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USD	EUR	GBP	JPY
85.05	88.34	107.12	0.55

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INTERNATIONAL NEWS

Chinese textile industry navigated shifting tides in 2024, says CCF Group analysis

The Chinese textile industry, a behemoth in the global market, has weathered a dynamic year in 2024. Recent reports and data released by the CCF Group, a leading authority on the Chinese textile sector, shows the resilience, adaptation, and shifting trends across China's fiber, yarn, fabric, and apparel segments.

Performance overview

While the overall picture is complex, CCF Group data reveals a sector grappling with a cocktail of domestic and international pressures.

Growth slowdown: Compared to the robust growth seen in previous years, 2024 witnessed a moderation in production and export figures. This is largely attributed to a slowdown in global demand, particularly from key markets like the US and Europe.

Shifting domestic consumption: While export markets softened, domestic consumption showed signs of recovery, driven by a growing middle class and government initiatives to boost internal spending.

Raw material volatility: Fluctuations in raw material prices, especially cotton, impacted production costs and profitability across the industry.

Sustainability concerns: Increasingly, both consumers and regulators are demanding greater environmental and social responsibility from textile producers. This is pushing the industry towards sustainable practices and circular economy models.

CCF Group data highlights significant variations in performance across different regions and textile clusters within China.

Yangtze River Delta: This region, home to major textile hubs like Shanghai and Jiangsu province, continued to lead in terms of production and innovation. However, it also faced challenges related to rising labor costs and environmental regulations.

Table: Segment-wise production

Indicator	2024	2023	2022
Fiber Production (million tons)	58.2	56.5	54.1
Yarn Production (million tons)	45.8	44.1	42.5
Fabric Production (billion sq m)	76.5	74.2	71.8
Apparel Exports (billion USD)	285	298	292

Pearl River Delta: Guangdong province, a key player in apparel manufacturing, experienced a more pronounced impact from the slowdown in export demand.

Central and Western China: These regions, traditionally focused on cotton production and basic textiles, are attracting investment and witnessing growth in higher-value segments like technical textiles.

Xinjiang, a major cotton-producing region, faced continued scrutiny over alleged human rights abuses. This led to sourcing challenges for some international brands and gave a push to alternative cotton sources. However, CCF Group data suggests that Xinjiang maintained its dominance in domestic cotton supply, highlighting the complexities of decoupling from the region.

Looking ahead

CCF Group analysts suggest the Chinese textile industry will go through a period of transformation. Key trends to watch out for:

Technological upgrading: Investment in automation, AI, and advanced manufacturing will be crucial for enhancing productivity and competitiveness.

Sustainability focus: Circular economy models, reduced emissions, and ethical sourcing will become increasingly important for market access and brand reputation.

Domestic market expansion: Growing domestic consumption will offer new opportunities for textile and apparel companies.

The Chinese textile industry is navigating a challenging but evolving landscape. While 2024 did have its share of headwinds, the industry's long-term prospects remain strong, driven by innovation, domestic market growth, and a shift towards sustainable practices. CCF Group's data and analysis provide valuable insights for businesses and policymakers alike as they chart a course through the changing tides of the global textile market.

Source: fashionatingworld.com– Dec 18, 2024

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USA: Source Report Highlights the Challenges of Supply Chain Change for Retailers

Whether it is sourcing or sustainability, a newly released survey report from trade show brand Source shows that for retailers, the pull of the status quo is currently stronger than the push for change.

Source, which encompasses the events Source Fashion, Source Home & Gift and Source Garden, surveyed roughly 200 U.K.-based retailers for its report, coauthored by consultancy Insider Trends. During a webinar centered on the report, Jack Stratten, head of trends at Insider Trends, said the survey findings indicate that change seems to be harder for bigger companies, whether it is the sourcing map or sustainability. "Supply chains are these big legacy beasts that are incredibly hard to change," he said.

Suzanne Ellingham, sourcing director at Hyve Group, the company behind Source, noted that a key finding was the discrepancy between what both companies and consumers are saying versus doing, including when it comes to sustainability. "What we were hearing from our advisory board, from our customers, from a lot of the partners that we work with, is that sustainability, strangely, is just moving down the priority list. And that, to us, was a little bit concerning, because I think we're all very aware that we're on a countdown at the moment to try and move things into a more sustainable way," she said. "And the reality is, the sourcing and how you make your products, how you transport them, has such a huge impact on sustainability; they're so intrinsically linked."

Seventy-eight percent of the retailers reported advancing in sustainability compared to 12 months ago, and this jumps to 88 percent among larger companies with more than 50 employees. Among those who made progress, companies are most apt to attribute this to having ESG as part of their core values, followed by authentic leadership and support from the top of the company.

The respondents who said their companies didn't progress attributed it most often to a lack of consumer pressure on sustainability, cited by 52 percent. The second most common reason was the sheer size and cost of the task of transforming the business, which about four in 10 indicated as a hurdle.

Looking ahead to 2025, 54 percent say they are increasing sustainability funding, with larger firms more likely to raise funds—64.5 percent said they would increase budgets. For the 46 percent who are not raising investments, large and small companies are split on the main reasons. Bigger firms most commonly say it is not a priority or there are competing priorities. Meanwhile, smaller companies' top reason is that they feel they are currently investing enough to make a difference, causing them to stay the course.

For years, the discussion around sourcing maps has been focused on diversification, but the survey showed that some key destinations remain in the lead. For the U.K. retailers, China was the most popular international sourcing destination, with close to half (49 percent) sourcing from there. Internationally, India and Western Europe were the next most popular global sourcing locations, selected by a respective 37 percent and 33 percent.

Onshoring is also prevalent, with 42 percent sourcing from the U.K. About a quarter of respondents (26 percent) solely source domestically, and 70 percent of this group doesn't plan to change this within the next year and a half.

The main reason for staying put was being happy with the current sourcing region, chosen by 42 percent of respondents. Large businesses were most likely to cite concerns about a lack of knowledge or networks in other regions, mentioned by about half of big firms.

Large retailers are most apt to be swayed to source from a new region to court newness or a new product category (35 percent), followed by 32 percent that want to derisk their sourcing operations. Meanwhile small businesses seek out new regions most for reduced costs (52 percent) and newness (41 percent).

"When we threw [that question] out there, I expected price to be leading the way by a country mile," said Ellingham. "The reality is that it's still quality and innovation within products that is guiding whether or not somebody changes the sourcing region or whether they start investigating into a region."

Cost, however, remains a key concern for both sustainability and sourcing. Stratten noted the need to empower employees to make decisions that are right for sustainability but might not be the absolute most cost-effective.

Ellingham questioned whether the tendency to focus on margin and getting the lowest price for goods is "short sighted," given the money spent on merchandise that does not sell or even reach the sales floor. Contrary to the view that U.K. or European sourcing is always more expensive, she noted it has the potential to support better margins due to benefits like shortened lead times.

"If we just eliminate, or at least lower the overproduction, we are in better shape," said Linda Pimmeshofer, retail advisor and board member at Pricer, noting the role of technology like product lifecycle management in helping to curb waste. She added, "Sustainability is also a question of efficiency and doing more with less and waste nothing, and that is a data story."

Source's report also stresses collaboration's role in driving sustainability. This includes sharing knowledge cross-industry to avoid duplicated efforts and trials, as well as being open about challenges. Although regulations may usher in more urgency for sustainable action, the laws rolling out around transparent claims could lead to companies clamming up about their initiatives to avoid potential greenwashing penalties.

"There's a huge lack of collaboration in the industry, because people aren't talking about their honest journeys—about where things are going well, where things are not going well," said Ellingham. "Until we become very open about where things are going right and where things are going wrong, how can we collaborate to fix some of these issues?"

Source: sourcingjournal.com– Dec 18, 2024

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China's textile & garment exports up 2.2% to $267 bn in Jan-Nov

China's cumulative exports of textiles, garments, and accessories totalled $273.059 billion during the first 11 months of 2024, reflecting a modest increase of 2.24 per cent compared to $267.721 billion in the same period of 2023, according to data from the General Administration of Customs.

This growth was primarily driven by a rise in textile shipments, as garment exports continued to lag. From January to November 2024, exports of garments and accessories amounted to $144.222 billion, a slight decline of 0.2 per cent compared to $144.577 billion during the corresponding period in 2023.

Conversely, exports of textile products, including yarn and fabric, saw an increase of 4.6 per cent year-on-year (YoY), reaching $128.837 billion, up from $123.144 billion during the same period in 2023.

In November 2024 alone, China's garment exports were valued at $13.016 billion, while exports of textile yarn, fabrics, and related articles stood at $12.156 billion, bringing the total export value for the month to $25.172 billion.

On the import side, China experienced an 8.1 per cent decrease in textile yarn and fabric imports, which fell to $9.852 billion in the first 11 months of 2024, down from $10.725 billion during the same period in 2023. For November 2024, imports were valued at $0.867 billion.

In 2023, China's total exports of textiles, garments, and accessories declined by 8.05 per cent to $293.641 billion, down from $319.376 billion in 2022.

Garment exports decreased by 7.8 per cent to $159.144 billion, while textile exports fell by 8.3 per cent to $134.497 billion. Imports of textile yarn and fabric products also registered a 1.2 per cent decrease, dropping from $11.881 billion in 2022 to $11.742 billion in 2023.

Source: fibre2fashion.com– Dec 19, 2024

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Source Fashion 2025 spotlights Egyptian Pavilion for sustainable sourcing

Source Fashion, Europe's leading responsible sourcing event, will feature an exclusive Egyptian Pavilion at its next show from 18th-20th February 2025 at Olympia London. With over 20 Egyptian manufacturers participating, this pavilion highlights the country's exceptional craftsmanship, sustainability, and competitive advantages for UK and European buyers.

Showcasing excellence and sustainability

The Egyptian Pavilion is set to underline the superior quality, expertise, and eco-conscious practices of Egyptian manufacturers. Renowned for their proficiency in textiles, tailoring, and garment production, Egyptian factories offer buyers a unique mix of affordability and premium quality. Faster shipping times to Europe, thanks to geographic proximity, reduce lead times, while trade agreements such as the EU-Egypt Association Agreement make sourcing more cost-effective.

Most manufacturers are aligned with international ethical standards, holding certifications like BSCI, WRAP, and OEKO-TEX, ensuring sustainable production processes. Suzanne Ellingham, Event Director at Source Fashion, stated, "Egypt is a rising star in sourcing, combining tradition, innovation, and sustainability. We're thrilled to showcase these values at Source Fashion 2025."

Featured Egyptian manufacturers

Bishara Apparel Group brings over 40 years of experience in menswear, womenswear, and uniforms. Known for its diverse rangecoats, jackets, dresses, and morethe company has partnered with global brands such as Calvin Klein. A spokesperson commented, "We're excited to present our collections at Source Fashion in one of the world's most vibrant fashion capitals."

El Helal, a family-owned textile leader with over five decades of expertise, operates a vertically integrated facility handling knitting, dyeing, and printing. Specializing in premium knitwear, the company offers innovative and sustainable poly-cotton blends. Their representative shared, "This event is a perfect platform to expand our reach in the UK."

Viva 1960 Clothing Factory, an ISO- and WRAP-certified producer, excels in loungewear and sleepwear. Their low-waste processes and flexibility in managing small and large orders make them ideal for sourcing managers aiming to meet sustainability goals.

Morinella, a third-generation childrenswear specialist with 80 years of expertise, delivers precision-crafted designs using vibrant materials and intricate embroidery. The company caters to evolving trends with tailored solutions for small to medium orders.

Partnerships for responsible fashion

The Egyptian Pavilion is backed by collaborations with CBI (Centre for the Promotion of Imports), USAID, and the Apparel Export Council (AEC). Menno Morenc, CBI Project Manager, emphasized their shared mission: “We aim to promote sustainable and innovative practices by introducing quality-focused Egyptian manufacturers to Europe, fostering partnerships that minimize environmental impact.”

A global platform for responsible sourcing

Source Fashion is a hub for sourcing directors, designers, and procurement specialists. The event spans categories such as womenswear, menswear, footwear, and accessories. Major retailers like John Lewis, ASOS, Urban Outfitters, Harrods, and Amazon have already leveraged its platform.

Uniting buyers with audited global manufacturers, Source Fashion underscores its commitment to transparency and responsible business, reshaping the sourcing landscape for a sustainable future.

Source: fashionatingworld.com– Dec 18, 2024

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ICE cotton touches one month low as Brazilian sales rise

ICE cotton further eased and touched one month low as Brazilian farmers ramped up cotton sales. Rising dollar index and weaker crude oil also caused pressure on cotton futures amid slow demand during last fortnight of current year.

Yesterday, ICE cotton March 2025 contract settled at 68.69 cents per pound (0.453 kg) down by 0.37 cents. The contract touched a session's low of 68.55 cents, the lowest level since November 19.

US dollar index rose yesterday which makes cotton purchases expensive for overseas buyers. USD/BRL current pair hit an all-time high weakening the Brazilian real. It prompted Brazilian farmers to sell cotton as it became more profitable in local currency. Meanwhile, international crude oil prices slipped about 1 per cent to a one week low, making polyester, a cheaper cotton substitute, more competitive. It also dampened sentiments in cotton market.

Risk contagion from CBOT grains and ICE soft commodities weighed on the cotton market. Demand for cotton remained weak with no signs of improvement, adding to the bearish market sentiment.

ICE reported that as of December 16, deliverable No. 2 cotton futures contract inventory was unchanged at 20,113 bales. The near-term price outlook remains lower to sideways due to weak demand and economic uncertainties.

Presently, ICE cotton for March 2025 was traded at 68.53 cents per pound (down 0.16 cent). Cash cotton was traded at 65.19 cents (down 0.37 cent), the May 2024 contract at 69.69 cents per pound (down 0.13 cent), the July 2025 contract at 70.75 cents (down 0.09 cents), the October 2025 contract at 69.37 cents (down 0.07 cent) and the December 2025 contract at 69.81 cents (down 0.10 cents). A few contracts remained at the level of the last closing, with no trading noted today.

Source: fibre2fashion.com– Dec 18, 2024

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Indonesia's ready-to-wear clothing imports increase by 10.53% in November 2024

Indonesia's imports of ready-to-wear clothing, especially those included in the textile and textile product identification code (HS) group, increased by 10.53 per cent in November 2024. As per Amar Adininggar Widyasanti, Acting Head, Central Statistics Agency (BPS), the largest imports of 42.69 per cent of ready-to-wear clothing came from China.

In addition to China, Indonesia also increased ready-to-wear clothing imports from Vietnam and Bangladesh by 10.48 per cent and 8.95 per cent respectively.

Indonesia's total imports declined by 10.71 per cent to $19.59 billion in November 2024. Imports from China reached $6.53 billion. In addition to China, imports from Japan reached $1.49 billion while those from United States totaled $0.76 billion.

Source: fashionatingworld.com– Dec 18, 2024

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Nov 2024 US container imports show softer seasonal decline: Descartes

For the first time in four months, US container imports in November this year dipped below 2.4 million twenty-foot equivalent units (TEUs)—a threshold that has historically strained US maritime logistics. They fell by 5 per cent month on month (MoM) to 2,368,758 TEUs, according to logistics and supply chain technology platform Descartes.

The drop is consistent with seasonal month-on-month (MoM) decreases seen in previous years, though smaller than the 9-per cent decrease over the same period last year.

In November, US container imports from China also declined MoM by 7.5 per cent, ending a four-month stretch of volumes exceeding 900,000 TEUs, and were 13.2 per cent lower than the peak in July 2024 (1,022,913 TEUs).

November 2024 imports from China increased by 13.3 per cent year on year (YoY), reflecting the overall upward trend in 2024, a release from the Canadian company said.

November 2024 imports reflect a softer seasonal slowdown compared to November 2023.

TEU volume in November this year was higher by 12.8 per cent year on year (YoY), and up a remarkable 24.6 per cent from pre-pandemic November 2019. Compared to the first 11 months of 2019, import volumes have grown by 17.6 per cent over the same period in 2024.

These results continue to underscore the strength of U.S. container imports throughout 2024, Descartes noted. Notably, total imports for the first 11 months (25,829,192 TEUs) of 2024 have already surpassed the 12-month total (24,957,640 TEUs) for 2023 by 871,552 TEUs, or 3.5 per cent.

In November this year, container import volumes at the top 10 US ports declined by 140,242 TEUs, a 6.6 per cent decrease MoM.

Tacoma (up 4,677 TEUs) was the only port that recorded a volume increase. The remaining nine ports all recorded volume decreases, with the ports of Long Beach (down 64,187 TEUs), New York/New Jersey

(down 43,969 TEUs), and Los Angeles (down 12,888 TEUs) experiencing the most significant MoM declines.

In November 2024, U.S. container import volume from the top 10 countries of origin fell by 116,104 TEUs, representing a 6.4 per cent decline MoM. Among these, Germany (up 5,950 TEUs) and Italy (up 3,693 TEUs) experienced the largest volume increases. In contrast, China (down 72,235 TEUs), Vietnam (down 27,148 TEUs), and Thailand (down 12,774 TEUs) recorded the most significant volume decreases.

Source: fibre2fashion.com– Dec 19, 2024

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Oct goods trade surplus €6.8 bn for euro area, €3.9 bn for EU

The first estimates of euro area trade balance showed a €6.8-billion surplus in trade in goods in October this year compared with a €9.4-billion surplus in October last year, according to Eurostat, the European Union (EU) statistical office. The surplus decreased compared to €11.6 billion in September this year.

The euro area exports of goods in October this year were worth €254 billion—an increase of 2.1 per cent year on year (YoY). The area's imports stood at €247.2 billion—a rise of 3.2 per cent YoY.

Between January and October this year, the euro area recorded a surplus of €143.3 billion compared with €22.7 billion in the corresponding period last year. The area's exports of goods to the rest of the world during the period rose to €2,387.1 billion—an increase of 0.5 per cent YoY, and imports fell to €2,243.8 billion—a decrease of 4.6 per cent YoY.

Intra-euro area trade fell to €2,155.1 billion in January-October 2024—down by 3.1 per cent YoY. The European Union (EU) goods trade balance showed a €3.9-billion surplus with the rest of the world in October this year compared with a €8.4-billion surplus in October last year.

Extra-EU exports of goods in October were worth €227 billion—up by 0.9 per cent YoY. Imports from the rest of the world stood at €223.1 billion—up by 3 per cent YoY. Compared to September 2024, the EU surplus decreased from €8.2 billion to €3.9 billion in October, an Eurostat release said.

In January to October 2024, extra-EU exports of goods rose to €2,149.6 billion—an increase of 0.9 per cent YoY, and imports fell to €2,029.9 billion—a decrease of 4.6 per cent YoY. As a result, the EU recorded a surplus of €119.7 billion during the period compared with €1.1 billion in the corresponding period last year. Intra-EU trade fell to €3,376.9 billion in the ten-month period—a drop of 2.4 per cent YoY.

Source: fibre2fashion.com– Dec 19, 2024

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IFC invests $50 mn to boost sustainable textile production in Turkiye

International Finance Corporation (IFC) has announced a $50 million investment in Kuçukçalik Tekstil Sanayi ve Ticaret AS (Kuçukçalik), a home textiles manufacturer operating in Turkiye and Egypt. The loan comprises of $30 million from IFC's own account and $20 million from IFC's Managed Co-Lending Portfolio Program (MCPP).

This investment enables Kuçukçalik to boost its production capacity sustainably by building a new polyester chip manufacturing plant, expanding its yarn spinning facility, and establishing a textile recycling facility in its manufacturing unit in Sakarya, Turkiye.

The installation of rooftop solar photovoltaic systems in Kuçukçalik's manufacturing unit in Bursa, Turkiye, will boost sustainability efforts, enabling energy and resource-efficient yarn production process, and increase renewable energy usage. The funding is anticipated to yield economy-wide effects through value addition, job creation, and foreign exchange revenue generation, IFC said in a press release.

IFC's investment is projected to create approximately 700 direct and indirect jobs, boosting employment in Turkiye. The corporation will also collaborate with the company to improve policies on workplace gender inclusion, aligning with the World Bank Group's goal of closing gender gaps.

With investments of over $20 billion in the last decade alone, IFC has supported private sector development in Turkiye for more than 50 years. Turkiye represents IFC's third-largest country exposure globally, with a committed portfolio of close to $5.4 billion as of December 2024.

"We are thrilled to announce this significant partnership with IFC, which marks a pivotal moment in our journey towards sustainable growth and innovation. This project will not only enable us to expand our production capabilities but also enhance our commitment to sustainability. We look forward to leveraging this investment to strengthen our competitive edge and contribute to Turkiye's position in global trade," said Yasar Kuçukçalik, chairman of Kuçukçalik Group.

“This investment will drive competition in the synthetic fabric manufacturing industry, which is crucial for the Turkish economy. Supporting companies like Kuçukçalik in their strategic efforts to vertically integrate and optimize input management is vital to strengthen the country’s position in global trade,” said Wiebke Schloemer, IFC director for Turkiye and Central Asia.

Source: fibre2fashion.com– Dec 17, 2024

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Bangladesh Textile Mills Association seeks intervention from Bangladesh Bank for unpaid bills

Leaders from the Bangladesh Textile Mills Association (BTMA) called on the Bangladesh Bank for assistance in recovering overdue payments from commercial banks related to back-to-back letters of credit (LCs) for yarn and fabric supplied to the ready-made garment (RMG) sector.

During a meeting with the central bank's governor, Ahsan H Mansur, BTMA representatives expressed concerns over a severe liquidity crisis affecting their mills, with outstanding bills totaling $270 million remaining unpaid across various banks. They highlighted that in some instances, payments have not been settled even after a two-year wait since the bills matured.

Showkat Aziz Russell, president of the BTMA, pointed out that while member mills have fulfilled their obligations under the back-to-back LCs, some banks are failing to honour payments at maturity, causing significant operational challenges for the mills. This situation has particularly hampered their ability to repay loans.

Additionally, BTMA officials criticised commercial banks, including state-owned ones, for not accepting partial payments or advance payments related to export development fund (EDF) loans, which has further delayed their capacity to make timely repayments. They requested guidance from the central bank to ensure that banks allow partial adjustments for these loans.

The governor of the Bangladesh Bank assured BTMA that he would take necessary steps to facilitate the payment of matured bills for yarn and fabric supplied to RMG factories. Mansur also indicated that the central bank would contemplate allowing partial adjustments for EDF loans.

Furthermore, BTMA urged the Bangladesh Bank to reconsider a recent circular stipulating that any installment not paid within the designated timeframe would be deemed overdue three months post-due date, with a deadline for all loans set for 31st March 2025, to avoid overdue status.

The association requested an extension of the repayment period to six months in light of recent challenges, including surging gas prices, rising worker wages, political instability, and inadequate utilities, which have

resulted in 50-60 per cent of production capacity remaining underutilised in many export-oriented textile mills.

BTMA leaders emphasised the difficulties faced by the export-oriented primary textile sector in meeting loan obligations as outlined in the circular, citing the adverse effects of ongoing global conflicts and domestic issues. Key figures present at the meeting included BTMA Vice President Md Abul Kalam and former President Mohammad Ali Khokon.

Source: apparelresources.com– Dec 18, 2024

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IMF cuts Bangladesh's growth forecast again, keeps inflation projection elevated

The International Monetary Fund (IMF) has further cut Bangladesh's growth forecast, but kept its projection on inflation elevated for the current fiscal year.

The South Asian economy may grow 3.8 percent in 2024-25 fiscal year, down from 4.5 percent the multilateral lender projected in early October, because of output losses caused by the July public uprising, floods, and tighter policies.

IMF's latest projection is lower than Bangladesh's 4 percent growth in gross domestic product (GDP) the World Bank predicted in October.

As per the prediction by the two multilateral agencies, the FY25 economic growth of the country would be the lowest since FY20 when the Covid-19 pandemic wreaked havoc on the world.

The IMF said Bangladesh's GDP growth may rebound to 6.7 percent in FY26 as policies relax, according to a statement issued today after the end of a two-week Bangladesh visit of a team of the IMF staff.

The mission visited Dhaka to discuss economic and financial policies to review the conditions it attached with the $4.7 billion loan it approved for Bangladesh in January 2023.

This was the second time this year the IMF cut Bangladesh's economic growth forecast but projected a rise in consumer prices since July this year.

In July, the agency said Bangladesh's GDP may expand by 6.6 percent and inflation might be 6.1 percent in the current fiscal year, which will end in June next year.

In October, the IMF hiked inflation forecast for Bangladesh and today said the annual average inflation is anticipated to remain around 11 percent in FY2025 before declining to 5 percent in FY2026 thanks to tighter policies and easing supply pressures.

"However, the outlook remains highly uncertain, with risks skewed to the downside," said the IMF.

The projection comes nearly a week after Bangladesh Bank Governor Ahsan H Mansur said the interim government has set a target to bring down consumer prices hike to 7 percent by the end of next June, which some analysts doubted since inflation stayed stubbornly high.

Inflation hit a four-month high of 11.38 percent in November, while food inflation soared to 13.80 percent from 12.66 percent in October, according to data from the Bangladesh Bureau of Statistics.

The 12-month average inflation stood at 10.22 percent in November, up from 10.05 percent in October.

Source: thedailystar.net– Dec 18, 2024

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Pakistan: Bleak cotton arrivals highlight crisis for textile value chain and growers

Persistently low cotton arrivals during the latter part of the ongoing season have deepened concerns for Pakistan's textile value chain, particularly for farmers, as the outlook for recovery remains grim.

The latest fortnightly report by the Pakistan Cotton Ginners Association (PCGA), released on Wednesday, reveals a significant shortfall in cotton arrivals compared to last year. Total arrivals as of December 15 stand at 5.367 million bales, reflecting a decrease of 2.656 million bales from the previous year's total of 8.023 million bales -- a decline of 33.11 per cent.

In terms of fortnightly flow, cotton arrivals for the period ending December 15, 2024, amounted to 0.176 million bales, down 34.6 per cent compared to 0.27 million bales during the same period last year.

The provincial breakdown shows Punjab experiencing a greater shortfall in arrivals (33.44 per cent) compared to Sindh (31.8 per cent). Moreover, Punjab's share in total production has fallen below that of Sindh, with the province recording 2.593 million bales against Sindh's 2.773 million bales.

Insiders attribute the decline to a mix of market dynamics and external factors. Low cotton prices have discouraged farmers from investing in their crops, while inconsistent government policies have further impacted production. Inadequate farming practices, such as early planting and suboptimal fertiliser usage, are also believed to have contributed to diminished yields.

Additional factors include climate change, pest infestations and disease outbreaks. Erratic weather patterns, such as droughts and heavy rains, have adversely affected crop yields, while insufficient irrigation and pest control measures have compounded the problem.

Experts stress the importance of a detailed examination of the agricultural and cotton production processes to identify and address the root causes of the decline. Without immediate intervention, the ongoing crisis risks further eroding confidence among growers, who are already grappling with low returns despite limited supplies.

The implications extend beyond farmers, threatening the entire cotton supply chain, including production levels, pricing, exports, and market stability. Persistent challenges may force farmers to consider alternative crops, further undermining efforts to revive cotton cultivation.

To address the crisis, the government must prioritise support for cotton farmers. Initiatives should include subsidies, improved irrigation infrastructure and access to high-quality seeds and fertilisers. Investments in research and development to create drought-resistant and pest-resistant cotton varieties could mitigate the impact of climate change and pest infestations.

Market reforms, such as stabilising cotton prices and establishing stronger market linkages, are essential to ensure fair returns for farmers. By implementing these measures, stakeholders can work towards revitalising the cotton industry and restoring its role as a cornerstone of Pakistan's economy.

Source: dawn.com– Dec 19, 2024

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NATIONAL NEWS

Need a paradigm shift in India's e-commerce export ecosystem, says DGFT Sarangi

Excessive collateral requirements by financial institutions pose a significant barrier for MSMEs seeking institutional finance, Santosh Kumar Sarangi, Director General of Foreign Trade, Ministry of Commerce and Industry has said.

This discourages them (Micro, Small and Medium Enterprises) from getting into the export market, Sarangi said at the 4th National Exports Competitiveness Summit 2024 organised by the Confederation of Indian Industry (CII) in the capital.

"Through focus on trade finance, trade infrastructure, and export promotion schemes, we are trying to ensure export competitiveness," Sarangi said.

He highlighted that e-commerce exports represent a massive untapped opportunity for India. With the right infrastructure, including rapid customs clearance within minutes, India's e-commerce exports could grow to $ 200–250 billion by 2030, transforming the trade landscape.
Paradigm shift

Sarangi called for a paradigm shift in India's e-commerce export ecosystem by replicating best practices and creating export hubs with seamless pre-clearance.

Furthermore, talking about the importance of branding, Sarangi said, "India must invest in branding and quality certification for its products. Large-scale efforts for branding India's millets, basmati rice, fruits, vegetables, and emerging sectors like medical tourism must be taken to strengthen its export identity".

Ajay Bhadoo, Additional Secretary, Department of Commerce, Ministry of Commerce and Industry, underscored the need to prepare for the rising tide of global protectionism by focusing on quality, certifications, and compliance with non-tariff barriers.

“India has immense potential in services exports, which are already growing faster than merchandise exports. Sectors like medical tourism, IT, and professional services hold transformative potential. By focusing on such sectors, India can emerge as a global leader in service exports,” said Bhadoo.

Meanwhile, addressing a different session at the Summit, Sanjay Kumar Agarwal, Chairman, Central Board of Indirect Taxes & Customs, said that India is no longer just aspiring to be a global export powerhouse but has outlined a clear roadmap to enhance its share in global trade. Transformative initiatives like the Gati Shakti Master Plan and multimodal logistics parks are reducing logistics costs, improving supply chain efficiency, and boosting connectivity, he said.

At the same time, the digitization of customs processes, including e-sealing, electronic export orders, and digitized duty refunds, is revolutionising trade facilitation, ensuring transparency, and enabling faster, more efficient clearances for exporters, Agarwal added.

At the inaugural session, Sanjay Budhia, Chairman, CII National Committee on EXIM and Managing Director, Patton International Limited said, “Schemes like RoDTEP and the PLI programs have directly enhanced competitiveness. The Towns of Export Excellence Initiative and the Trade Infrastructure for Export Scheme (TIES) also underscore the Government’s commitment to strengthening infrastructure and fostering an enabling ecosystem for boosting exports from India.”

Source: thehindubusinessline.com– Dec 18, 2024

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India emerges UK retailers' New Sourcing Hotspot': Study

A recent report, 'The State of Sourcing Report: Sourcing and Sustainability in 2025', reveals a significant shift in the global sourcing landscape. India is rapidly gaining prominence as a key sourcing region for UK retailers, challenging China's long-held dominance.

The report, published recently by Source Fashion, a leading fashion trade show, offers a comprehensive analysis of current sourcing practices and sustainability trends among UK retailers. The survey-based study, conducted in September-October 2024, gathered insights from a diverse range of retailers, both large and small.

Key findings

The report identifies India as the third most popular sourcing region among UK retailers, trailing only the UK itself and China. Notably, for larger businesses, India shares the second spot with the UK, underscoring its growing appeal.

Table: India's emergence as popular sourcing region

Sourcing region	All respondents	Small companies	Large companies
UK	42%	44%	35%
China	49%	45%	61%
India	37%	37%	35%
Western Europe	33%	37%	19%

While China remains a significant player, the report reveals its attractiveness is gradually diminishing due to various pressures, including rising costs, political uncertainties, and supply chain disruptions.
The report attributes India's emergence to several factors:

Cost-effectiveness: India offers competitive production costs, making it an attractive alternative to China.

Skilled Labor: India boasts a large pool of skilled labor, particularly in textiles and manufacturing.

Government initiatives: Supportive government policies, such as ease of doing business initiatives and infrastructure development, are further enhancing India's appeal

Industry experts echo the report's findings. As Sara Allbright, Co-Founder and Director of Retail 100 points out the importance of diversifying sourcing to mitigate risks associated with rising shipping costs and potential disruptions. She believes diversification into other countries and regions is an essential risk management exercise. Those with flexible near and far sourcing options will ultimately win out when you need to react quickly.

However, the report doesn't provide specific case studies of UK retailers successfully sourcing from India. Anecdotal evidence suggests major UK fashion retailers are increasingly turning to India for their sourcing needs. The report predicts continued growth for India as a sourcing hub for UK retailers. As pressures on China mount and India further strengthens its capabilities, the shift towards India is likely to accelerate in the coming years.

Source: indianretailer.com– Dec 17, 2024

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India's Apparel Exports Maintain Momentum Through 2024

As India's air cargo volume is expected to quadruple over the next two decades—the largest projected growth of any worldwide market—a rebound of the country's apparel exporters could further ignite this push.

According to estimates released by India's ministry of commerce, readymade garment (RMG) exports for November increased 9.8 percent to $1.12 billion, signaling robust global demand for made-in-India products, the Apparel Exports Promotion Council (AEPC) said on Tuesday.

RMG exports in the eight-month period from April to November rose 11.4 percent from the year prior to $9.85 billion, ministry data says.

The November and eight-month figures are still down from 2022 totals at 6.6 percent and 4.9 percent, respectively, but the industry shares confidence in a long-term bounce back.

"India's RMG sector is registering significant export growth signaling acceptability and rise in demand for made-in-India products globally," said Shri Sudhir Sekhri, chairman of AEPC, in a statement. "While the overall exports declined, apparel exports withstood the headwinds showing the resilience to buck the adverse situation. I am hopeful that with the changing geopolitical equations a lot more business will shift to India in the near future."

Those geopolitical equations could range from the expected addition of more tariffs on goods coming out of China, or the uncertainty of a new government in neighboring Bangladesh—where logistics had briefly been upended due to port closures.

India's strength in apparel exports comes as shippers got good news out of India's ports, which will continue to function as usual after averting a dockworker strike of 18,000 workers. That strike would have taken place Tuesday if the Indian Ports Association didn't implement wage demands that were previously agreed upon by the union dockworkers.

And at privately owned parts that weren't involved in those labor disputes, cargo movement keeps ramping up. On Monday, Mundra Port, the largest container seaport in India, handled a record 396 vessels in November.

According to the Tiruppur Exporters' Association (TEA), a major Indian textile hub, Tiruppur, is benefiting from the rise in total demand.

Tiruppur, which contributes 55 percent of India's total knitwear exports, posted a 13 percent increase in exports in the first five months of this financial year to August, the association said.

U.S. retailers like Walmart, Carter's, J.C. Penney, Gap and Tommy Hilfiger, as well as U.K.-based apparel companies like Primark, Next and Marks & Spencer are among those ordering from manufacturers in the Tiruppur cluster, according to a report from Indian publication Business Standard.

Another media platform in the country covering SMBs, KNN India, said in a recent article that apparel export units are operating at near-maximum capacity and receiving a surge of orders from both the U.S. and the U.K.

The region's 20,000 manufacturing units are currently running at 95 percent capacity, a significant improvement from just months ago when they were operating at 60 to 65 percent capacity. These units involve various processes across the textile value chain, providing employment to roughly 800,000 people across knitting, dyeing, bleaching, fabric printing, garment making, embroidering and more.

According to KM Subramanian, president of the TEA, the knitwear sector anticipates a 14 percent revenue increase in the 2025 fiscal year.

As exports from Tiruppur are expected to increase in the coming months, retailers are appointing third-party auditing firms to assess the capacity and capability of suppliers in Tiruppur to handle additional orders.

"Several top buyers from the U.S. and U.K. are appointing firms like SGS and Bureau Veritas for audit of export units in Tiruppur is the first step towards global brands placing more orders from us," Subramanian told Indian publication the Deccan Herald. "While some firms are already delivering additional orders, we will definitely witness further boom in the sector."

India's status as an apparel exporter aligns well with the country's massive projected growth of its air freight capabilities.

Although India represented less than 1 percent of global air cargo traffic in 2023, Boeing's World Air Cargo Forecast projects India's air cargo volume to quadruple over the next 20 years, with compound annual growth rate (CAGR) reaching 7 percent.

Inditex is one such retailer that has taken the air route out of India more often due to the shifting some cargo away from ocean freight that would have gone through the conflict-ridden Red Sea. If the Houthi attacks in the region continue, more apparel brands with India-sourced garments could make a similar sea-to-air shift.

The Zara parent sent 3,865 shipments by air from India in the 12 months through August, a 37 percent increase on the previous year, according to a Reuters analysis of shipment records from trade data provider ImportGenius.

Source: sourcingjournal.com – Dec 18, 2024

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India's cotton imports up three-fold till Nov-end at 9 lakh bales

India's cotton imports witnessed a three-fold jump in the first two months of the 2024-25 season, which started in October. Imports of the fibre crop till November-end stood at 9 lakh bales (170 kg each), as per the Cotton Association of India's latest data. In the same period last year, cotton imports stood at 3 lakh tonnes.

Taking advantage of the low global prices during August-September, Indian millers had contracted for cotton imports, which landed during October-November.

Atul Ganatra, Chairman, CAI, said shipments of around 4.5 lakh bales that were contracted during September got delayed and came in October. Till November end, about 9 lakh bales are estimated to have arrived at the Indian ports.

CAI has estimated that cotton imports into the country during 2024-25 at 25 lakh bales, up from 15.20 lakh bales in the 2023-24 season. The increase in imports is largely attributed to lower global prices, a decline in domestic crop size on account of a drop in acreage besides due to the adverse weather influencing the output and quality in various States.

Low production

Cotton production during 2024-25 is projected lower by 7 per cent at 302.25 lakh bales over325.29 lakh bales the previous year. Cotton prices have been on a bearish trend in the domestic market despite a lower crop on muted demand from mills and also tracking the global price trend.

With prices ruling below the minimum support price levels, the state-run Cotton Corporation of India has been the biggest buyer of the fibre crop with purchases exceeding 31 lakh bales till mid-December. CAI has maintained the pressing estimate for the 2024-25 season at 302.25 lakh bales.

Total supply till November end was estimated at 108.41 lakh bales consisting of opening stocks of 30.19 lakh bales, imports of 9 lakh bales and pressing figures of 69.22 lakh bales. Cotton consumption till November-end is estimated at 54 lakh bales, marginally higher than the

same period last year's 53 lakh bales. Consumption for 2024-25 is seen at 313 lakh bales.

Exports till November end this year stood at 4 lakh bales, up by a fourth over3 lakh bales last season. However, the exports for the 2024-25 season are estimated at lower at 18 lakh bales, down 10.36 lakh bales or 36 per cent over 28.36 lakh bales last season.

The stocks till end of end of November were estimated at 50.41 lakh bales. This includes 28.41 lakh bales with textiles mills and remaining 22 lakh bales with Cotton Corporation of India, Maharashtra Federation and others including MNCs, traders and ginners.

CAI has retained its total supply for the 2024-25 season till end September 2025 at 357.44 lakh bales, consisting of opening stocks of 30.19 lakh bales, pressing number for the season at 302.25 lakh bales and imports for the season estimated at 25 lakh bales.

Source: thehindubusinessline.com– Dec 18, 2024

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Focus on trade infra, MSMEs competitiveness to help India double share in global trade: CII

Deeper integration into global value chains, enhanced digital trade infrastructure and a focus on building the competitiveness of MSMEs will help India more than double its share in global trade from the present 2 per cent, CII said on Wednesday.

Chairman of the CII national committee on EXIM Sanjay Budhia said that the chamber is committed to working closely with the government to address critical challenges which hinder manufacturing and export growth.

"The journey will require deeper integration into global value chains, enhanced digital trade infrastructure, and a focus on building the competitiveness of MSMEs," he said.

To further unlock the potential of exports, he suggested a common online portal for issue of circulars pertaining to various ports and locations.

There is also a need to adopt best practices being followed by developed countries and implement the CAARR (Customs Authority on Advance Ruling) Regulation, 2021 as it would contribute to reduction of global trade costs and bring certainty in duty liability, Budhia said.

He added that measures need to be undertaken to strengthen the AEO (authorised economic operator) programme.

It has generated a lot of confidence in exporters reducing their time which they are utilising more productively in their workplace.

Further, he said that to reduce litigation and make refund process smooth when there is no dispute between the department and importer, refunds may be processed without requirement of filing appeal with the Commissioner Appeals.

"These efforts will reduce double duty payment due to Customs EDI (electronic data inter-change) system error, refund duty deposited, excess payment of duty due to error, refund arising out of the bonafide clerical error and short shipment and part shipment," he said.

Aligning India's tax system with global best practices has improved the ease of doing business.

He added that many of India's trading partners, such as the European Union and ASEAN (Association of Southeast Asian Nations), have similar VAT-based tax structures, making it easier for Indian businesses to engage in cross-border transactions.

Source: economictimes.com– Dec 18, 2024

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High interest rates deterrent for MSME exporters; working with FinMin: DGFT

The country's high interest rates are a big deterrent for exporters community and the commerce ministry is working with its finance counterpart to help them at this front, a senior government official said on Wednesday.

Director General of Foreign Trade Santosh Kumar Sarangi said that the department of commerce has been "struggling" to convince the finance ministry regarding the relevance of the Interest Equalisation Scheme (IES) and the extent to which it is maintaining manufacturing competitiveness.

Sarangi said there are many studies which suggest that very high collateral demand by financial institutions is a big deterrent for MSMEs to access institutional finance and that deters them from getting into the export market.

"So how do we ensure collateral free or a subsidised collateral arrangement for MSMEs is something that the department of commerce is working with the department of expenditure," he said adding India has high interest rates vis-a-vis its peer nations.

The repo rate in India is 6.5 per cent, whereas in many Southeast Asian nations, it is between 2.5 per cent and 3.5 per cent.

"So this has been a big deterrent for our exporters, especially MSMEs, to become export competitive," he said.

He added that the IES has been able to partially neutralise the "very" high interest rates that "our exporters face.

As of now, the scheme is there till December 31.

"We hope our negotiations with the finance ministry is able to convince them that this actually a huge intervention for MSMEs and it allows them not only to stay afloat in the market but to ensure that their integration with the global marketplace is much better and stronger," he added.

The scheme helps exporters from identified sectors and all MSME manufacturer exporters to avail of rupee export credit at competitive rates at a time when the global economy is facing headwinds.

Exporters get subsidies under the Interest Equalisation Scheme for pre- and post-shipment rupee export credit.

The scheme was started on April 1, 2015, and was initially valid for five years up to March 31, 2020. It has been continued thereafter, including a one-year extension during Covid-19, and with further extensions and fund allocations.

The scheme is fund-limited, and benefits to individual exporters were earlier capped at Rs 10 crore per annum per IEC (Import Export Code). Now the cap is Rs 50 lakh.

After recording double-digit growth in October, India's exports in November contracted by 4.85 per cent year-on-year to USD 32.11 billion, while the trade deficit widened to an all-time high of USD 37.84 billion due to a record surge in gold imports.

Source: business-standard.com– Dec 18, 2024

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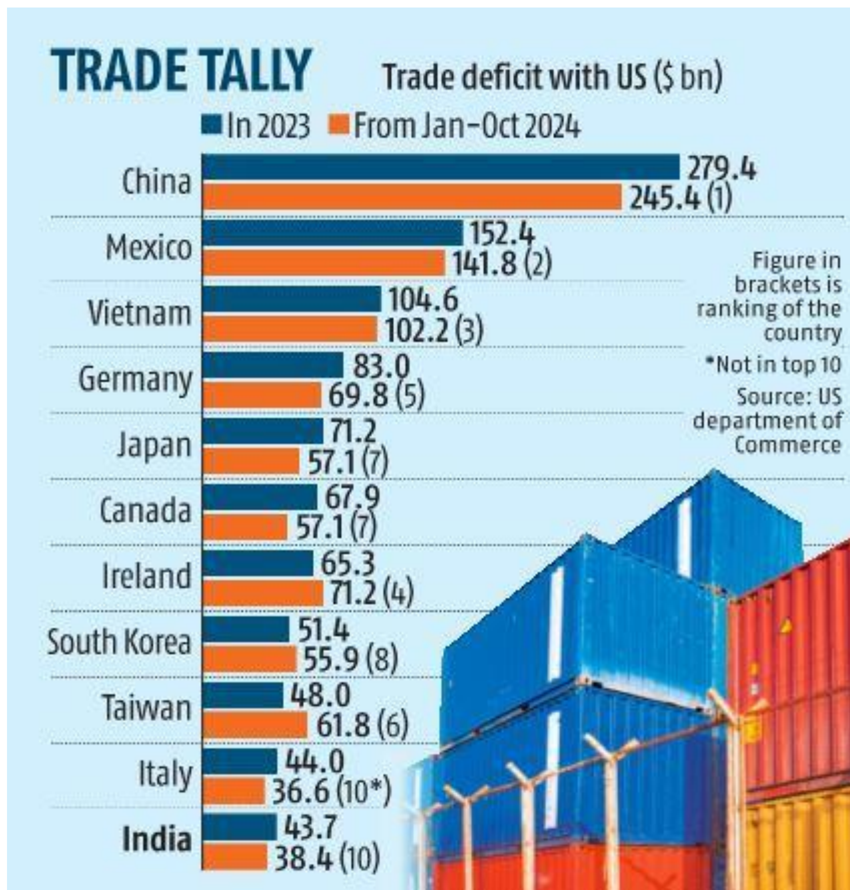
India replaces Italy to bag 10th spot in US trade deficit rankings in 2024

India may not have been on the list of the top 10 countries with which the US had the highest trade deficit in calendar year (CY) 2023, but there was cause for concern for India. Based on data from January to October of CY 2024, and due to a significant increase in electronics exports to the US, India is now on the 10th spot, replacing Italy.



Trump has made it publicly clear that he does not approve of the widening trade deficit with certain countries and plans to reduce it through measures such as imposing stiff tariffs. His transition team is already scrutinising a list of countries contributing to the growing US trade deficit.

At the top of the list for CY 2023 is China, with which the US had a trade deficit of $279 billion, followed by Mexico ($152 billion) and Vietnam ($104 billion). The 10th country on the list was Italy, with which the US had a trade deficit of $44 billion.

The US had a trade deficit of $43.7 billion with India, putting it in 11th position.

Two other Asian countries following India were Thailand ($40.7 billion) and Malaysia ($26.7 billion).

Driven by electronics exports, from January to October CY 2024, the US trade deficit with India rose to $38 billion, displacing Italy ($36 billion) and pushing India into the 10th spot.

The Trump administration has earmarked three key areas for determining trade negotiations. First, it aims to reduce its trade deficit with certain countries.

Second, it has made clear that high tariffs will be targeted. Trump has repeatedly referred to India as a "tariff king" in recent months.

Trump has threatened to retaliate with high tariffs. In a recent social media post, he announced plans to impose a 25 per cent tariff on imports from Canada and Mexico, two countries with which the US runs large trade deficits, unless they stem the flow of migrants and drugs across the border.

This is in addition to his threat to impose a 20 per cent duty on all imports across categories and a 60 per cent duty on all
Chinese goods.

Finally, he has also threatened BRICS members — Brazil, Russia, India, China, and South Africa — with a 100 percent duty if they replace the US dollar as the main global currency.

Source: business-standard.com– Dec 18, 2024

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