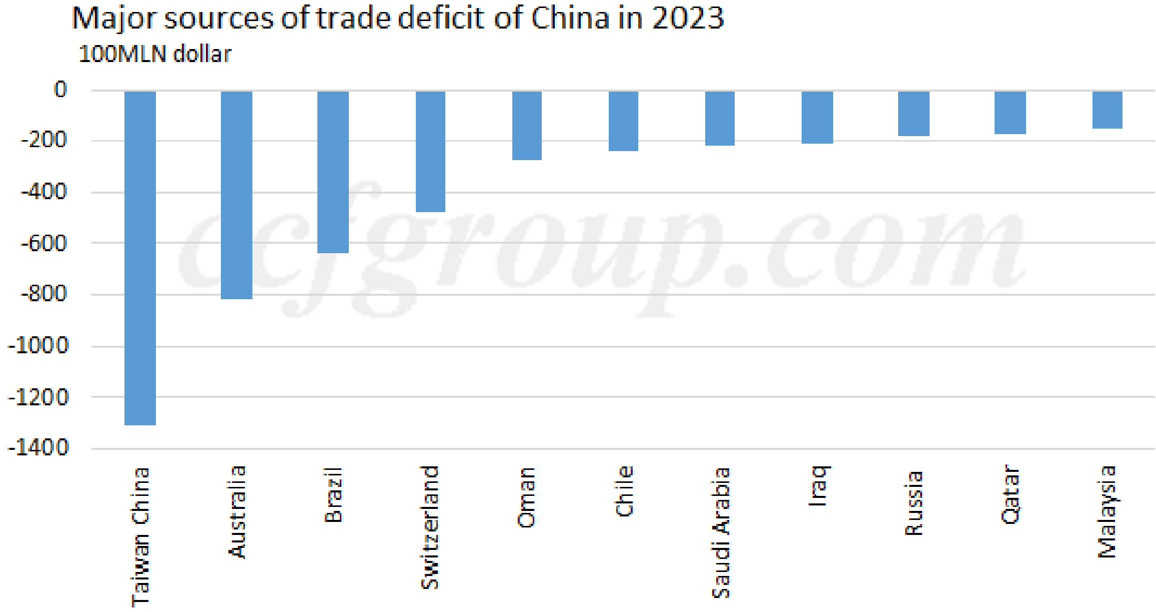
On the same day, Trump also posted on his Truth Social platform about China, stating that an additional 10% tariff would be imposed on products from China.



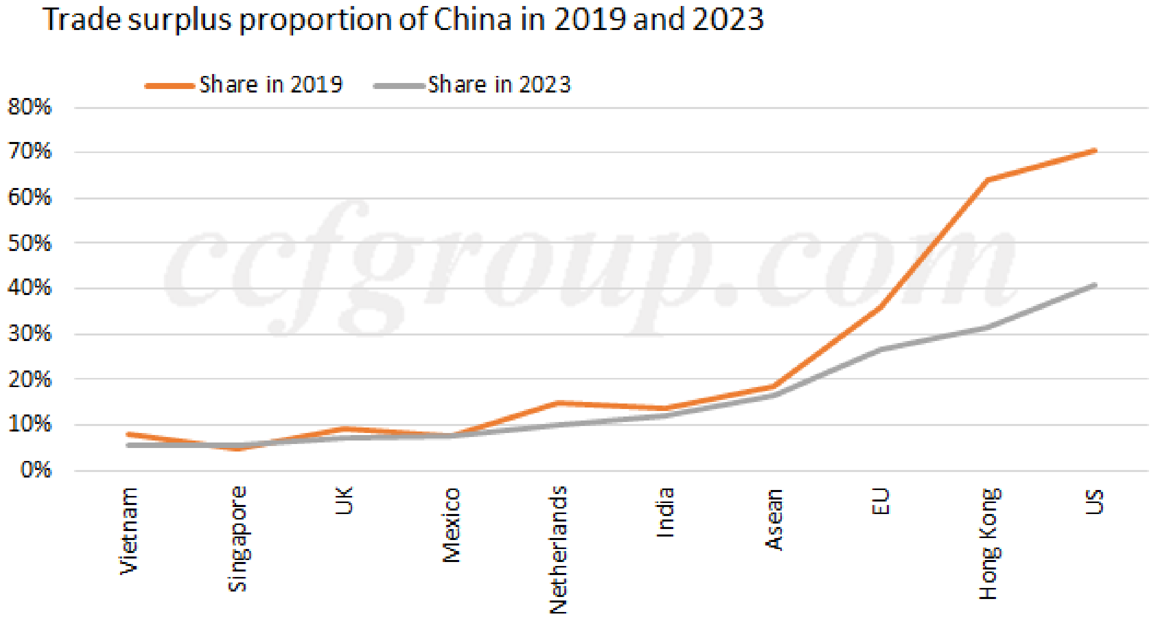

In terms of China's import and export trade patterns, the U.S. was the largest sovereign country for China's exports, accounting for 15%. ASEAN and the EU also each represented about 15%. For imports, the largest source was again the U.S., occupying 6% while ASEAN and the EU accounted for 15% and 11% respectively. In the aggregate import-export trade volume, ASEAN, the EU and the U.S. took up roughly 15%, 13% and 11% respectively.

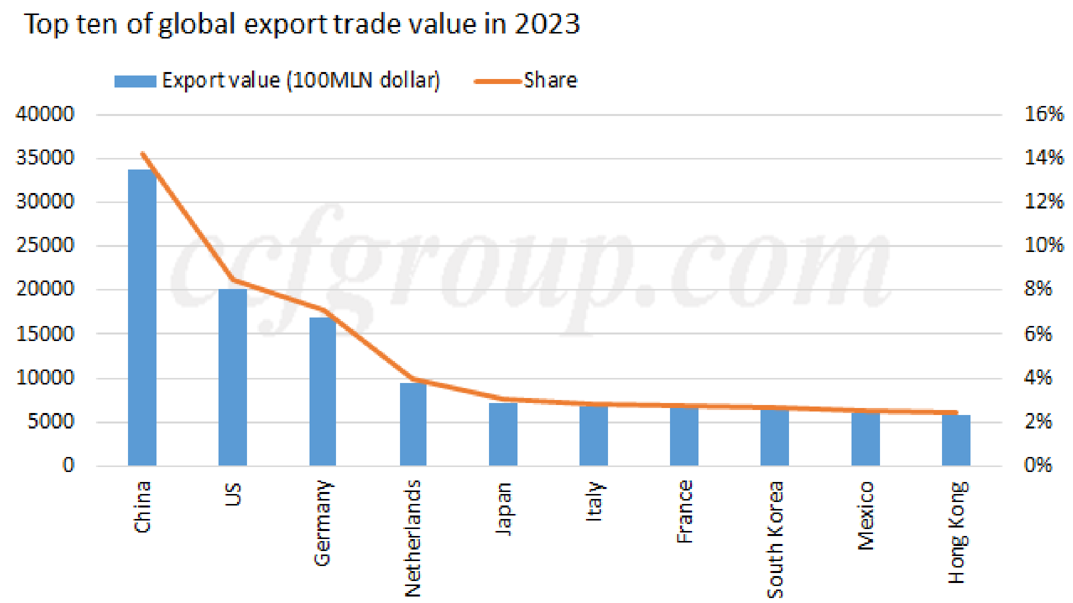


Among the sovereign countries impacting China's trade deficit the most were Australia, Brazil and Switzerland, with deficits of $81.57 billion, $63.31 billion and $48.03 billion respectively. Additionally, Taiwan, China had a significant deficit of $130.75 billion.

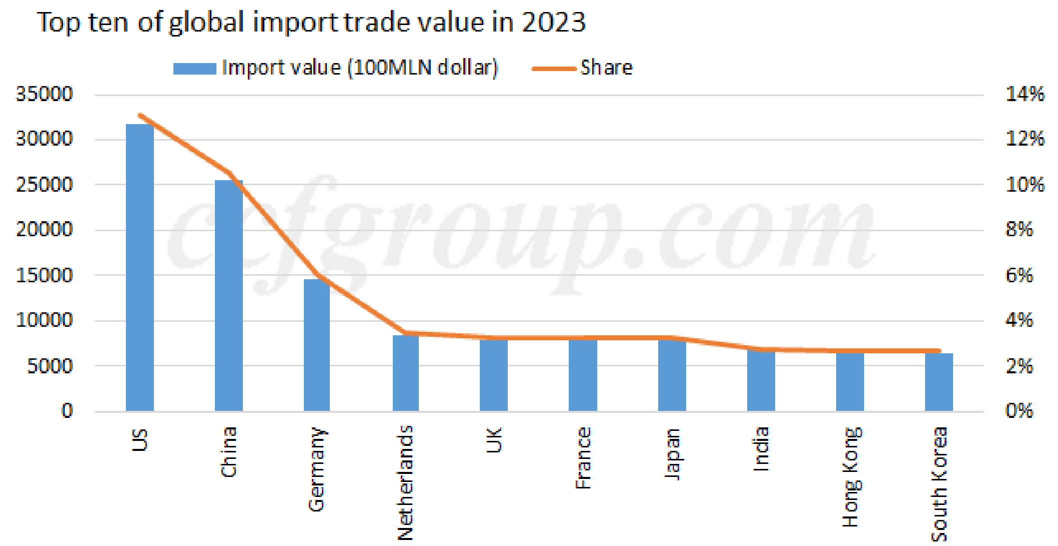



In recent years, the surplus China has with the U.S. and the EU has gradually decreased. China's trade surplus with the U.S. dropped from 70% in 2019 to 41% in 2023, while the surplus with the EU fell from 36% in 2019 to 27% in 2023. Although the proportion with the U.S. is declining, it still holds the top position, indicating that the tariff war of the Trump 2.0 era is likely to have a significant impact on China's external demand.






In terms of global trade volume, China and the United States ranked first and second in exports and imports, respectively, highlighting the significant impact their trade relationship has on global trade. Moreover, China and the U.S. are the largest sovereign nations with trade surpluses and deficits, respectively. When trade conflicts arise between the two, they affect the largest supply and the largest demand in the global market.




During periods of potential conflict between the two, neighboring sovereign countries can act as a buffer zone. For the U.S., this primarily involves Mexico and Canada, while for China, important neighboring regions include ASEAN, Russia, and Central Asia.

Source: ccfgroup.com– Nov 29, 2024

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# Bricks over Clicks: The resurgence of physical stores in the European retail landscape

While the rise of online shopping has undeniably transformed the retail sector, recent trends suggest a shift in consumer behavior. Across Europe, brick-and-mortar stores are experiencing a resurgence proving their enduring relevance in an increasingly digital world. This phenomenon dubbed 'bricks over clicks', is reshaping the retail landscape and prompting businesses to re-evaluate their strategies.

Its bricks over clicks

| Metric | 2022 | 2023 | 2028 (projected) |
|---|---|---|---|
| Number of stores (millions) | 4.92 | 4.9 | - |
| Selling space growth (%) | - | +1% | +2.7% |

One reason for the resurgence of physical stores is that post-lockdowns consumers crave tangible experiences and social interaction, driving them back to physical stores. Meanwhile, experiential retail has gained momentum and retailers are investing in immersive in-store experiences, transforming shopping into a leisure activity. Also savvy retailers are seamlessly integrating online and offline channels, offering click-and-collect, in-store returns, and personalized experiences. And the rise of behemoths like Shein has pushed traditional retailers to innovate and elevate the in-store experience.

Despite an overall decline in store numbers, selling space in Europe is steadily increasing. Euromonitor data reveals.

This indicates that retailers are prioritizing larger, more experiential stores over sheer quantity. For example, Decathlon the French sporting goods retailer has expanded its global network by 80 stores this year, incorporating interactive features like repair hubs, rental services, and play areas. With the bricks and mortar stores gaining momentum Zalando, the German online retailer is now opening physical stores to complement its online presence and counter competition from Shein.

In fact, the presence of physical stores has been shown to boost online sales. As per Deutsche Bank analyst Adam Cochrane, having a physical store can increase online sales by 10-20 per cent within a 20-minute radius. This highlights the synergistic relationship between online and offline channels. Analysts say, consumers are choosing to return to stores as they're rediscovering the leisure aspect of shopping. This sentiment is echoed by Thomas Joekel, a portfolio manager at Union Investment, who emphasizes the importance of human interaction and immediate gratification in the shopping experience.

Therefore, 'bricks over clicks' trend signifies a shift towards a more balanced and integrated retail landscape. While online shopping remains crucial, physical stores are evolving to offer unique and engaging experiences that cannot be replicated online. This omnichannel approach, combining the convenience of online shopping with the tangible appeal of physical stores, is likely to define the future of retail in Europe and beyond.

Source: fashionatingworld.com– Nov 28, 2024

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# UK bizs seriously concerned over Employment Rights Bill: BCC

The British Chambers of Commerce (BCC) recently said UK businesses are seriously concerned over the Employment Rights Bill and the speed and detail of consultation.

The bill includes some of the most significant and wide-ranging changes to employment laws for decades. Major decisions have been taken and written into the bill without detailed consultation with businesses, they allege.

Businesses are keen for further consultation on the new laws that will make the recognition process easier for unions, lower the voting threshold for taking industrial action, and halve the notice period for unions to inform employers they are about to take action.

They feel proposals on zero hours contracts are mainly sensible, allowing workers to enjoy this flexibility when it suits them. But the requirement to offer guaranteed hours after only 12 weeks, could be disastrous for firms who need to respond to seasonal and fluctuating demand.

There are concerns that increased restrictions for firms who need to make changes to the workforce, together with the ramping up of financial penalties for those who make mistakes in the process could be crippling for small and medium enterprises (SMEs), a BCC release said.

The BCC recently gave evidence about all these concerns at a hearing of the bill committee on the proposed changes.

The government's own assessment suggests that the legislation will cost businesses almost £5 billion per year, with SMEs affected the most.

These costs follow a harsh budget for business, where increases in employers' national insurance contributions and the national living wage are set to pile a further cost of over £20 billion on firms.

Source: fibre2fashion.com– Nov 29, 2024

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# Merchandise trade of G20 nations expands in Q3 2024

Measured in current US dollars, G20 merchandise trade expanded in the third quarter (Q3) this year, following mixed performance in Q2, according to the Organisation for Economic Cooperation and Development (OECD).

While G20 exports grew by 0.4 per cent quarter on quarter (QoQ) in Q3 2024, imports increased by 1.5 per cent, largely driven by trade growth in North America and Europe. Merchandise trade in the United States grew significantly for both exports (2.5 per cent QoQ) and imports (3.1 per cent QoQ), fuelled by strong trade in capital goods.

Canada's exports rose by 0.9 per cent QoQ in the quarter, driven by higher sales of mineral products and consumer goods. The European Union saw merchandise exports expand by 1.8 per cent QoQ in Q3 2024 after several quarters of weak growth, with key contributions from Germany and Italy (apparel and food articles).

Germany's imports surged by 3.3 per cent QoQ, led by demand for electrical machinery, apparel and organic chemicals. In Asia, Japan experienced export growth of 4.9 per cent QoQ in the quarter, while imports increased by 3.4 per cent, driven partly by apparel and telecommunications equipment.

South Korea recorded modest export growth of 0.1 per cent QoQ, while imports rose by 1.9 per cent QoQ, primarily due to energy products, an OECD release said.

China faced a contraction, with exports declining by 3.4 per cent QoQ in the quarter, largely due to weaker demand for furniture and plastics, while imports fell by 2 per cent QoQ, mainly due to reduced purchases of crude petroleum.

Indonesia's merchandise exports increased by 3.5 per cent QoQ in the quarter, while imports surged by 11.8 per cent QoQ. Australia's exports rose by 0.7 per cent QoQ in Q3 2024, while imports fell by 0.5 per cent QoQ.

Source: fibre2fashion.com– Nov 29, 2024

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# South Korea's apparel imports surge 13% to $1.33 bn in Oct 2024

South Korea's apparel imports reached $1,337.704 million in October 2024, marking a 13.11 per cent increase from $1,182.664 million in the same period of the previous year. On a month-on-month basis, apparel imports eased by 3.67 per cent compared to inbound trade of $1,388.169 million in September 2024, according to the latest figures released by the Korea Customs Service.

In October 2024, South Korea imported knitted apparel and clothing accessories (Chapter 61) valued at $500.484 million, compared to $428.005 million during the month in 2023. The import value of non-knitted apparel and clothing accessories (Chapter 62) was $837.220 million in October 2024, up from $754.659 million in October 2023. In September 2024, the country's imports amounted to $549.839 million (Chapter 61) and $838.330 million (Chapter 62).

From January to October 2024, South Korea's total apparel imports amounted to $10.523 billion, with Chapter 61 items accounting for $4.313 billion and Chapter 62 items for $6.210 billion. For full-year 2023, the country imported apparel worth $11.991 billion, with Chapter 61 imports at $4.842 billion and Chapter 62 imports at $7.149 billion.

South Korea typically exports fabrics and textile materials while importing ready-made garments. In October 2024, the country exported man-made filaments, strips, and similar materials of man-made textiles (Chapter 54) worth $160.024 million and knitted or crocheted fabric (Chapter 60) worth $135.913 million. In October 2023, these exports were valued at $158.477 million for Chapter 54 and $126.528 million for Chapter 60. In September 2024, the export values were $145.229 million and $124.318 million, respectively.

During the January to October 2024 period, South Korea's exports under Chapter 54 reached $1,644.639 million, while exports under Chapter 60 totalled $1,426.382 million. In 2023, exports under Chapter 54 amounted to $2,107.283 million, and under Chapter 60 to $1,788.741 million.

Source: fibre2fashion.com– Nov 29, 2024

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# Exports to EU may fall 20%

Bangladesh's overall exports to the European Union (EU) may fall by as much as 20 percent due to the combined impacts of the nation's graduation from least developed country (LDC) status and the EU-Vietnam Free Trade Agreement (EVFTA), according to a study.

Mohammad Abdur Razzaque, chairman of Research and Policy Integration for Development (RAPID), presented the study, conducted jointly by the think-tank and German political foundation Friedrich-Ebert-Stiftung, at a seminar in Dhaka today.

"Bangladesh's apparel exports to the EU are projected to decline by 1.8 percent and leather and leather products by 6.5 percent due to trade diversion caused by the EVFTA," Razzaque said.

By 2023, Vietnam's exports to the EU more than doubled Bangladesh's, despite both countries having similar shipments in 2002, he added.

"Vietnam has made significant investments in its garment industry's backward linkages while Bangladesh has yet to implement visible policies, thereby failing to fully capitalise on the opportunity."

The EVFTA, which came into effect in 2020, grants Vietnam significant trade advantages, including zero-duty access to the EU market, replacing its earlier standard Generalised Scheme of Preferences (GSP).

In addition to tariff eliminations, the EVFTA addresses non-tariff barriers, opening the market for services and investment, and aligns Vietnam with the EU's labour and environmental standards, collectively strengthening its competitiveness and investment appeal.

Currently, Bangladesh's exports enjoy duty-free access to the EU under the "Everything but Arms (EBA)" programme. This, alongside relaxed rules of origin, has been instrumental in expanding the country's apparel exports to the EU. But the benefit is only extended to LDCs, meaning Bangladesh may lose the privilege after graduation.

At the same time, while Bangladesh has been lagging in policy implementation, Vietnam has effectively streamlined its business environment and opened up trade and investment, taking timely and strategic policy actions, the study said.

"If Bangladesh wants to remain competitive, especially as global trade rules evolve, it must prioritise investments in backward integration and infrastructure development," Razzaque said.

He added that Bangladesh relies heavily on apparel exports while Vietnam's export basket is more diversified.

Razzaque also said Bangladesh and Vietnam are filling the void of China's declining market share in the global apparel market at a similar pace.

"Bangladesh has captured China's market share in the EU while Vietnam has done so in the US."

Echoing Razzaque, Fazlee Shamim Ehsan, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the total export volume is unlikely to drop after LDC graduation.

However, he hoped that labour-related difficulties in China and Vietnam, along with a rising unwillingness among their workers to regard RMG professions as prestigious, could result in a movement of orders from these nations to Bangladesh.

He also mentioned challenges facing Bangladesh, including the labour unrest, energy deficit and turmoil in the banking sector.

Among others, Policy Exchange Bangladesh Chairman M Masrur Reaz and Economic Relations Division Secretary Md Shahriar Kader Siddiky spoke at the event.

Source: thedailystar.net– Nov 27, 2024

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# Better Cotton Signs Roadmap for Sustainability in Uzbekistan

Better Cotton gave its blessing to a strategic roadmap created with agricultural and textile stakeholders in Uzbekistan to accelerate the country's sustainable cotton production.

The global cotton sustainability initiative held an event in the nation's capital, Tashkent, gathering representatives from government, civil society and fashion supply chains to formalize the agreement.

The roadmap lays out three core objectives: to align a strategic partnership model and define management, finance and implementation responsibilities; to ensure effective cooperation with program partners and stakeholders to promote sustainable cotton farming; and to develop and implement a joint set of measures designed to eliminate barriers to scale.

"This roadmap signals that there is much more to come from Better Cotton in Uzbekistan," said Katerina Gorbunova, country manager of the Better Cotton Uzbekistan Program. "Together with our partners, we can strengthen the foundations of the Uzbekistan program and develop new solutions to ensure long-term success."

The agreement with Uzbekistan's Ministry of Agriculture and the Textile and Garment Industry Association (Uztekstilprom) aims to improve the Better Cotton Uzbekistan Program by leveraging resources to streamline farmer enrollment, strengthen and expand field-level support and increase investment opportunities through grants and government subsidies.

A key initiative of the agreement will be training for the Ministry of Agriculture and Uztekstilprom that will allow them to lead engagement with cotton farming communities and meet Better Cotton's program partner requirements.

The roadmap also outlines strategies to reduce audit fatigue, improve the flow of assessment data and engage the supply chain to demonstrate the benefits of processing Better Cotton fiber.

Uzbekistan is one of the world's largest cotton-producing countries, growing approximately 740,000 metric tons of the fiber in 2022-2023, according to Statista. The Central Asian country is known for its distinctive "cotton clusters"—vertically integrated enterprises which grow, harvest and process cotton.

Better Cotton, which operates in 22 countries and accounts for 22 percent of global cotton, launched in Uzbekistan in 2022 following assurance from the International Labor Organization (ILO) that the country had successfully eliminated systemic child and forced labor in its cotton production. Partners in the program work with agricultural communities at the field level to ensure their production meets Better Cotton's standards, which cover six areas: management, natural resources, crop protection, fiber quality, decent work and sustainable livelihoods.

The organization announced in September that it would transition to third-party validation after coming under fire for deficiencies in its due-diligence process and other issues. Better Cotton said it would employ external parties to conduct assessments and make certification decisions in an effort to improve the credibility of its process.

Better Cotton partners with more than 300 brands and retailers, including Adidas, Gap Inc., H&M and Zara parent company Inditex.

Source: sourcingjournal.com– Nov 27, 2024

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# Levi's Opens Three New Stores in Canada

Levi's celebrated the opening of three new mainline stores in Canada this month.

The stores are in Kelowna, Toronto and Midtown Saskatoon. The latter is the first Levi's owned-and-operated store in the Saskatchewan province. The stores are in regions where Levi's e-commerce sales and consumer demand have been particularly strong, the brand said.

In a blog post on Levi's website, Vicky Skelton, managing director for Levi Strauss & Co. Canada, said the stores showcase a premium shopping experience by offering Levi's full range of denim lifestyle products including dresses, skirts, jackets, shirts and outerwear. "The goal is to bring the full outfit to our consumer—not just the jeans," she added.

Additionally, Levi's opened a store in the DIX30 shopping center in Montreal in the summer.

The latest store openings underscore Levi's mission to meet brand fans where they are. They are the first new permanent locations in Canada in two years, bringing the total number of Levi's stores in the country to over 50. Skelton noted that new store openings in Canada will continue at a similar pace next year.

"Canada is such a vast geography with a relatively small yet diverse population. We're always looking at ways to innovate around that and reach even more fans," she said.

U.S. denim brands are expanding their global footprint in 2024. This week, Rag & Bone opens a new store in Sydney. In India, Wrangler is growing its presence with six new stores. Ace Turtle, the exclusive licensee of Wrangler in India, said it has plans to open over 60 new retail stores in the country over the next year.

Meanwhile, Guess Jeans has opened brand stores in Amsterdam and Berlin this year.

Source: sourcingjournal.com– Nov 27, 2024

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# ICE cotton gains as dollar weakens; traders await export data

ICE cotton prices slightly increased yesterday due to a continued decline in the dollar index, making US cotton purchases more affordable for overseas buyers. The market observed the Thanksgiving holiday on Thursday. Traders are now awaiting cues from the US export sales report, which was delayed from Thursday to Friday due to the holiday.

Yesterday, the ICE cotton March 2025 contract settled at 71.75 cents per pound (0.453 kg), up by 0.07 cents. The contract reached its highest level since November 12 on Wednesday. It has risen by approximately 4 cents over the past week, nearing 72 cents per pound.

The dollar index was slightly lower, providing support to US cotton prices. US commodity markets were closed on Thursday for the Thanksgiving holiday and will reopen on Friday, albeit with early closing hours.

In the crude oil market, international oil prices fell slightly as an unexpected increase in US commercial crude oil inventories last week overshadowed easing supply concerns.

Investors are also awaiting the release of the USDA's weekly export sales report, which was delayed by one day to Friday due to the Thanksgiving holiday in the United States.

According to ICE data, as of November 26, the inventory of ICE's deliverable No. 2 cotton futures contracts remained unchanged at 13,274 bales, the same as on the previous trading day.

ICE cotton for March 2025 settled on Wednesday at 71.75 cents per pound (up 0.07 cents). Cash cotton settled at 67.75 cents (up 0.07 cents), while the December 2024 contract settled at 73.57 cents per pound (up 0.20 cents), the May 2025 contract at 72.84 cents (up 0.05 cents), the July 2025 contract at 73.83 cents (up 0.06 cents), and the October 2025 contract at 72.88 cents (down 0.05 cents).

Source: fibre2fashion.com– Nov 28, 2024

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# Vietnam: Opportunities await textiles and apparel sector

Many, however, are still observing market signals, particularly US policies on textile import tariffs following the recent election of Donald Trump as US President.

“To boost orders in the upcoming period, Hugaco and other textile apparel firms need to develop strategies to penetrate new markets such as the Middle East or South America. At the same time, investing in automated machinery, enhancing digital transformation, moving towards greener production, and cutting costs are essential to improving product quality and competitiveness,” said Duong.

Many firms report having secured orders through the first quarter (Q1) of 2025 and even into Q2, with ongoing negotiations for contracts covering the entire year.

As Vietnam’s major textile apparel export markets show signs of recovery, Le Tien Truong, chairman of state conglomerate Vietnam National Textile and Garment Group (Vinatex), noted that rising consumer demand and political instability in competing nations such as Bangladesh and Myanmar are benefiting domestic businesses.

Many companies have orders through the second quarter, with some extending into the third quarter of 2025.

“Garment orders are expected to gain traction as US consumer demand improves during the holiday shopping season. However, significant improvements in demand and unit rates are likely to materialise only from 2025 under an optimistic scenario. With these favourable factors, Vietnam’s textile apparel sector eyes tremendous market opportunities, affirming its position as a bright spot on the global apparel map,” Truong said earlier this month.

In planning for 2025, Vinatex has provided guidelines for its member units, focusing on input factors such as labour and wages, exchange rates, interest rates, shifting orders, and factors affecting Vietnam's textile apparel exports.

To date, Vietnamese textile apparel products have made inroads in more than 100 markets, with a diversified customer base and product range.

Challenges like natural disasters, political instability, and policy inconsistencies in competing countries continue to present opportunities for Vietnam to capture shifting orders.

Seasonal factors, year-end festivals, and promotion policies by major brands are expected to drive a bustling shopping season. Additionally, the continued decline in ocean freight costs will help mitigate expenses for firms. In 2024, Vietnam's textile apparel export value showed a strong recovery, estimated at $44 billion, up 11.2 per cent compared to 2023, driven by significant order shifts from China, Bangladesh, and Myanmar to Vietnam.

Additionally, inventory levels in major markets such as the US, EU, and Japan are gradually decreasing compared to the previous year, alongside an upward trend in purchasing power. These factors, coupled with optimistic forecasts, have led the industry to set an export target of $47-48 billion for 2025. However, despite expanding export markets, the sector still faces significant challenges within the global development strategies. These challenges require firms to focus on technology investments to adapt and capitalise on emerging opportunities.

According to Vu Duc Giang, chairman of the Vietnam Textile and Apparel Association, while achieving impressive results in 2024, the domestic textile industry faces intense competition in exporting to Comprehensive and Progressive Agreement for Trans-Pacific Partnership markets.

It also grapples with challenges in global strategies, including stricter standards from buyers in the EU and US markets, as well as the growing trends of sustainability and digitalisation.

"However, there are many opportunities for the sector to achieve the export value target of $47-48 billion in 2025, driven by the shift of orders to Vietnam amid stagnant global consumption. Notably, the Vietnamese government's strategic vision for the textile apparel industry, with a determination to elevate Vietnam's textile apparel image on the global stage, is the key driver for the sector's development between 2025 and 2030," said Giang at a media brief on November 19 in Hanoi.

Source: vir.com.vn– Nov 28, 2024

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## US Pledges Support to Bangladesh's Garment Industry in 'Historic Moment'

A U.S. delegation of government, brand and civil society representatives met with Bangladesh's leadership in Dhaka over the weekend to affirm what they said was their shared commitment to "independent, democratic trade unions for Bangladeshi workers and the businesses that employ them."

Led by State Department special representative Kelly M. Fay Rodríguez and Department of Labor deputy undersecretary Thea Lee, the group included officials from the Agency for International Development better known as USAID, labor experts from UNI Global Union and the Worker Rights Consortium, and executives from the American Apparel Footwear Association and member brands Gap Inc., Calvin Klein owner PVH Corp. and The North Face parent VF Corp., which collectively buy roughly $1.8 billion of clothing every year from the South Asian nation. Bangladesh is the third largest supplier of garments to the United States.

Delegates met with interim government leader Muhammad Yunus and members of the Bangladesh Garment Manufacturers and Exporters Association at what a statement described as a "unique moment for democracy and governance" for the country, which is navigating a future without disgraced former prime minister Sheikh Hasina's iron-fisted rule for the first time in 15 years.

It's during this fragile period that "resolving longstanding challenges to the exercise of labor rights will be critical to ensuring national economic prosperity," the U.S. Embassy in Bangladesh said Tuesday. "Worker empowerment is essential to sustainable and inclusive economic growth, respect for human rights, democratic resilience and gender equity and inclusion."

The United States said it recognizes that the well-being of workers in the global economy is a "shared responsibility" for governments, businesses, regulators and labor unions, which must work together to ensure "good, safe working conditions" where fundamental rights such as freedom of association and collective bargaining are respected.

Miran Ali, an advisory member of the support committee that will buttress the BGMEA's work until a new board is elected, said that the trade group's administrator had "productive discussions" with the U.S. representatives over human rights and trade—two issues that have become especially fraught in the wake of production delays that originally stemmed from the pro-democracy uprising but were then exacerbated by torrential weather and seemingly unquellable worker unrest over unpaid wages and other demands.

Early this week, the Bangladesh government announced the formation of a six-member committee that will review the "labor and business environment" at Beximco Industrial Park, the heart of one of the country's biggest textile operations and a hotbed of turmoil over outstanding arrears, which the Ministry of Labour and Employment said it will be helping cover with help of its finance counterpart.

Beximco, which did not respond to a request for comment, is one of Bangladesh's largest private employers, serving brands such as PVH Corp., Target and Zara owner Inditex through an expansive phalanx of washing, spinning, knitting, weaving, printing, dyeing and cut-and-sew services. It's also facing a liquidity crunch—as well as potential receivership—following the arrest of one of its co-founders on charges of corruption, embezzlement, money laundering and murder. The buyers likewise did not respond to emails asking if they would be continuing their relationship with Beximco.

Despite fears that the lingering climate of uncertainty would quail buyers, the challenges that sourcing from Bangladesh presents don't appear to be insurmountable, at least from the United States' point of view.

"The United States is committed to working with Bangladesh to ensure that industry practices support stable employment, quality working conditions and living wages that allow Bangladeshi workers and their families to thrive," the U.S. Embassy in Bangladesh said.

"The United States values our partnership with Bangladesh, spanning more than 50 years. We are grateful for the opportunity to support the people of Bangladesh at this historic moment, and for the chance to join here together in Dhaka."

Still, the world's second-largest exporter of clothing after China will have a steep road ahead, Mohiuddin Rubel, an additional managing director at Denim Expert and, until recently, one of the BGMEA's directors, previously told Sourcing Journal. A reliable power supply remains a perennial issue, as does Bangladesh's increasingly vulnerable banking system, which is struggling to keep balances afloat. Spiking manufacturing costs have also made the relentless downward pressure on already razor-thin margins more difficult to manage in the absence of more responsible purchasing practices.

Steve Lamar, president and CEO of the American Apparel and Footwear Association, said that the trade group looks forward to a "continued strong, competitive, socially responsible and sustainable industry" in Bangladesh and will continue to work with the country to "ensure worker welfare and promote the ideals of equitable democracy and for all stakeholders to take part in open dialogue and inclusivity."

He added that the delegation was part of ongoing cross-stakeholder efforts to "strengthen and grow the partnership between the U.S. and Bangladesh, growing its reputation back as a trusted trader."

Source: sourcingjournal.com – Nov 27, 2024

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# Pakistan: '40pc textile units closed due to tough conditions'

Forty per cent textile units have been closed and this nosedive process will continue if immediate remedial steps are not taken to increase domestic production of cotton in addition to trimming electricity tariff and ensuring early payment of refund claims, particularly to the SME sector.

This was said by Imran Mehmood, the central chairman of the All Pakistan Bedsheets and Upholstery Manufacturers Association (APBUMA), in a statement on Thursday. He said the survival of the textile sector hinged on the availability of abundant cotton, which had been witnessing a phenomenal decrease during the last 10 years. He added that cotton production had been reduced to almost half due to the lack of incentives to the cotton growers.

"Some factory owners have already shifted their units to Bangladesh due to the unfavourable circumstances," Mr Mehmood said and added that electricity and gas were also being provided at the highest rate as compared to the regional competitors. He pointed out the high markup rate, deteriorating law and order situation and inconsistent economic policies had hit the SME sector hard. He demanded the exporters should be given electricity and other inputs at competitive rates in order to make exportable surplus competitive in international markets.

Imran Mehmood said industry was getting electricity at 15 cent per unit while its rate in Bangladesh, India and China was only nine cent. "With this huge difference, the SME sector could neither compete with its competitors nor is it profitable to run the industry with unbearable input cost."

He said this year, 125 factories had been closed while more would follow the suit if immediate relief was not provided. He further said electricity was provided at 9 cent in 2020 and as a result, industrial units worked with full capacity. He urged the government to provide suitable climate to the industrial sector so that it could not only enhance its production for exports but also create the maximum job opportunities for the unemployed youth.

Source: dawn.com– Nov 29, 2024

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## Pakistan: Textile industry hits out at gas supply cut-off notices

While expressing concern over the threat of gas supply disconnection and notices of additional security payment from Sui Northern Gas Pipelines Limited (SNGPL), the Pakistan Hosiery Manufacturers and Exporters Association (PHMA) has urged the government to withdraw these notices and ensure smooth gas supply to the export-focused value-added textile industry.

This way, it said, exports would not suffer a slowdown as they had just started showing positive numbers after a long time.

PHMA North Zone Chairman Abdul Hameed, in a letter written to Minister for Commerce and Textile Jam Kamal Khan, argued that at a time when exports were showing some growth, government agencies, instead of taking business-friendly measures, were creating hurdles in the way of exporters.

Quoting the latest data, he cited that exports of readymade garments rose 23.17% by value and 16.16% by quantity in the first quarter (Jul-Sept) of the current financial year while knitwear exports went up 14.13% by value and 2.17% by quantity.

Similarly, exports of bed wear exhibited a growth of 13.31% in value and 14.55% in quantity, which is an encouraging sign. "The government should extend all-out support to continue this positive trend of export growth through uninterrupted gas supply to captive power plants at affordable and competitive rates," the letter said.

Overall, exports of textile and clothing recorded an increase of 9.51% in the first quarter, though there were concerns that the industry was experiencing a slump. The sector posed negative export growth of 3.09% in July, which rebounded to an increase of 13% in August and 17.92% in September.

Many experts believe that Pakistan's textile sector may struggle to compete with regional rivals due to the implementation of harsh taxation measures in the current fiscal year. However, disruption in supplies from Bangladesh has increased demand for Pakistani garments.

The PHMA chairman regretted that due to structural issues, textile and clothing exports remained static in the last two years despite having installed capacity for $25 billion worth of goods.

Source: tribune.com.pk– Nov 28, 2024

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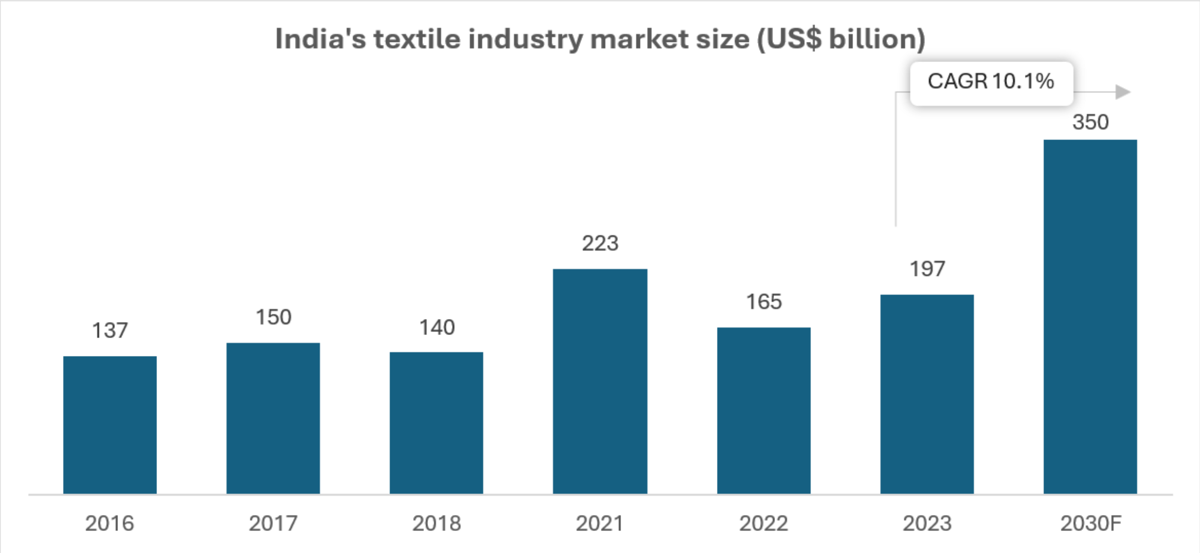
# NATIONAL NEWS

## India's Textile Industry: Embracing Sustainability and Innovation

The Indian textile industry has been an important part of the economy and culture. It has experienced many developments start from its origin as handlooms in villages to significant modern-day advanced textile mills. The textile industry captures a unique place in India. One of the earliest to come into existence in the country, currently it accounts for 13% of the total industrial production, 12% to total exports, 2.3% to the country's GDP and is the second-largest employment generator.

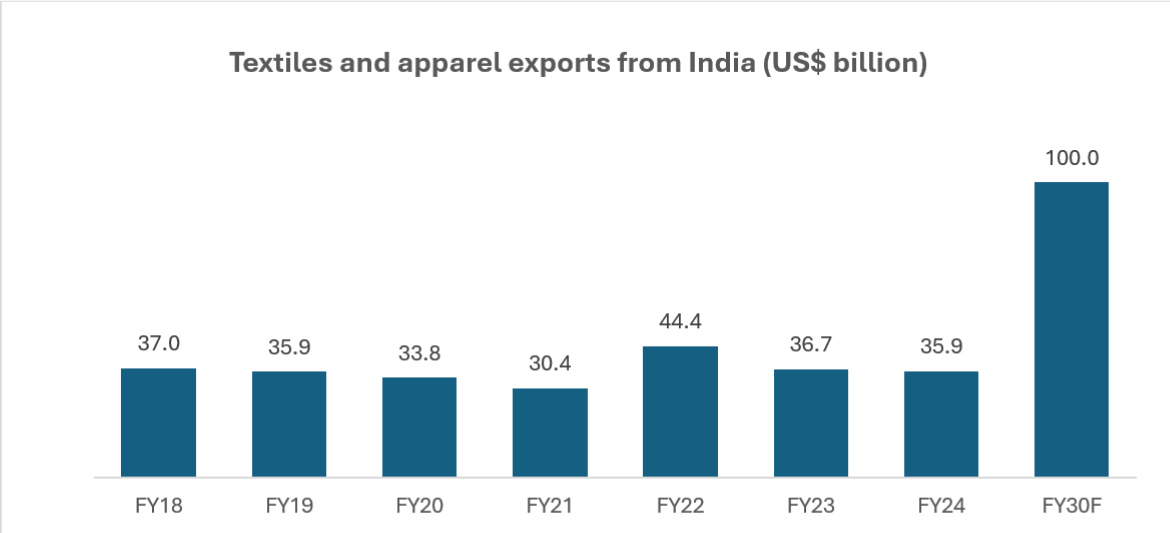
But the industry also faces environmental challenges, such as heavy waste and toxic materials into the environment, making it one of the most challenging manufacturing value chains in India. To solve these concerns, India's textile industry is implementing different techniques such as circular fashion and adoption of renewable energy, to become more sustainable and efficient.

Evolution of the Indian textile industry




The Indian textile industry has seen significant progress in the past decade, marking its position as a leader in the global supplier of textile products.

As per Texprocil, India's textile industry is prepared for significant growth, with the market expected to reach US$ 350 billion by 2030 from US$ 197 billion in 2023, growing at a CAGR of 10.1%.




At present, India is the world's second-largest producer of textiles and garments, accounting for 4.6% of global trade and ranked as the third-largest textiles exporter in the world after China and Germany.

In FY24, India exported US$ 35.9 billion of textile products, and it is projected to reach US$ 100 billion by FY30. As the textile market is huge and still expanding, it employs a substantial workforce of approximately 4.5 crore people, including 35 lakh handloom workers.

Need for sustainable transition

The textile industry's fast growth and shift towards synthetic fibres have increased concerns over environmental sustainability. Production volumes have doubled, while garment lifespan has decreased by 36% in the past 15 years.

Even after a prolonged period, only 1% of fibres are used for recycled clothing, which shows dependency on fresh raw materials. Along with increase in demand, consumption and waste of textile, need to shift towards a more sustainable model also increased.

The textile industry's value chain consumes significant resources, including chemicals, dyes, utilities and fuels, leading to negative environmental and social impacts. Key issues include wastewater discharge, air and noise pollution and workplace safety. Addressing these environmental challenges has become a primary focus for the textile industry.

## Sustainable manufacturing of textile in India

India's speedy economic growth, boosted by government programmes, including ‘Make in India’, has pushed the textile industry's development. This growth has also raised concerns over the sector's impact on environment. The government is responding to this issue by introducing policies focused on promoting sustainable manufacturing, understanding the need to balance production demands with environmental responsibility.

Manufacturers have actively adopted sustainable processes, such as recycling, water conservation and the production of bio-friendly textiles. Nevertheless, the industry is figuring various approaches to further enhance sustainability, including regenerative organic farming, plastic recycling, along with governmental schemes, for instance the ‘Mega Investment Textiles Parks (MITRA)’, which aim to enable more affordable and accessible sustainable manufacturing practices.

Some of the major Indian manufacturers have also started adopting sustainable practices and initiatives such as:

### Recycling and Upcycling

India’s textile companies are implementing a culture of recycling and upcycling (where pre- or post-consumer textile waste material is converted into new garments) into their manufacturing practices. Many companies are using their waste and converting it into unique garments, thereby contributing to the global circular economy. A few Indian brands, including Pomogrenade, The Second Life and Patch over Patch, have implemented this sustainable concept of upcycling.

### Using solar energy

The extreme energy utilization in the textile industry and high use of fossil fuels are key concerns. However, many textile factories are progressively installing rooftop solar panels, which not only reduce the usage of fossil fuels but also promotes energy efficiency. For example, Welspun a leading textile company, is shifting towards renewable energy sources, for instance solar and wind power.

Eco-conscious water management and dyeing process

The excessive wastewater generation in the industry is a big concern, but in recent times Indian manufacturers are addressing this through innovative solutions. Some companies are reusing wastewater in their manufacturing processes and applying water recycling systems, which reduce their overall water footprint and promote water management in the sector. For example, BRFL Textiles Private Limited (BTPL), India's largest fabric processing facility, has introduced a new sulphur dyeing process, involving continuous dyeing without requiring water.

Innovation in textile industry

The Indian textile industry has experienced a transformational shift, with evolving technology as a driving force for innovation. Traditional methods are now combined with modern-edge advancements, exposing new abilities within the industry from the invention of spinning machines to synthetic fibres, with each innovation playing an important role in improving efficiency and productivity. Advanced machinery, automation and agile production methods have further advanced the industry's capabilities, positioning it for continued success in the years to come.

- 3D printing: 3D printing offers improved flexibility in yarn processing and textile design, enabling unique and customised products. Digital printing has been gaining popularity, enhancing the industry's capabilities.
- Pleating technology and Nanotechnology: Pleating technology is the process of folding fabric into different shapes, creating differences in the volume and better texture of the fabric. Nanotechnology allows more efficient, water-resistant and low-maintenance production procedures, addressing energy concerns.
- Artificial intelligence in design: Artificial Intelligence (AI) is becoming a part of the textile industry, renovating the designing process. Machine learning algorithms now analyse extensive datasets, empowering designers to create innovative and trending patterns. This technology confirms that the industry remains at the forefront of evolving consumer preferences.
- Biodegradable textiles: Textile industry is also responding to the growing issue over waste management by using biodegradable fabrics. Advancement in material science has supported the development of textiles that naturally decompose, reducing the

environmental impact. This transition displays the industry's commitment to sustainability and its efforts to minimise the ecological footprint of textile production and consumption.

Government Initiatives

- Sustainable Resolution (SU.RE)
- The Sustainable Resolution for the textile industry outlines a 5-point plan:
- Assess the environmental impact of current garment production.
- Develop sustainable sourcing which can provide certified and eco-friendly raw materials.
- Choose sustainable raw materials, which ensure traceability across the value chain.
- Efficiently informed consumers and participants about sustainability initiatives.
- Change a significant percentage of the supply chain to sustainable practices by 2025, aligning with UN Sustainable Development Goals.
- Amended Technology Up-gradation Fund Scheme (A-TUFS)
- The Government of India has implemented this credit-linked Capital Investment Subsidy (CIS) scheme to promote ease of doing business in India and create employment opportunity by supporting exports through the "Make in India" initiative in manufacturing in the textile industry. A total of US$ 75.74 million (Rs. 621.41 crore) in subsidies was distributed in 3,159 cases under the scheme.
- Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA)
- The PM MITRA is a government programme, with a purpose to support India in reaching the United Nations Sustainable Development Goal 9. The Government of India has approved the institution of seven textile parks under this scheme, with a total investment of US$ 541.82 million (Rs. 4,445 crore) for the years up to 2027–28.

Production-Linked incentive (PLI) scheme

The PLI scheme, a planned government initiative, targets to support domestic manufacturing and reduce imports across various sectors, focusing on the textile industry. Its major process involves incentivising companies based on cumulative sales of locally manufactured goods. In

September 2021, the government approved a Rs. 10,683 crore (US$ 1.44 billion) outlay for the textiles sector.

Navigating the challenges

The Indian textile industry is highly complex, with numerous players involved. This poses significant challenges for garment manufacturers seeking to shift to sustainable practices. The supply chain's decentralised structure, lack of manufacturer abilities and cultural/language barriers hamper the adoption of sustainable initiatives. Manufacturers also face strong competition though it can be an advantage, as it encourages innovation and the adoption of cost-effective green technologies. Manufacturers can collaborate to pool resources, share best practices and achieve the economies of scale necessary for sustainable investments.

Conclusion

India's textile industry is experiencing a shift towards sustainability and technology advancement, driven by environmental awareness, regulatory laws, and evolving market demands. Textile manufacturers are actively accepting sustainable fibres, materials and production processes to reduce their environmental footprint while improving their technology competitiveness.

Real-world examples from industry leaders, including Aditya Birla Fashion and Retail, Arvind Limited, Welspun India and Raymond Limited, showcase benefits of eco-friendly and innovative practices in the textile sector. However, achieving sustainability in the textile industry requires cooperation and coordination between all stakeholders – manufacturers, policymakers and consumers. As India's textile industry continues to grow, it has the potential to innovate and become a global leader in sustainable production practices.

Source: ibef.com– Nov 29, 2024

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# Govt may shut single window system as industry seems uninterested: Piyush Goyal

The government will not include any retrospective steps in Jan Vishwas 2.0 that can hurt industry, commerce and industry minister Piyush Goyal assured industry Thursday. At an event organised by the Confederation of Indian Industry (CII), he also said that he is inclined to abort the idea of a national single window as it seems that the industry "has no interest" in it and the initiative of a national land bank.

"I do believe that the national single window that we have created needs inputs from all of you...without which I am almost inclined to abort the idea," Goyal said at the the DPIIT-CII National Conference on Ease of Doing Business.

The National Single Window System (NSWS) is a digital platform to guide the industry in identifying and applying for approvals according to business requirements.

"The choice is now with you. If you feel that you are not interested in it, I'm spending a lot of money on it, and I have come to a stage that I'm almost inclined to abort the entire idea," Goyal said.

He said the NSWS may not be perfect but he was open to suggestions from the industry to improve it.

"I am once again urging you, hopefully for the last time, unless each one of you engages with the national single window, tries to get your licenses, your approvals, to that and give us your feedback for us, it seems as if the industry does not have an interest in either the national single window or the industrial land bank," he said.

On easing the compliance burden through the Jan Vishwas 2.0 Bill, he said the government will try to provide retrospective benefits to the industry. "No retroactive negativity, only retroactive benefits on an optional basis.

Please bear that in mind, I don't want to end up with the UPA-type situation where we cause a complete collapse of the trust in India's systems with retroactive taxation coming in and killing investor appetite to come to India," the minister said.

“Anything we do has to be positive if retroactive, if there is anything which hurts anybody it can only be prospective. That is the commitment that this government has made on the floor of Parliament,” Goyal told industry, adding that the government is actively looking to decriminalise 300 more laws.

Imports, local preference

Goyal said that the government is fast tracking anti dumping and safeguard actions against unfair competition from imported goods.

“There are times when I realize that even the 180 days required for any of these actions, if they are long and can hurt an industry…we have even taken action In 24 hours to protect sectors which needed it,” he said.

While he said that growing imports are a signal of growth and development for entrepreneurs and business persons to invest in those sectors, Goyal asked industry to start making a commitment to give a preference to Indian suppliers like in Korea, Japan, the US’ Inflation Reduction Act, and the EU’s CBAM and other deforestation regulations.

“What stops Indian industry from also being a part of this effort to support each other?,” he asked.

Source: economictimes.com– Nov 28, 2024

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## India's FY25 trade deficit widens as imports outpace export growth

India's merchandise exports registered a moderate growth during the first seven months of fiscal year (FY25), due to the weak external demand and a fall in international commodity prices, as per finance ministry's October 2024 economic report. The merchandise imports performed well due to a strong domestic demand. A larger increase in imports compared to exports led to a widening of the trade deficit.

Global economic activity in 2024 has been moderate thus far. While higher borrowing costs and tight monetary conditions affected global growth, structural weaknesses are restraining growth in a few major European countries such as Germany, France and Italy, and China. However, the US' economy continues to exhibit strong growth momentum driven by consumption, the report said.

Foreign Direct Investment (FDI) recorded a revival in FY25, with net FDI inflows rising from $10.4 billion during the first half (H1) of FY24 to $14.3 billion in the corresponding period of FY25, which is 37.6 per cent YoY growth.

India's net FDI inflows registered remarkable growth in the first five months of FY25. Supported by stable capital inflows, the country's forex reserves increased by $64.8 billion so far during 2024, the second-largest increase after China amongst major forex reserve-holding countries, said the monthly economic review report by the department of Economic Affairs. "On the external front, India's export recovery may encounter challenges due to softening demand in developed markets," it added.

Foreign Portfolio Investors (FPIs) became net buyers in the Indian equity market starting in June 2024 after being the next sellers in the first two months of FY25.

This trend continued until September 2024, showcasing a clear preference for Indian equities as FPIs injected substantial capital into the market over those months. However, in October, this trend reversed, resulting in a net outflow of $11.5 billion.

“Factors such as concerns about slowing earnings growth, high valuations, rising geopolitical tensions, and recent developments in China led FPIs to withdraw significant funds from Indian equities in October.

Overall, due to mixed trends, FPI inflows between April and October 2024 moderated to $10.1 billion, compared to $18.6 billion during the same period the previous year,” it said.

Source: fibre2fashion.com– Nov 27, 2024

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# India-China trade: An alarming $18 billion discrepancy

India-China trade data for 2023 reveals a widening discrepancy, with India's reported imports from China falling significantly short of China's export figures, raising concerns over potential anomalies such as under-invoicing, misclassification, and inconsistent reporting practices.

In 2023, India's merchandise imports from China stood at $99.59 billion, which was 18.2% lower than the $117.68 billion worth of exports reported by China, according to the latest data from the World Bank's World Integrated Trade Solution (WITS) and the Directorate General of Commercial Intelligence & Statistics (DGCI&S).

The discrepancy stood at 15.5% the previous year, with India's merchandise imports from China valued at $102.63 billion, significantly lower than the $118.50 billion exports reported by China, according to the same data sources. China was India's largest trading partner in 2023-24, per Indian government data.

The magnitude of these discrepancies indicates major anomalies, warranting closer scrutiny of the data reporting mechanisms.

"While discrepancies in trade data can arise due to methodological differences, the magnitude of these gaps—particularly in textiles and clothing, iron and steel, electronics, and remaining categories—requires deeper investigation," said Ajay Srivastava, former trade service official and the founder of economic think tank Global Trade Research Initiative (GTRI).

"Addressing under-invoicing, misclassification, and data reporting practices is essential to ensure accurate trade accounting and mitigate revenue losses. Focused studies should prioritize sectors with the highest variance to identify and rectify anomalies," he added.

Spokespersons of the ministry of commerce and the Chinese embassy in New Delhi didn't respond to emailed queries.

Sectors showing divergence

The divergence in India-China trade data is starkly evident in imports of shipping goods, aircraft, textiles and clothing, iron ore, steel, base metals, medical devices, leather, paper, and glass.

On the other hand, sectors such as chemicals and pharmaceuticals, diamonds, gold, and other valuable products, telecom, electronics, electrical products, and machinery and computers exhibited the opposite trend, with India's reported imports exceeding China's export data.

Mint first reported in November 2022 about varying trade data from India and China, with the significant gap due to reasons which included under-invoicing of shipments by Indian importers to avoid paying import taxes. Under-invoicing of imports involves marking the stated value of imports below the actual value paid to the exporter abroad, reducing the import tax outgo.

Experts said while India's import values from China, reported by the DGCI&S, are calculated on a CIF (cost, insurance and freight) basis, these values are expected to be higher than China's reported exports to India, measured in FOB (free on board) terms.

However, data from 2023 and 2022 reveal the opposite trend.

FOB origin typically means that the buyer assumes all risk once the seller ships the product.

"Normally, a country's exports are reported in FOB terms while imports are reported in CIF terms. Since CIF includes FOB plus freight and insurance values, CIF values are usually 3-10% higher than the reported FOB values for the same consignments," said Srivastava of GTRI.

"India's import from China values as reported by DGCI&S are in CIF terms and hence should be higher than the values reported for the same trade by China as export values that are expressed in FOB," he added.

A senior trade economist, who also spoke on condition of anonymity, said that while the India-China trade discrepancy is established, it would be incorrect to attribute them solely to under-invoicing or misclassification, as there could be other reasons like quality issues with data or human errors which could be leading to the discrepancy.

China: India's largest trading partner

In 2023-24, India's bilateral trade with China reached $118.4 billion, cementing China as India's largest trading partner during the year—making the data discrepancies a worrying factor.

India’s exports to China grew by 8.7%, totalling $16.67 billion while imports rose by 3.24%, amounting to $101.7 billion during this period. Meanwhile, India's goods trade deficit with China widened to $57.83 billion in April-October, from $51.12 billion in the same period a year ago, according to data from India's ministry of commerce and industry.

In October, the trade deficit with China widened to $8.46 billion from $8.27 billion a year ago.

Source: livemint.com– Nov 27, 2024

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# India may strengthen its position in ASEAN's garment market

The 6th ASEAN-India Trade in Goods Agreement (AITIGA) Joint Committee and related meetings for discussions on the review of the agreement were held from November 15-22, 2024 in New Delhi during the last week. In terms of textile and garment trade, India may focus on the region to push its exports in non-conventional markets.

At present, few ASEAN countries are emerging market for India's apparel exports with Malaysia as the largest market. India also imports yarn, fabric and other textile products from ASEAN countries which are dominant players in the textile sector.

India's apparel exports to Malaysia were $73.644 million in the first eight months of the current year. The exports were noted at $117.265 million in 2023 and $147.628 million in 2022, according to Fibre2Fashion's market insight tool TexPro.

The shipment to Singapore was noted at $20.392 million, Thailand $13.780 million, Vietnam $8.702 million, Philippines $7.225 million and Indonesia $3.597 million in January-August 2024. The exports to Myanmar, Brunei, Cambodia and Laos were below $1 million in the period under review.

During the first eight months of the current year, Vietnam was the largest supplier in the ASEAN for India's apparel imports. The country's imports from Vietnam were noted at $45.333 million during the period. The imports from Cambodia were $20.246 million, Indonesia $13.780 million, Vietnam $8.702 million, Philippines $7.225 million, Indonesia $15.308 million, Singapore $12.361 million, Malaysia $10.032 million, Myanmar $6.235 million and Thailand $3.478 million in the period, as per TexPro.

Source: fibre2fashion.com– Nov 28, 2024

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## Vardhman Textiles approves capex of Rs 350 crore to increase processed fabric capacity

Vardhman Textiles on Thursday announced that its board of directors approved to increase the processed fabric capacity at Vardhman Fabrics, Budhni, Madhya Pradesh, by about 31 million meters per annum with a total capital outlay of approximately Rs 350 crore. The company has an existing processed fabric capacity of about 175 million meter per annum and the current capacity utilization is above 90 per cent.

In a regulatory filing, the company said, "This is to inform you that the Board of Directors of the Company in its meeting held today i.e. 28th November, 2024, has approved to increase the processed fabric capacity at Vardhman Fabrics, Budhni, Madhya Pradesh by about 31 million meters p.a. with a total capital outlay of Rs 350 crore (approx.)."

The proposed capacity addition is to be done within two years and the capital expenditure, the Vardhman Textiles said, would be funded from either internal accruals or debt.

With the capacity addition, the company plans to meet increasing demand for processed fabric in both export and domestic markets.

In October, Vardhaman Textiles had declared its Q2FY25 results with a topline increase of 4.38 per cent YoY and a remarkable profit surge of 46.57 per cent YoY. In comparison to the previous quarter, the company's revenue recorded a growth of 8.4 per cent, and the profit saw a decrease of 17.47 per cent.

Source: financialexpress.com– Nov 28, 2024

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## North Indian cotton yarn holds firm amid rising export opportunities

Cotton yarn prices in north India remained stable, but a recent rise in ICE cotton and the seasonal transition supported demand. The major markets of north India, including Delhi and Panipat, witnessed cotton yarn trade at previous price levels. Traders noted that ICE cotton has seen higher gains compared to the Indian market, improving price parity for cotton yarn exports. Mills are receiving better export orders for intermediary products. However, domestic demand remained average amidst tight payment flows. In Panipat, India's home textile hub, there was slightly better demand for recycled yarn as temperatures dipped across several parts of north India. Despite this, prices did not show significant movement.

In the Ludhiana market, cotton yarn prices hovered at previous levels, with average demand observed. Limited payment flows were a negative factor for the trade, but the prospects of increased cotton yarn exports provided a positive outlook. A trader from the Ludhiana market told Fibre2Fashion, "Domestic demand is not very encouraging, but the recent rise in ICE cotton has improved price parity for cotton yarn exports from local spinners. Summer garment production is gradually picking up, which may boost cotton yarn demand."

In Ludhiana, 30 count cotton combed yarn was sold at ₹257-267 (approximately $3.05-3.16) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹247-257 (approximately $2.93-3.05) per kg and ₹252-262 (approximately $2.99-3.10) per kg, respectively; and carded yarn of 30 count was noted at ₹237-242 (approximately $2.81-2.87) per kg today, according to trade sources.

The Delhi market also saw stability in cotton yarn prices, with average demand from the downstream industry. Market sources reported that garment exports from north Indian states, especially Delhi NCR, remained slow.

Exporters who previously sourced garments from Bangladesh have shifted more orders to south Indian exporters. Traders indicated that overall cotton yarn demand was sufficient to sustain current price levels.

In Delhi, 30 count combed knitting yarn was traded at ₹260-262 (approximately $3.08-3.10) per kg (GST extra), 40 count combed at ₹282-290 (approximately $3.34-3.44) per kg, 30 count carded at ₹237-239 (approximately $2.81-2.83) per kg, and 40 count carded at ₹262-265 (approximately $3.11-3.14) per kg today.

Source: fibre2fashion.com– Nov 28, 2024

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