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USD	EUR	GBP	JPY
85.60	89.03	107.40	0.55

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INTERNATIONAL NEWS

Global Textiles Wrap Up 2024, Outlook 2025: Year of resilience and transformation

Year 2024 has seen dynamic shifts and surprising resilience in the global textile sector. Despite facing numerous challenges, the industry demonstrated an impressive ability to adapt and innovate. Here is a look at the key trends, challenges, and triumphs in the textile sector and outlook for 2025.

Factors that dominated 2024

Several factors played a crucial role in shaping the global textile landscape in 2024:

Economic slowdown: The global economic slowdown significantly impacted consumer spending, leading to decreased demand for apparel and textiles. This was particularly evident in major markets like the US and Europe.

Inflation and rising costs: Inflationary pressures and increased raw material costs, especially cotton, squeezed profit margins for textile manufacturers.

Geopolitical tensions: Ongoing geopolitical tensions and trade disputes, particularly those involving China, disrupted supply chains and created uncertainty in the market.

Sustainability concerns: Growing consumer awareness of environmental and social issues pushed sustainability to the forefront of the textile industry.

Technological advancements: Automation, AI, and 3D printing continued to transform textile manufacturing processes, improving efficiency and enabling new possibilities.

Performance: Projections vs. Reality

Pre-2024 projections anticipated moderate growth for the textile sector. However, the reality was more complex. While some segments, such as technical textiles and sustainable fashion, experienced growth, overall performance was subdued due to the numerous challenges.

Region	Projected growth (%)	Actual growth (%)
Asia Pacific	4.5	3.8
North America	2	1.2
Europe	1.5	0.8
Global	3.2	2.5

Source: Statista, 2024 estimates

Winners and Losers

Winners: Countries like Bangladesh and Vietnam, with their competitive labor costs and established manufacturing infrastructure, continued to attract investment and expand their market share. The domestic textile industry in India also showed resilience, driven by strong government support and a focus on technical textiles.

Losers: Countries heavily reliant on exports to Western markets, such as China and some European nations, faced difficulties due to reduced demand and increased competition.
Bangladesh's resilient growth

Despite global headwinds, Bangladesh's textile industry managed to maintain steady growth in 2024. Factors contributing to this success include:

Competitive labor costs: Bangladesh continues to offer some of the lowest labor costs in the world, making it an attractive destination for textile manufacturing.

Government support: The Bangladeshi government has implemented various policies to support the textile industry, including tax incentives and infrastructure development.

Focus on sustainability: Many Bangladeshi factories have invested in sustainable practices, appealing to environmentally conscious brands and consumers.

Outlook for 2025, change drivers

Looking ahead, several factors are expected to drive change in the global textile sector in 2025:

Shifting consumer preferences: Consumers are increasingly seeking personalized, sustainable, and ethically produced clothing. This trend will compel brands and manufacturers to adapt their offerings.

Technological disruption: Further advancements in automation, AI, and data analytics will continue to reshape textile manufacturing, leading to increased efficiency and customization.

Circular economy: The concept of a circular economy, where resources are reused and waste is minimized, is gaining traction in the textile industry. This will drive innovation in recycling, upcycling, and sustainable material development.

Regionalization of supply chains: The pandemic and geopolitical tensions have exposed the vulnerabilities of global supply chains. Companies are increasingly seeking to diversify their sourcing and manufacturing operations, leading to a more regionalized approach.
Projections and opportunities

Despite the challenges, the global textile market is projected to grow steadily in 2025. The table outlines projected growth rates for key segments:

Segment	**Projected Growth (%)**
Apparel	3.5
Technical Textiles	6.2
Home Textiles	4.8

Source: Global Textile Market Outlook, 2025

Opportunities

Sustainable and ethical fashion: Brands and manufacturers that prioritize sustainability and ethical practices are well-positioned for growth.

Technical textiles: The demand for technical textiles, used in various industries like healthcare, automotive, and construction, is expected to surge.

E-commerce and digitalization: The rise of e-commerce and digital platforms presents new opportunities for textile businesses to reach consumers directly and expand their market reach.

The global textile sector in 2024 has been a testament of resilience and adaptability. Despite facing economic headwinds and geopolitical challenges, the industry has continued to innovate and evolve. Looking ahead, the sector is poised for further transformation, driven by shifting consumer preferences, technological advancements, and a growing focus on sustainability. By embracing these changes and seizing the opportunities that lie ahead, the textile industry can ensure its continued growth and success in the years to come.

Source: fashionatingworld.com– Dec 30, 2024

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Australia’s apparel industry revenues to rise to $21.72 billion by 2024-end: Statista

On track for substantial growth, revenues from the Australian apparel market are likely to increase to $21.72 billion by the end of 2024, according to Statista. This growth is expected to continue at a CAGR of 2.21 per cent from 2024 to 2029.

Within the Australian market, the women’s apparel segment is projected to generate $11.86 billion in 2024 followed by men’s apparel at $6.35 billion and children’s clothing, which is expected to reach $3.51 billion.

In terms of consumer spending, Australians are expected to spend an average of $812.90 per person on apparel in 2024, reflecting strong engagement with fashion products. By 2029, the Australian apparel market is forecast to reach 1.8 billion items, translating to an average of 63.8 pieces per person in 2024.

While smaller in scale compared to global giants like the US, which is set to lead the apparel market with expected revenues of $359 billion in 2024, Australia's apparel sector shows considerable potential for growth in the coming years.

Source: fashionatingworld.com– Dec 30, 2024

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Will the EU Further Weaken Corporate Sustainability Rules?

Could the European Union further dilute its mandatory due diligence laws before they've barely begun?

That's one concern being raised following the European Commission's announcement earlier this month that it was preparing to "streamline" its sustainability regulations through a so-called omnibus simplification package to be published in February.

While the idea, according to President Ursula von der Leyen, is to strip away redundant and "often overlapping" reporting requirements and ease the regulatory burden being imposed on businesses, several center-left Members of the European Parliament say it could result in a potential rollback of hard-won efforts to pass an already-watered-down version of the corporate sustainability due diligence directive, which together with the corporate sustainability reporting directive and a "taxonomy" that defines criteria for sustainable economic activities, would be among the regulations being rejiggered.

"We firmly ask that you exclude the very recently agreed CSDDD from this exercise," democratic-socialist politicians Iratxe García Pérez, Ana Catarina Mendes, René Repasi and Lara Wolters wrote in a letter obtained by Euronews. Their support for von der Leyen's second term, they said, was predicated on "assurances provided through those commitments…that the essential substantive elements of EU reporting legislation should in no case be altered, and that simplification will not amount to deregulation."

The Clean Clothes Campaign, the garment industry's largest consortium of trade unions and organizations, also expressed what it said was its "deep worry" that simplified rules would result in a U-turn on the world's largest single market's landmark legislation. It also said that the European Commision was misunderstanding what appears to be one of the inciting factors for the decision: a September report by Italian economist and former European Central Bank president Mario Draghi on Europe's eroded competitiveness that, despite being mentioned several times by von der Leyen in her remarks about the omnibus, makes only "cursory reference" to the due diligence framework.

"Moreover, Mr Draghi's criticism takes place in an environment where corporate investments have remained low while corporate profits have continued to increase, having been funneled into shareholders' pockets more than into investments in Europe's productive capacity," the Clean Clothes Campaign said. "In short, Mr Draghi's analysis and its translation into policy action by the current Commission seem to be used as a pretext to sacrifice labor and human rights as well as environmental sustainability in the name of corporate profits. Mr Draghi's diagnosis of the EU economy's ills is grounded, but his prescription points to more of the same medicine."

Simplification, the organization said, "cannot and should not be an end in itself." Instead, it must serve the Green Deal's goal of achieving a "just, fair and sustainable economy," especially for the workers making the clothes sold throughout the 27-member bloc. For them, it said, regulating the supply chains of large brands and manufacturers is a "question of survival."

"Corporate due diligence and sustainability reporting obligations exist in a view to ensure companies' respect for human rights and the environment, which should remain the guiding principle of the commissioner's actions," the Clean Clothes Campaign added. "The Commission's attention should move from simplifying regulation to stimulating investments in public goods, including social protection and the transformation of the EU economy toward one that is sustainable for workers and the planet."

With this past summer's elections nudging Europe's leadership to the right amid a growing backlash against rules and targets that corporate interests have deemed an overreach or far too onerous, the EU has already begun to delay or scale back plans to slash emissions and protect nature. Reached for comment, a European Commission spokesperson would only say that internal discussions are "currently ongoing" about the scope and content of an omnibus simplification proposal.

But Alexander Kohnstamm, executive director of the Fair Wear Foundation, a multi-stakeholder organization based in Amsterdam, said that rolling back good regulation that businesses have already begun working on would be a "bad idea."

"Business needs clarity, and this is the opposite," he said. "Rather than rearranging regulatory landscapes, policymakers should focus on working with industry, unions, and civil society to create clear and effective sector guidelines for implementation and accountability.

As the sector specialists on practical and impactful human rights due diligence, we know what's needed to ensure that implementation and accountability make sense in practice and deliver real value for workers."

Source: sourcingjournal.com– Dec 30, 2024

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China's cotton production rises by 9.7% to 6.164 million tons in 2024: NBS

Increasing by 9.7 per cent Y-o-Y, China's cotton production reached 6.164 million tons in FY24, shows data from the National Bureau of Statistics (NBS). This growth was particularly strong in Xinjiang, the country's primary cotton-producing region.

Both, the area dedicated to cotton cultivation and the yield per hectare improved this year. The total area under cotton plantation increased by 1.8 per cent compared to last year, while the yield per hectare rose by 7.8 per cent to 2,172 kg per hectare, as per the NBS report.

Area under cotton cultivation in the Xinjiang Uygur Autonomous Region expanded by 3.3 per cent to 2.45 million hectare. However, cotton cultivation in other major regions declined. This included a 13.6 per cent decline in Yellow River basin and 1.6 per cent contraction in the Yangtze River Basin.

The rise in cotton production, driven by increased yields in Xinjiang, highlights China's ongoing efforts to boost its domestic cotton supply.

Source: fashionatingworld.com– Dec 30, 2024

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Red Sea Crisis Costs Egypt $7 Billion in 2024 as Suez Revenues Sink

The yearlong attacks on commercial ships in the Red Sea are continuing to take their financial toll on the Suez Canal and the Egyptian economy.

According to a statement from Egypt's presidential office, revenues for the Suez Canal declined more than 60 percent in the 2024 calendar year, amounting to nearly $7 billion loss for the country. The office did not provide total figures, or tonnage numbers.

Admiral Ossama Rabiee, the chairman and managing director of the Suez Canal Authority, briefed President Abdel Fattah El-Sisi on the news Thursday.

In July, at the conclusion of the 2023-2024 fiscal year, revenues had fallen 23 percent to $7.2 billion from $9.4 billion the year before.

The statement said the meeting between El-Sisi and Rabbie also touched on ongoing projects to modernize the Suez Canal's navigation route, which are still active despite the continued missile and drone attacks from Houthi militants based in Yemen.

One project aims to expand a 30-kilometer (18.6-mile) navigation route to allow for larger vessels, while another looks to duplicate a 10-kilometer (6.2-mile) channel to help increase cargo volume and speed up the movement of vessels in both directions.

Vessels traversing the Red Sea and Bab el-Mandeb Strait have endured the attacks since last November, forcing major ocean carriers to avoid the area. In November 2024, 115 container vessels passed through the Suez Canal, a full 72 percent drop from the 422 that passed through in the year-ago month, according to data from supply chain visibility platform Project44.

In the time since, ships have instead diverted their primary East-to-West route around southern Africa's Cape of Good Hope, which typically adds on anywhere between seven and 14 days to a voyage. Shipments from Southeast Asia to the U.S. East Coast have a 47 percent increase in transit time and a 33 percent increase to Europe, Project44 says.

A December earnings call for J.Jill revealed that the women's specialty retailer still ships goods approximately one week early to offset delays related to the rerouting of shipping away from the Red Sea. Earlier in the year, many apparel brands, particularly those directly on the Asia-to-Europe route, like Adidas, Inditex and Next, noted they had been experiencing similar shipping delays.

The mass rerouting has sent ocean freight rates soaring throughout 2024, peaking at $5,927 per 20-foot equivalent (TEU) on July 18, according to Drewry's World Container Index (WCI). As of Dec. 19, the WCI across eight major trade lanes was $3,803 per TEU, skyrocketing 129 percent from the year prior. As is likely the case of many brands, Guess said in a November earnings call that it expected freight costs to still be impacted by the Red Sea crisis into the fourth quarter.

These costs are likely to increase as more imports continue to be rushed into the U.S. ahead of a potential East and Gulf Coast port strike, President-elect Donald Trump's inauguration and Lunar New Year in late January.

Although Asia-to-Europe rates had recent declines in December, "carriers will attempt to push rates up further on mid-month general rate increases (GRIs) as Red Sea diversions drive shippers to move pre-Lunar New Year orders early, with some congestion at East Asian container hubs already being reported," said Judah Levine, head of research at Freightos, in a December freight update.

For now, major ocean carriers like Maersk and Hapag-Lloyd have dedicated their new Gemini Cooperation vessel-sharing network to exclusively taking the Cape of Good Hope route upon its Feb. 1 launch, spurning the Red Sea due to the ongoing safety concerns.

At this point, most container shipping giants haven't committed to returning to the Red Sea other than by the typical case-by-case basis that many of the liners have adapted to.

Mediterranean Shipping Company (MSC) initially said its new standalone service would return to the Red Sea in 2025 by offering both a Suez Canal and a Cape of Good Hope option. The Switzerland-based carrier has not given an official update on whether it will scrap the return.

As the Red Sea uncertainty continues, it appears the scope of the Houthi attacks has widened. As well as assaulting ships, the Iran-backed designated terrorist group is now firing drones and missiles on Israel. On Thursday, Israeli air forces struck multiple Houthi-linked targets, including Yemen's Sanaa International Airport, and hit military infrastructure at the country's ports of Hodeidah, Salif and Ras Kanatib.

Source: sourcingjournal.com– Dec 27, 2024

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S Asia-E Asia air cargo may grow 4-fold over 20 years: Boeing report

Air cargo between South Asia and East Asia is expected to grow nearly four-fold in volume over the next two decades, while the South Asia-Europe air cargo market will more than double over the same period, according to Boeing's World Air Cargo Forecast.

Imports from East Asia will remain the larger share of this trade, especially driven by the need to support accelerating e-commerce demand in the region.

Expanding manufacturing will lift exports to East Asia, especially as prominent global brands expand production in India and some develop export-oriented products targeted at East Asian markets, the report noted.

East Asia is South Asia's largest air cargo partner, and traffic between the two generated impressive growth prior to the pandemic.

East Asia is a major source of air imports for South Asian markets, including semiconductors used to feed growing electronics manufacturing in India and raw textiles to be sewn into garments in Bangladesh.

India is the largest air cargo market in South Asia and will be the primary driver of its continued growth, the report said.

Supply chain diversification throughout the Indo-Pacific will complement India's manufacturing initiatives and accelerate demand for air cargo.

Nearly half of South Asian air exports to Europe are apparel and clothing, reflecting the region's

well-established garment industry. Pharmaceuticals are also an important export, particularly from India.

South Asia's rapidly growing population and rising household incomes will strengthen demand for imports of European products, while manufacturing will require European-sourced intermediate goods, the report said.

Economic reforms, competitive production costs, and the imperative to diversify supply chains are making South Asia an increasingly attractive place to do business and will propel air exports as well.

Air trade within East Asia and Oceania is closely tied to the East Asia-North America and

East Asia-Europe flows. However, geopolitical tensions, the COVID-19 pandemic and economic

uncertainty have hurt intra-regional traffic over the last decade. The market, though, is recovering this year and will return to fast-paced growth in the future, the Boeing report said.

Southeast Asia is poised to grow its market share as its economies mature, private consumption rises and industrial capabilities expand due to diversifying global supply chains.

As the digital economy in East Asia and Oceania grows, express and e-commerce networks will develop in conjunction. China, Japan, and South Korea represent the largest digital economies in the region, but Southeast Asia is poised to grow the fastest—over 15 per cent annually till 2030—with the Philippines, Vietnam, Thailand and Indonesia leading air cargo growth, the report added.

Source: fibre2fashion.com– Dec 31, 2024

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Africa's share in Turkiye's apparel exports dips to 2.96% this year

Turkiye's apparel exports to Africa amounted to $403.931 million in January–October 2024, accounting for 2.96 per cent of its total apparel exports of $13.665 billion during the same period.

According to Fibre2Fashion's market insight tool TexPro, Africa's share was 3.92 per cent in 2023, with Turkiye exporting $614.361 million worth of apparel to the continent out of a total of $15.678 billion.

Trade data shows Africa's share fell from 4.41 per cent in 2019 to 3.78 per cent in 2020. It briefly rose to 4.40 per cent in 2021 before declining again to 4.33 per cent in 2022 and 3.92 per cent in 2023.

In terms of value, Turkiye's apparel exports to Africa have mostly followed a downward trend, with the exception of 2021. Exports stood at $708.064 million in 2019, dropped to $564.922 million in 2020, rebounded to $773.259 million in 2021, then decreased to $737.609 million in 2022 and $614.361 million in 2023, as per TexPro.

Turkiye's total apparel exports were recorded at $16.063 billion in 2019, $14.959 billion in 2020, $17.571 billion in 2021, $17.048 billion in 2022, and $15.678 billion in 2023.

Source: fibre2fashion.com– Dec 30, 2024

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Japan year-end review 2024: Innovations amidst turbulent manufacturing

Japan's economic conditions, except price rise, remained largely in control in 2024. Japan's core inflation stayed at or above the Central bank's 2-per cent target for the 28th month in a row, and third consecutive month in July 2024. In the same month, the 'core' index, excluding fresh food and energy costs, rose 1.9 per cent after increasing 2.2 per cent in June. However, the government subsidies for electricity and gas, which ended in May before returning back in August, continued to be a concern that reflected in the price increase in July.

Japanese international trade of textile and clothing, up to August, demonstrated the usual ups and downs, except for exports of textile machinery which continued to show a consistent fall across comparable periods.

Trade in May

The month of May – second in the fiscal 2025, was particularly good for imports. The clothing and accessories imports increased 16 per cent to ¥258,270 million (~$1,700 million) contributing 2.7 per cent to the country's total imports of ¥9,497,927 million. The increase in clothing imports during the month was second time in a row, after declining in previous months and the previous fiscal 2024. In addition, an 8.8 per cent y-o-y increase was seen in the textile yarn and fabric imports during the month, amounting to ¥102,626 million that accounted for 1.1 per cent of total imports. On the exports front, textile yarn and fabric increased 11.4 per cent reaching ¥67,648 million. However, exports of textile machinery dropped 32.8 per cent amounting to ¥21,418 million while contributing 0.3 per cent to total exports.

Six-month trade

On a six-month basis, from January to June, Japan's imports of clothing and accessories reached ¥1,686,160 million (~$11,019 million). This represented an increase of 6.9 per cent over the imports during the same period last year. The share of this import was 3.1 per cent to total imports. The six-month imports of textile yarn and fabric, however, declined 1.3 per cent y-o-y, totalling to ¥561,889 million that contributed 1 per cent of total imports during the period. Specifically, in June, the imports of clothing and accessories at ¥240,887 million ($1,574 million) was 0.6 per cent more than the imports in June 2023. The imports of textile yarn and fabric decreased 13.5 per cent to ¥7,109 million during the same month.

The exports of textile yarn and fabric in six-month period reached ¥403,331 million, registering an increase of 8.9 per cent but ¥128,147 million worth of textile machinery exports dropped 20.3 per cent y-o-y. The outbound shipment of textile yarn and fabric was noted as ¥73,516 million in June 2024, 6.3 per cent higher than the trade in the corresponding month of 2023. Textile machinery exports fell by 26.8 per cent to ¥19,143 million in June 2024.

China's domination

The textile and clothing imports continued to increase in July too, marking a 14.9 per cent increase over July 2023. The import amounted to $2.8 billion (~¥428 billion) versus $2.44 billion (~¥373 billion) reflecting a rise in consumer demand and the country's reliance on imported textiles to meet domestic demand. In this, clothing imports worth $1.9 billion (¥291 billion) increased 12.5 per cent y-o-y, while textile imports including fabrics and yarn increased 18.2 per cent and reached $900 million. The growth was driven by the recovery in consumer spending following the softening of COVID-19 restrictions and resurgence in the retail sector.

China remained Japan's top supplier of textile and clothing with 55 per cent share. The import from China in July stood at $1.54 billion (~¥236 billion), increasing 10 per cent y-o-y. The other major suppliers were Vietnam, Bangladesh and India, all with double-digit growth in their export volumes to Japan. The surge in imports underscored Japan's growing demand for affordable and diverse fashion options, as well as high-quality textiles used in its various industries. However, it also highlights Japan's dependence on international markets, making the country vulnerable to global supply chain disruptions.

Japan's exports of textile yarn and fabric in July rose by 8.2 per cent compared to July 2023, reaching ¥72,547 million ($474 million). In contrast, exports of textile machinery continued to fall, 28.1 per cent during the month, amounting to ¥21,282 million ($139 million) and contributing 0.2 per cent to total exports.

Trade in August

In August, exports of textile yarn and fabric increased 9.2 per cent compared to the same month last year and reached ¥66,353 million (~$434 million); and, exports of textile machinery, amounting to ¥23,262 million (~$152 million), fell 9.5 per cent. The imports of clothing and accessories during the month decreased 8.1 per cent to ¥348,002 million (~$2.27 billion) and constituted 3.8 per cent of total imports (¥9.137 trillion), according to provisional data from Japan's Ministry of Finance. The imports of textile yarn and fabric decreased 5.7 per cent totalling to ¥91,014 million (1 per cent of total imports).

Manufacturing woes in September

The manufacturing sector had a troubled third quarter, with fall in production levels and a sustained drop in new orders continuing into September, as per au Jibun Bank Japan manufacturing PMI data. The headline manufacturing PMI in August was 49.8 (neutral 50 being the threshold) which dropped marginally to 49.7 in September, indicating a decline, though a slight one, in overall operating conditions.

The output charges rose at the slowest rate since mid-2021. Although average operating expenses remained historically high, the firms chose not to pass the whole of elevated costs on to the clients. Inflationary pressures remained high across Japan's manufacturing industry pushing the firms to spend higher on labour, logistics and raw materials. However, the rate of inflation had eased from August to reach the lowest for five months.

In addition, the level of new orders placed with Japanese manufacturers continued to fall due to economic weaknesses. Nevertheless, this was partially offset by firms opting to complete outstanding orders. This resulted in backlogs of work falling at moderate pace which extended the prevalent sequence of depletion to two years. Adding to the woes of the manufacturing sector, international demand dipped with the new export sales contracting at a solid rate that was the strongest since March.

At the same time, the level of input inventories also rose during the month. This was due to reductions over two consecutive months as firms held pre-production inventories to stay prepared for any eventual demand recovery. When manufacturers raised input purchases slightly in

September, the vendor performance went down with lengthening of delivery times – a distinct for seven-month period.

The rate of job creation remained fractional during the month, also lowest for a consecutive seven-month sequence.

Despite all these challenges, the business confidence remained positive in September, based on the expectations of renewed demand and, as its outcome, the mass production of new products that would follow. Firms stayed hopeful for a wider economic recovery. Meanwhile, Japanese companies continued to deliver some notable innovations for the industry.

New BOPP film

The month of October saw the sample launch of a recycled flexible packaging BOPP (Biaxially-Oriented Polypropylene) – a type of plastic film with a wide range of applications in the packaging, labelling, and laminating industries. The film is the result of a joint pilot test, initiated in August 2023, by Toppan Holdings Inc. group company Toppan Inc., RM Tohcello Co., Ltd., and Mitsui Chemicals, Inc. The printed waste generated by Toppan gets collected and taken to Mitsui Chemicals' Nagoya Works which removes the ink to turn waste into pellets, which are then converted into film by RM Tohcello.

The tested film is suited for mass production processes such as printing, laminating and pouch forming. The BOPP film samples were displayed at both the Toppan's and Mitsui's booths at Tokyo Pack 2024 event held on October 23-25, 2024. The three companies, which together established a technological and operational framework for the horizontal recycling of flexible packaging film, hope to see it enter the market within FY25 after further development and popularising.

The Japanese Government's Resource Circulation Strategy for Plastics includes a target of transitioning to reusable or recyclable plastic designs by 2025. Milestones under the strategy for 2030 include the reuse and recycling of 60 per cent of plastic containers and packaging and doubling of recycling of plastic resources. With 2025 as an important starting point towards these milestones, it will be essential for companies engaged in the industry to expand efforts for reuse and recycling on their way to 2030.

Advanced busbar covering

Shin-Etsu Chemical Co., Ltd. developed the ST-OR Type heat-shrinkable silicone rubber tubing for busbar covering for the first time in the industry. Typically made of copper or aluminium, the busbar is a conductive metallic strip used for power connection or distribution. Busbars have wide-range of applications not only in switchboards and control panels but also in electric vehicles (EVs) and hybrid vehicles (HEVs). Busbars are protected with tape, tubing or other insulating parts as they are subjected to high currents and voltages, and in case of EVs and HEVs this subjection is even more severe. This calls for the insulations with more advanced properties of electrical insulation and heat resistance. The ST-OR Type heat-shrinkable silicone rubber tubing for busbar covering is a new product that meets these requirements. The key features of new product include dielectric strength of 28 kV/mm, operating temperature range of −40°C to +200°C, bright orange on the outer surface, flexibility retention even after heat shrinking, and availability of ST-TC-1 Type for thermal interface applications, making it suitable for covering a heating part to transfer heat to the casing.

Biomass-derived LAPEROS

In September, Polyplastics Co., Ltd. – the global leader in engineering plastics, launched the LAPEROS bG-LCP sustainable solution based on biomass-derived materials which reduces CO_2 emissions and improves the renewable content ratio. The solution is based on mass balance approach – an accounting principle that matches the inputs, such as plastic waste, with outputs from a recycling or production process to determine the recycled content. The mass balance approach combines raw materials derived from biomass with those derived from fossil resources. When further combined into resin manufacturing processes, a portion of the resulting product can be considered to be biomass-derived, according to the volume of biomass raw material input. Thus, it eliminates the prevalent need of producing biomass-derived and fossil resource-derived products separately. Furthermore, the users have no need to re-evaluate performance and quality for each separate grade. In this way, the approach effectively helps to achieve carbon neutrality and a circular economy more quickly. To be commercialised in spring 2025, LAPEROS bG-LCP is manufactured like conventional products and exhibits the same chemical and physical properties. The company plans to expand this new solution to all grades of LAPEROS LCP.

DuPont enhanced local capacity

On October 3, 2024, DuPont announced the successful completion of a significant expansion for photoresist manufacturing capacity at the DuPont Sasakami Site in Agano-shi, Niigata, Japan. The celebration event commemorated the opening of a new building named the East Star – a component of DuPont's growth strategy for its lithography offerings. With this expansion, DuPont nearly doubled its photoresist production capacity at the site. The East Star Building features state-of-the-art cleanrooms with air cleanliness standards ranging from ISO Class 10 to Class 1000 for the production of high-quality photoresists. Additionally, the advanced automation systems have been implemented to reduce contamination risks and maintain a controlled, hygienic environment.

JIAM 2024

The 13th edition of the Japan International Apparel & Non-Apparel Manufacturing Technology Trade Show (JIAM) 2024 Osaka took place from November 27 – 30, 2024 at INTEX Osaka, with inclusion of 'non-apparel' this time, to showcase the cutting-edge innovations from around the world. The non-apparel sectors had attracted a significant increase in exhibitors from the aerospace, automation and aviation industries, by the time this feature went in print, reflecting the growing demand for advanced textile solutions in these high-tech fields. The visitors were due for opportunity to explore a dynamic range of sewing and cutting machinery, latest textile products, technologies and services that drive industry innovation in critical sectors.

Source: fibre2fashion.com– Dec 31, 2024

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Indonesia year-end review 2024: Facing multiple challenges

The World Bank's Indonesia Economic Prospects projected the country's GDP growth to average 5.1 per cent per year from 2024 to 2026.

In its first quarter, Indonesia's economic growth improved to 5.11 per cent – highest in the first quarter from 2019 to 2024, from 5.04 per cent in the last quarter of 2023. The performance of the textile & clothing industry grew positively by 2.64 per cent during the quarter due to strong foreign and domestic demand. While the foreign demand experienced an increase in volume of 7.34 per cent y-o-y, for textile products, the export of textile and textile products reached $2.95 billion in the first quarter of 2024. For apparel, the increase was 3.08 per cent. Based on the Bank Indonesia's Prompt Manufacturing Index (PMI-BI), the textile and apparel industry increased and expanded with an index of 57.40 per cent. Investment in the sector also rose with a notable increase in foreign interest, particularly in Central Java province. The investment in the sector was $917.11 million in 2022, which increased to $1.04 billion in 2023, and reached $257.24 million in the first quarter of 2024 by which the contribution of foreign investment increased by 70.2 per cent y-o-y.

In the second quarter, the economic growth was recorded at 5.05 per cent, compared to Q2 2023, and 5.08 per cent in the first half of 2024.

2024 at a glance

In 2024, Indonesia's textile industry had a challenging year. The industry encountered a series of layoffs, factory shut downs, falling exports and a strong competition from Chinese imports. On one side, the global economic slowdown softened the demand for clothing and other textile products, and on the other side, a flood of cheap imports entering the country impacted the business of Indonesian manufacturers.

The layoffs impacted even industry giant Sritex which had to lay off a third of its workforce. There were around 14,000 layoffs across just 10 companies in the first six months of the year. Particularly in Pekalongan, a historic centre of textile production known for its intricate batik fabrics, the city's once-bustling factories either ran at reduced capacity or closed down altogether, piling up the layoffs. Reports inform that since 2019, thirty-six medium- to large-scale textile companies have shut down, while

31 others have downsized their operations. This trend is said to have exacerbated by free-trade area policies and bilateral agreements with other textile-producing nations.

With infrastructure and logistics costs in Indonesia remaining problematic, many global garment brand factories relocated to Vietnam, Bangladesh and even Ethiopia. Inconsistent government support for the manufacturing sector, high interest rates, low purchasing power among consumers, and a weakening Indonesian rupiah, which made imported raw materials more expensive, remained other factors that impacted Indonesian textile industry.

Layoffs

Indonesia's TPT (Tekstil dan Produk Tekstil, i.e. textile and textile products) sector witnessed a drop in jobs in 2024. The workforce dropped around 3 per cent, from 3.98 million in 2023 to 3.87 million in 2024. According to the Indonesian Filament Yarn and Fibre Producers Association (APSyFI) around 30 textile factories shut down in Bandung and Surakarta which caused close to 11,000 layoffs between January and May. The corresponding figure in 2023 was 7,200. Between January and early June, there were nearly 50,000 layoffs in the TPT sector, reported the Confederation of Indonesian Workers. The most impacted areas in terms of layoffs were West and Central Java which are considered home to the largest concentration of factories in the sector. However, many companies did not disclose their layoffs to safeguard their relationships with banks and buyers.

Weak regulation

In October, Indonesian Textile Association (API) estimated job loss to an additional 30,000 workers in the textile and garment industry by the end of 2024, bringing the total number of layoffs during the year to 70,000. These layoffs were seen as the result of rampant import of finished goods in the country due to weak law of Ministry of Trade Regulation (Permendag) No. 8/2024 concerning Import Policies and Regulations. API also urged the government's transparency in data sharing on the finished goods imported to the country so that the competition could be known on monthly basis. In addition, the association asked the Kemenperin (Ministry of Industry) and Kemendag (Ministry of Trade) to immediately approve the imposition of anti-dumping duties (BMAD) and safeguard duties on a number of commodities. The core demand was to revoke Permendag No. 8/2024, especially the article that allows the import of finished products.

Illegal imports

Indonesia's textile industry had a serious concern with illegal imports entering the country. APSyFI raised its concern on critical condition of domestic textile industry in mid-July. This was in regard to the release of 26,000 containers that reportedly contained illegal imports and were stuck at the port, despite thousands of employees being laid off and factories shutting down. The industry body alleged that the information regarding the contents of the containers was never made public. Even the ministers handling the trade and industry portfolios were found unaware of what were in the containers.

Increase in import tariffs

In order to arrest the potential crisis that illegal imports could lead to, the Indonesian government proactively introduced protectionist measures which included tariffs on imports and an increased scrutiny of the illegal imports. The Trade Ministry announced plans to impose tariffs in June, which could go as high as 200 per cent on a variety of Chinese imports, targeting items such as clothing, steel and textiles. The government believed that these items were being sold below their production costs, thereby, undermining the ability of domestic producers to compete. The trade war between China and the US had resulted in a surplus of goods that was causing the influx of Chinese products. The government planned a crackdown on illegal imports of cheap goods and deployed more personnel to enforce the new tariffs.

Furthermore, in August, Indonesia extended safeguard tariffs on imports of textiles, carpets and other fabric coverings for three more years. This was done to protect and improve the competitiveness of the domestic textile industry. This came amidst the TPT sector's struggle to return to pre-pandemic levels due to declining demands, both in domestic and export markets, as well as increased competition that included influx of Chinese textiles. The regulations to protect the sector were formulated after taking inputs from stakeholders, including relevant ministries, industry associations and trading partners, in line with World Trade Organisation guidelines.

Chinese imports

China continued dominating imports to Indonesia in 2024. Its textile exports to Indonesia amounted to $2,153.895 million in the first seven months of 2024, which was slightly higher than $2,091.847 million during the same period last year. From January to July, Chinese fabric exports to Indonesia accounted for 82.01 per cent of the total textile shipments, valued at $1,766.431 million; yarn exports were valued at $326.016 million accounting for 15.14 per cent of total textile exports to Indonesia; and fibre exports stood at $61.448 million contributing 2.85 per cent share to the total. China's man-made textile products, dominating with a 65.87 per cent share to total textile exports, were valued at $1,418.672 million. The shipments of cotton textile products during this period were valued at $462.072 million, accounting for 21.45 per cent of total exports. Flax textile product exports were valued at $42.705 million (1.98 per cent share), wool/animal hair products at $26.966 million (1.25 per cent share), silk products at $4.414 million (0.20 per cent share), and other types of fibre at $199.062 million (9.22 per cent share).

Trade

In the first quarter of 2024, Indonesia imported apparel worth $119.185 million and fabric amounting to $961.317 million, compared to apparel imports of $127.373 million and fabric imports of $980.565 million in the same period last year. This was when the government had planned to impose safeguard duties of 100 to 200 per cent on various products including clothing.

Indonesian apparel exports had peaked in 2022 when it achieved the figure of $9,580.622 million before declining to $8,001.823 million in 2023. By the end of first quarter of 2024, the apparel exports had achieved an amount of $2,029.396 million. For the same period from January to March, the fabric exports were recorded at $213.545 million which reflected a steep shortfall from $870.114 million in 2023, also down from $915.553 million in 2022.

CPTPP membership

With a target of 10 per cent increase in value of exports, Indonesia applied for membership of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in September. The application letter was submitted to New Zealand which is currently the depositary of CPTPP.

The CPTPP now comprises 11 countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. In addition to Indonesia, seven countries have proposed to become CPTPP members. Indonesia expects to tap the Latin American market through the CPTPP.

Source: fibre2fashion.com– Dec 31, 2024

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Exploring Potential for Biologicals in Cotton

Biologicals. Microbials. Biostimulants. Biopesticides. However you choose to define them, the use of biological products in agriculture is not a new concept. They have been a key component in specialty crop production throughout the world and are now looking to find their way — and their niche — in row crop production.

Innovative companies have developed and provided these specialized products for decades. And with that success, it’s no surprise that multinational companies like Corteva, Bayer, Syngenta, BASF, and Valent are now becoming active in the biocontrol market.

As for cotton, some might say the market has been involved with biopesticides since the introduction of Bt (Bacillus thuringiensis) products like DiPel in the 1970s and morphing into the Bt biotech traits with the market introduction of Bollgard in 1996. But today, interest among cotton growers in biological enhancements for things like seed treatments and fertilization is increasing. So are the questions. The answers, however, are a bit more complicated.

What’s the Current Status of Biologicals in the U.S.?

Lawrence Middler, Biologicals Senior Analyst for AgbioInvestor, a leading source of global crop protection market information and analysis for the industry, recently shared thoughts on the U.S. market with AgriBusiness Global (a sister publication to Cotton Grower® within Meister Media Worldwide).

“For the bio-aligned market (products defined as being adjacent to ‘true-biologicals’ such as fermentation products, copper and sulfur fungicides, and hybrid biological products where a conventional pesticide is also included), the U.S. market is led by seed treatments,” says Middler. “On the foliar biopesticide side, products based on Bacillus spp. remain important. Both maize and soybeans in the row crop market were key crop outlets, indicating that there is already a well-established row crop market for biopesticides in the U.S.”

Middler also noted significant market development for bionematicides and nitrogen fixing microbials.

“Net cash farm incomes fell in 2023 and are also forecast to decline in 2024 and 2025,” he points out. “Therefore, I would expect that growers will increasingly be looking to adopt products which can drive efficiencies in input usage. This will include further adoption of nitrogen fixing products, phosphate solubilizers, and so on.

“Fertilizer prices, although having fallen from the peaks in 2022, remain high by historical standards. A number of companies have been successful in marketing optimized nitrogen fixing products to growers, with the key to success being heavily influenced by product efficacy and working with growers through the distribution channel to communicate the optimal use of the products.

“The bionematicide market, both for microbials and natural product-based actives, is also likely to continue growing strongly as a number of older classes of nematicide chemistry have come under regulatory pressure or left the market,” adds Middler.

Based on market research, Middler believes that U.S. growers are generally receptive to using biological product usage, even in row crops where there is already a sizeable market for biologicals.

“We can expect innovation to be at the forefront of the U.S. market, with a greater interest in biostimulants, as well as plant extract products both on the biopesticide and biostimulants side.”

Working to Determine Biologicals Potential for Cotton

Brian Pieralisi, Mississippi State University Extension Cotton Specialist, has been managing a multi-state research project on biologicals in cotton, working in cooperation with other Extension specialists across the Cotton Belt. The project, now ending its second year of study, included 21 locations in 13 states in 2024.

“The primary objective that we have is to see if we can use biological or microbial products in a cotton production system across the Belt and see if there’s a way that they improve nitrogen use efficiency,” he explains.

Six different products are being evaluated at each study location, with each product being paired with a nitrogen rate of 40 pounds per acre as a check. Those checks are then compared to a nitrogen curve starting with zero nitrogen and increasing in 40-pound increments up to 160 pounds of nitrogen.

“What we have is a pretty low nitrogen rate in terms of cotton, especially across the Belt,” says Pieralisi. “We felt like that would be a good starting point to try to capture if there was any benefit or synergism between the product and nitrogen to see if it could keep up with or possibly take the place of some nitrogen.

“That’s ultimately what we’re trying to see,” he adds. “Is there something that adds value in place of an input? In order to increase nitrogen use efficiency, can we back up on our nitrogen rate with this product or is there a product that would shine?”

Study results from 2023 showed no differences in the performance of the microbial products with the 40-pound check. The only differences came from increasing the nitrogen rate. To date, Pieralisi only has 2024 data in hand from Mississippi and Oklahoma.

“There’s a lot of data still out there and what we have is very preliminary,” notes Pieralisi. “But from what I’ve seen from five locations, it looks to be following the same trend this year.”

However, that’s not discouraging considering the questions and interest that growers seem to have about biological products.

“The level of interest is a little surprising to me,” says Pieralisi. “Growers seem to be very interested in it. And I’m not sure if this is because it just seems like something that would work or if it’s just been pitched a certain way. I’ve never seen a data set that was robust enough to be like ‘Wow, this stuff really works.’”

He admits that there’s a lot of clinical trial data in the market that may show a 100-pound yield increase, but it’s hard to capture that replicated across multiple locations.

“We really have to show something for it to stand out,” he says. “The way I look at it, any time you spend enough money and resources trying to find something that’ll work, somebody will find something. Do we have something right now? I don’t know. I tend to think not yet, but we might be on to something. I guess we’ll find out.”

In terms of determining the value and fit for biologicals in cotton, Pieralisi says they're still taking baby steps.

"Each crop market has some type of a biological product, and it might be a little more adopted in some of the grain markets than it is right now in cotton," he explains. "But there's still a lot of interest from both a grower and retail standpoint – enough to where we're pretty aggressively trying to find an answer."

Source: cottongrower.com– Dec 30, 2024

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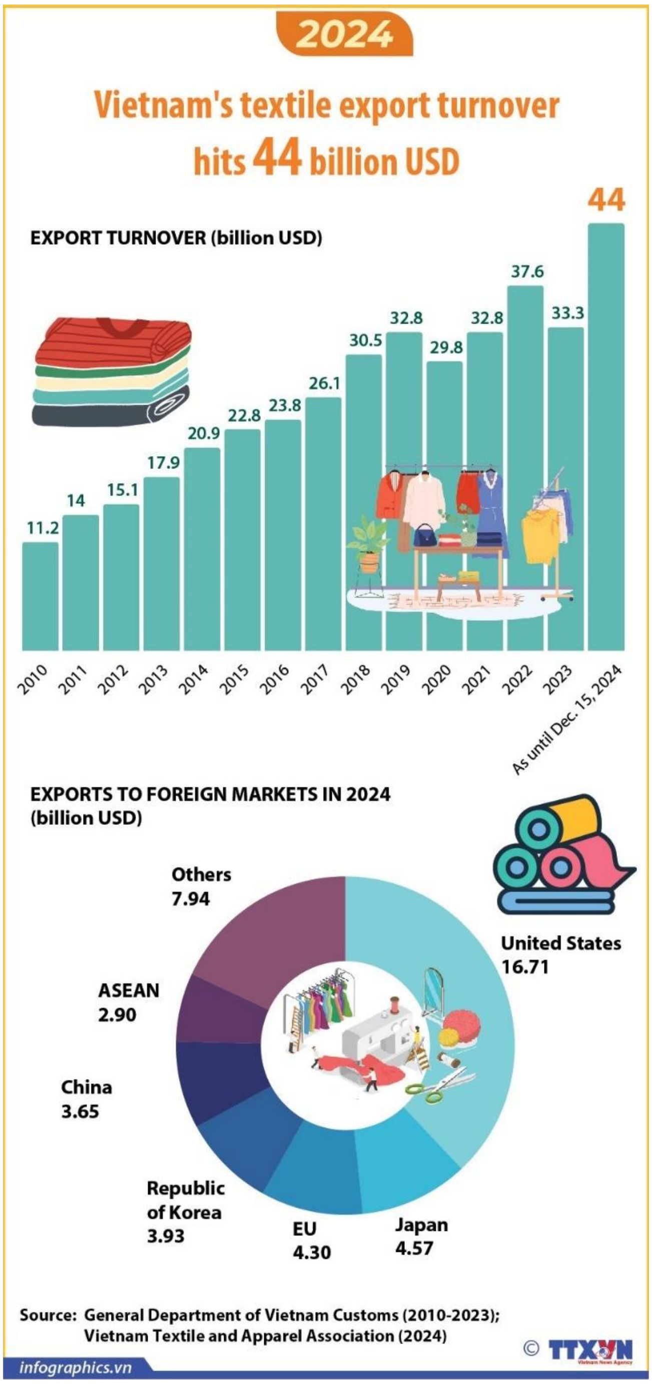
Vietnam: Textile export turnover hits 44 billion USD in 2024



According to the Vietnam Textile and Apparel Association, Vietnam's textile and garment industry has fulfilled its 44-billion-USD export turnover target in 2024.

The US remains the largest export market with an estimated export turnover of 16.71 billion USD, up 12.33% and accounting for 37.98% of the total turnover, followed by Japan, EU, the Republic of Korea, China, and ASEAN.

Source: vietnamplus.vn– Dec 30, 2024

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Vietnam to Overtake Bangladesh as No. 2 Garment Exporter

Bangladesh's reign as the world's second-largest exporter of garments after China could soon be overthrown by Vietnam, providing one of the clearest signs that its economic and political woes have taken a material toll over the past year.

Vietnam is set to generate $44 billion in apparel export revenue in 2024, an 11 percent year-over-year increase from the year before and nearly $4 billion more than Bangladesh's target of $40.5 billion, Cao Huu Hieu, CEO of the Vietnam National Textile and Garment Group, the textile giant better known as Vinatex, said at a press conference in Hanoi on Wednesday.

While Vietnam's year began on a softer note due to sluggish global growth, momentum picked up in the second half of 2024 after Bangladesh's uncertain future in the face of explosive student-led protests, Prime Minister Sheikh Hasina's unceremonious ouster and still-percolating worker unrest drove brands and retailers to reposition orders, Cao said, calling it a "fortune" for suppliers who benefited from the shift.

But Miran Ali, a member of the Bangladesh Garment Manufacturer and Exporters Association's interim board of directors, is confident that the South Asian nation will bounce back from its labor and financial troubles in the coming year. Last month, a U.S. delegation of government, brand and civil society representatives met with Bangladesh's leadership to affirm what they described as their shared commitment to "independent, democratic trade unions for Bangladeshi workers and the businesses that employ them." The group included executives from Gap Inc., Calvin Klein owner PVH Corp. and The North Face operator VF Corp., which collectively purchase some $1.8 billion of Bangladesh-made clothing.

"We welcome the friendly competition that Vietnam is giving Bangladesh," he told Sourcing Journal. "And we firmly expect, in 2025, to continue to be the second-largest garment exporter in the world."

Cao said as much this week when he pointed out that Bangladesh's minimum wage is lower than Vietnam's, meaning that the calculus could change—as it did following a similar recalibration post-Covid-19—in the former's favor once more. Adding weight to that argument is the fact that orders from Bangladesh tend toward simpler, lower-priced products that benefit from cheaper labor rather than "value-added" skills. Not all Vietnamese suppliers were able to take advantage of them as a result, he said.

"These orders will definitely decrease in 2025 and Bangladesh will get them back," Cao added. "In fact, there was a month when their exports dropped to $1.6-1.7 billion, but now they have increased to $3 billion per month, proving that they are attracting orders again."

At the same time, he expected general market conditions to improve as key geographies such as the United States and Europe recover economically. Still, for Vietnam to continue to succeed, it needs to make investments in raw materials that it predominantly imports from China, a target of high tariffs from the incoming Donald Trump administration that could prove a potential albatross depending on how threats shake out.

"The story of many years that we have been bottlenecked by raw materials from fabric," Cao said. "It is not that we do not care about investment, but it is very difficult to develop, especially when environmental regulations are becoming more and more strict, large investments are required and human resources for weaving and dyeing are increasingly scarce."

But another reckoning could be coming for Bangladesh as it's poised to graduate from least developed country status in a few years. This could see the country losing the preferential duty benefits it enjoyed under the European Union's Everything But Arms scheme.

"Compared to Vietnam, Bangladesh has exported far more apparel to the EU market," said Sheng Lu, professor of fashion and apparel studies at the University of Delaware. "However, [its] price advantage may go away soon, adding more pressure to the growth prospect of the country's apparel exports."

Source: sourcingjournal.com– Dec 27, 2024

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Vietnam textile imports from India jump 46% to $346 million

Bilateral trade between India and Vietnam may breach the $15 billion mark this year. However, textile and garment trade between the two countries remains limited as both are major exporters globally, supplementing their textile industry needs.

Vietnam imported textiles, including yarn, fabric, and fibre, worth $346.312 million in the first three quarters of this year, a 46.61 per cent year-on-year increase. According to Fibre2Fashion's market insight tool TexPro, Vietnam imported $236.051 million worth of textiles during the same period in 2023.

On the other hand, Vietnam's exports of textile products to India totalled $172.054 million during January-September 2024, an 8.51 per cent decline compared to $188.364 million in the same period last year.

During the first nine months of 2024, Vietnam imported $151.525 million worth of yarn from India, accounting for 43.75 per cent of its total textile imports. Fibre imports were valued at $139.930 million (40.41 per cent), and fabric imports stood at $54.856 million (15.84 per cent) as per TexPro.

Vietnam's textile exports to India included $63.867 million worth of fabric (37.12 per cent), $63.609 million of fibre (36.97 per cent), and $44.577 million of yarn (25.91 per cent).

In the first nine months of 2023, Vietnam imported $103.891 million worth of yarn from India, representing 44.01 per cent of its total textile imports of $236.051 million. Fibre imports stood at $77.451 million (32.81 per cent), and fabric imports were $54.708 million (23.18 per cent).

Vietnam's fibre exports to India in the same period last year were valued at $74.092 million (39.33 per cent), yarn exports at $60.501 million (32.12 per cent), and fabric exports at $53.769 million (28.55 per cent).

Bilateral garment trade between the two countries remains negligible as both are major global garment exporters.

Source: fibre2fashion.com– Dec 29, 2024

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Pakistan: Textile sector faces stagnation

Pakistan's textile sector, which was gearing up to receive greater export revenues only a few years ago, has begun losing the momentum. Unfortunately, 2024 was not a great year for this vital sector, which is called the backbone of the country's industrial economy.

Though in fiscal year 2023-24, textile exports showed a thin growth of 0.93%, the industry still earned handsome export revenues of $16.7 billion. Now, in the first five months of FY25, textile exports stood at $7.607 billion, higher by 10.51% than the corresponding period of last year.

However, in 11 months of calendar year 2024, textile exports came in at only $15.43 billion. Millers believe that the December figure may be around $1.5 billion, thereby ending the year below $17 billion.

"Initial months of this calendar year were not that bad for the textile industry, especially exports, as they were reflecting a positive trend," said Ijaz Khokhar, Patron-in-Chief of Pakistan Readymade Garments Manufacturers and Exporters Association.

Unfortunately, the trend began to reverse after the first few months. The main reason was political uncertainty, which has dragged on for over two years. "We have lost at least 40% of our export orders, as buyers are reluctant to trust Pakistani textile millers due to political issues and are diverting their orders to Vietnam," Khokhar said.

Others pointed out that Pakistan also failed to win orders diverted from Bangladesh due to the political upheaval. "Textile millers in Pakistan should fully capitalise on the opportunity, generated by the change of power in Bangladesh, however, our millers have not been able to cater to the demand due to price differences," said Waqas Hanif, a mid-sized textile miller based in Lahore.

A major part of demand was once again diverted to Vietnam as Pakistani millers lacked product diversification. "Vietnam is much more advanced in textile and other sectors. They have a huge variety of products and are quoting lower rates," Hanif pointed out.

Pakistan was once the preferred choice for international buyers due to its attractive prices. But the country always lags when it comes to product diversification.

Over the past decade, the government, textile millers and analysts along with foreign buyers have strongly advocated for product diversification. A few millers are working on it, but the industry at large is far away from making new products, required by the European Union and American buyers. The government's role in this regard is not encouraging either. Some economists warn that political tensions, coupled with some tough measures from the finance ministry and the Federal Board of Revenue (FBR), will crush the sector, which is still the largest source of export revenue.

"The local industry has not been expanding for years, so how one can expect product diversification or an increase in export revenue," Ahmad Aziz Subhani, a UAE-based economist, asked. Recently, the FBR has included the textile sector in the normal tax regime, as a result of which millers are bound to pay a 2% advance tax compared to 1% previously. Additionally, they now have to provide all their business details to the FBR.

Subhani said that after the increase in taxes, Pakistani textile companies were moving to Dubai. "So far, around 400 companies have opened their offices in Dubai and have registered with the Dubai Chamber of Commerce. This will now reflect in under-invoicing of export orders by many Pakistani millers, which will result in further contraction of export revenue," he added.

Many textile magnates point out that things are not going in the right direction for the sector. "We are facing a huge problem in the form of high energy costs, reflected in the contraction of mills and diversion of orders to Vietnam. We don't know exactly how many billions of dollars we have lost due to this issue," Ashraf Ali, a Faisalabad-based textile retailer, said. He added that a cotton crisis was brewing as nearly half of the spinning units had been shut down due to liquidity crunch and the delay in releasing sales tax refunds by the FBR.

"We should anticipate an increase in yarn prices in 2025 as well as a shortage of the product," Ali added. The industry is also waiting for Trump's second term to begin as many factors are dependent on policies the incoming US president will bring.

Many millers believe that restrictions, due to political instability or other issues, if imposed, will negatively affect Pakistan's textile industry. In addition, they noted that the ongoing war between Russia and Ukraine, and the Middle East conflict may further escalate tensions and impact the global economy.

In a nutshell, textile exports for the current fiscal year may shrink or remain nearly stagnant due to the numerous issues the industry is facing. The industry has nearly lost hope of achieving its $25 billion export target, as without a textile policy and involvement of real stakeholders in decision-making, achieving this target would be a distant dream, they said.

Source: tribune.com.pk– Dec 31, 2024

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NATIONAL NEWS

India-Australia Economic Cooperation and Trade Agreement marks two years of success

The India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA) completes two years of remarkable success, driving mutual growth and showcasing the complementarity of both economies.

The Ind-Aus ECTA has significantly advanced trade ties, creating new opportunities for MSMEs, businesses and employment in both nations while reinforcing the foundation of their economic partnership.

Entering its third year, the Government of India is dedicated to sustaining this momentum through strengthened collaboration and innovative initiatives to drive mutual prosperity to realize the vision 2047 of Hon'ble Prime Minister to make India a developed country.

Since its signing, bilateral merchandise trade has more than doubled, surging from USD 12.2 billion in 2020-21 to USD 26 billion in 2022-23. Total trade, however, moderated in the year 2023-24 to USD 24 billion in 2023-24, with India's exports to Australia growing by 14%. The current fiscal year continues to reflect strong momentum. Total merchandise bilateral trade from April-November 2024 reached USD 16.3 billion.

Exchange of preferential import data has commenced between both countries, highlighting the effective implementation of the agreement in 2023. The data reveals export utilization at 79% and import utilization at 84%.

Key sectors like textiles, chemicals, and agriculture have shown substantial growth, while exports on new lines, including gold studded with diamonds and turbojets highlight the diversification enabled by the agreement.

Imports of essential raw materials, such as metalliferous ores, cotton, wood and wood products have fuelled India's industries, contributing to the win-win nature of this partnership.Sectors such as electronics and engineering have room for growth.

Building upon this success, the India-Australia Comprehensive Economic Cooperation Agreement (CECA) is now in progress with 10 formal rounds and inter-sessional discussions held so far. CECA builds on the foundation laid by the ECTA, advancing the bilateral trade agenda with even greater ambition. A stocktake visit on India-Australia CECA was also recently concluded in New Delhi from 4th to 6th December 2024 to assess the progress made and chart the path forward.

Both the parties are committed to building on the momentum created by the ECTA, driving deeper economic integration and to achieve the target of trade to reach AUD 100 billion by 2030 between India and Australia. Together, India and Australia are poised to take their economic partnership to new heights, fostering mutual prosperity and contributing to a more resilient and dynamic global economy.

Source: pib.gov.in– Dec 29, 2024

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Textiles, apparel exports increase by 7% in Apr-Nov

Ahmedabad: The Indian textile industry is witnessing a revival in the current financial year, with exports increasing by 6.93% from April to Nov. The Gujarat-based textile industry is also experiencing higher export orders. Textile exports increased by 3.90% to $13,478 million, while apparel exports increased by 11.39% to $9,853 million. Indian cotton prices remained higher than international prices, but despite that, Indian textile and apparel exports increased.

According to the data from the Confederation of Indian Textile Industry (CITI), during Nov 2024, Indian textile exports were about 3% higher compared to Nov 2023, while apparel exports registered significant growth of 8% during the same period. During April to Nov 2024, Indian textile exports registered a growth of 3.9% over the previous year, while apparel exports registered a growth of 11.39% during the same time.

Rahul Shah, co-chairman of the textile task force of the Gujarat Chamber of Commerce and Industry (GCCI), said, "Cotton yarn exports increased by merely 2%, but there is a significant increase in apparel exports. Bangladesh is passing through a crisis, and due to that, many international orders are being shifted to India. The idle garment capacity is now utilised because of higher orders. South Indian garment manufacturers have received significant orders, and Gujarat-based units are also witnessing a growth in orders."

Industry experts believe that the dollar value is increasing, making Indian textile exports more competitive. "Exports to Southeast Asia and also to Europe and the USA are increasing," said sources.

As of now, spinning units in Gujarat are running at full capacity. "Cotton prices have decreased, but yarn prices have been stable, so spinning units are witnessing profitability. We need to improve cotton yield to increase exports of cotton yarn," added Shah.

Source: timesofindia.com– Dec 30, 2024

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India's exports to Australia surge 14% since ECTA, trade momentum strong

India's exports to Australia grew 14% since the signing of the India-Australia Economic Cooperation and Trade Agreement (ECTA) with textiles, chemicals, and agriculture growing substantially, and new lines, including gold studded with diamonds and turbojets highlighting the diversification enabled by the agreement, the government said Sunday.

Total trade, however, moderated in FY24 to $24 billion although since its signing, bilateral merchandise trade has more than doubled to $26 billion in FY23 from $12.2 billion in FY21. The current fiscal continues to reflect strong momentum. Total merchandise bilateral trade in April-November 2024 reached $16.3 billion, according to a statement issued by the commerce and industry ministry.

"This landmark agreement has brought with it increased market access for Indian exporters, expanded opportunities for MSMEs and farmers, and generated several employment avenues," commerce and industry minister Piyush Goyal said in a post on X, adding that it has also enabled a notable boost in IT/ITeS, business & travel services, and post-study work & work holiday visas.

"We are committed to building on the momentum that the Ind-Aus ECTA has generated and achieve the AUD 100 billion trade target by 2030. Together, we are shaping a prosperous and resilient future," Goyal said.

Exchange of preferential import data has commenced between both countries, highlighting the effective implementation of the agreement in 2023.

"The data reveals export utilization at 79% and import utilization at 84%," the ministry said.

Imports of essential raw materials, such as metalliferous ores, cotton, wood and wood products have fuelled India's industries, contributing to the win-win nature of this partnership. Sectors such as electronics and engineering have room for growth.

Source: economictimes.com– Dec 29, 2024

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Textile industry body seeks schemes to help achieve $100 billion export target by 2030

The Confederation of Indian Textile Industry (CITI) has urged the government to introduce schemes to drive investment and scale in the textile and apparel (T&A) industry to boost exports towards the US$100 billion target by 2030.

Ministry of Textiles has set an ambitious target of achieving US$ 100 billion in textile and apparel exports by 2030. Markets like USA and EU will play a key role in achieving this ambitious target. Hence, there is a dire need for the government to develop various export promotion initiatives to boost textile and apparel exports in these markets.

The Chairman of CITI Rakesh Mehra said, "USA accounts for about 27% of India’s T&A exports. During the last 5 years, India’s exports to the USA have increased at a CAGR of about 3.3%. It would require our exports to grow at a CAGR of about 16% to achieve the visionary target of US$ 100 bn exports by 2030.”

Mehra highlighted the potential opportunities arising from the recent political changes in the USA. “Donald Trump, the newly elected President of the USA is likely to announce additional tariffs on Chinese products as one of his initial measures upon taking office.

Since China is a major supplier of T&A products to the USA, this tariff shift presents a unique opportunity for India to expand its share in the US market,” he said.

To capitalize on this opportunity, Mehra emphasized the need for strategic marketing initiatives, including trade exhibitions, buyer-seller meetings, and partnerships with US retailer associations.

“Enhancing our visibility and presence in the US market through these targeted efforts will be crucial for tapping into this potential,” he added. In addition to the marketing efforts, CITI called for the continuation of schemes like the Interest Equalization Scheme (IES), and RoDTEP schemes for AA/SEZ and EoU units beyond 31st December 2024 to ensure cost competitiveness of the Indian T&A products.

Furthermore, income-tax relief for MSME manufacturing units was stressed to ensure sustainable growth within the textile sector. "These policy interventions, combined with focused initiatives aimed at key export markets like the USA, will strengthen India's overall export strategy and enhance the global competitiveness of the Indian textile industry," Mehra concluded.

Source: economictimes.com– Dec 30, 2024

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Exporters hold breath as govt delays decision on interest equalisation scheme

A delay in the government's decision on extending the interest equalisation scheme on rupee-export credit for exporters, which expires on December 31, 2024, has turned exporters jittery. Uncertainty over whether they will continue to have access to subsidised credit has affected their ability to take an informed position on export contracts, they said.

The Commerce Department made a strong pitch before the Finance Ministry for the continuation of the scheme, at present available to only MSME units, but there is no assurance yet on whether it would be continued beyond Tuesday and in what form, an official tracking the matter told businessline.

"Revamping the scheme to more effectively benefit labour intensive sectors and MSMEs, as suggested by the FinMin, is possible only to a limited extent as there are not too many variables in the scheme", the official said.

Advance planning

Exporters, who have been steadily making a case for continuation of the interest equalisation scheme under which eligible exporters are extended credit by banks at a subsidised rate, are exasperated by the piecemeal extension of the scheme after the initial five years of implementation and the suspense over its extension.

"Exporters need to do advance planning. If we don't know whether the scheme will continue well in time before it expires, it affects important decisions including pricing and we find it difficult to take a position on contracts," a Delhi-based exporter said.

The interest equalisation scheme, first implemented in April 2015 for five years, included exporters of about 410 identified products and all exporters from the MSME sector. Eligible exporters were offered export credit by banks at a subsidy of 3 per cent and the banks were later compensated for it.

The MSMEs later were offered a higher subsidy rate of 5 per cent, but the interest equalisation rate was subsequently lowered to 2 per cent for non-MSME exporters and 3 per cent for MSME exporters.

After 2020, the Interest equalisation scheme has been extended several times for smaller periods. In August 2024, the fund-limited scheme was extended only for MSME manufacturer exporters till September 30 2024 following which it was given another three months extension till December 31 2024. The fiscal benefits of each MSME, on aggregate, are restricted to ₹50 lakh for 2024-25 till December 2024.

Exporters' body FIEO had a meeting with the Finance Minister to point out the usefulness of the scheme especially with high global competition. "The cost of credit in India, as compared to competing countries, is close to 4-5 per cent higher. Where exporters are already operating on wafer thin margins, interest equalisation plays a very important role in ensuring that they stay in business," an official from FIEO said.

"We have requested not only for continuation of the interest equalisation scheme but also for enhancement of the interest equalisation rate to 5 per cent to offset high cost of capital," according to Sudhir Sekhri, Chairman, Apparel Export Promotion Council.

Source: thehindubusinessline.com– Dec 30, 2024

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The India story: Striving for a stronger share of the global trade pie

Since the beginning of this millennium, India's trade landscape has transformed, with both exports and imports of goods surging by over 12 and 15 times, respectively. This growth has been driven not only by a diversification of product categories but also by an expansion into new geographies, reshaping India's global trade footprint.

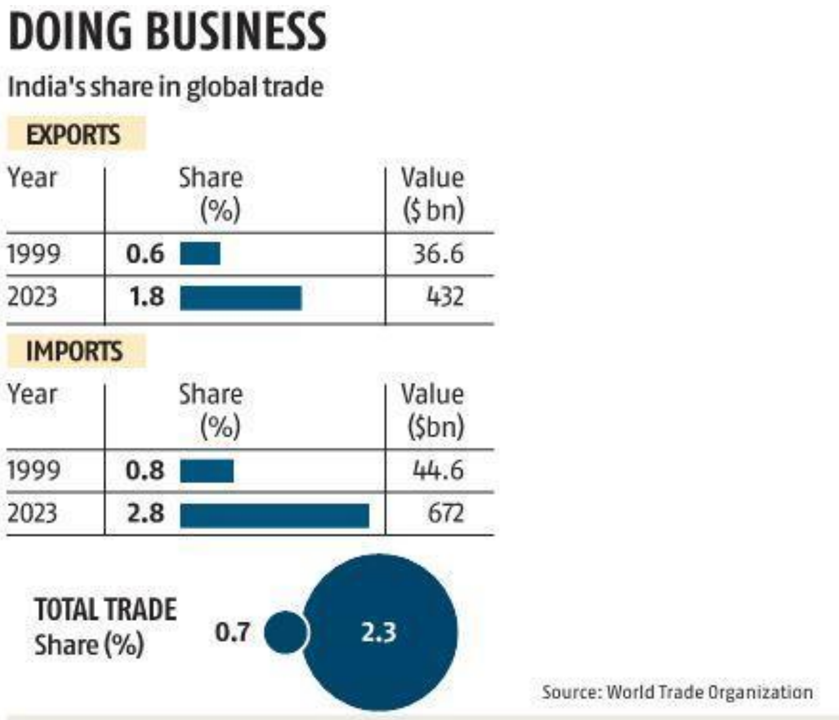
For more than two decades now, the United States has held an unshakeable position as India's top trade partner. Since 1999-2000, the US has consistently been India's largest trade partner, the primary destination for exports, and among the top five import sources.

China, which was India's 16th largest trade partner at the turn of the century, is now its second largest, besides being its largest import source.

Alongside the US, European countries such as Germany, Belgium, and the United Kingdom were India's traditional export markets. However, from 1999-2000 onwards, India's trade ties with other regions began to strengthen. Exports to Asia, West Asia, and Africa, particularly to nations like China, Singapore, the United Arab Emirates (UAE), and Japan, gained prominence.

According to the Economic Survey 2023-24, the combined share of developing regions — Asia and Africa — in India's total exports rose from 42.9 per cent in 1999-2000 (FY2000) to 52 per cent in FY24. The UAE, Singapore, China, Russia, and Australia have emerged as major export partners. The survey also highlighted that the share of India's top 10 export destinations fell from 61.9 per cent in FY2000 to 50.5 per cent in FY2024, signalling the broadening of India's export base.

Despite this diversification, India's merchandise imports have outpaced exports in terms of both value and global share over the last 24 years. Exports grew elevenfold in value, and the share of Indian exports in global trade more than doubled. But closer scrutiny of the data shows that over the last 13 years, from 2010 to 2023, India's export share saw only modest growth, rising from 1.5 per cent to 1.8 per cent.



Arpita Mukherjee, a professor at the Indian Council for Research on International Economic Relations, said that despite efforts to diversify, India's share in world trade has more or less stagnated over the past decade. “India's total share in global trade remains low, although export growth has been strong, particularly since the pandemic,” she said. “This could mean that India is losing market share in some of the traditional export items such as apparels, gems and jewellery, and leather.”

One example is India's yellow gold jewellery exports, where Turkey has captured the Italian market, leaving India behind. “This isn’t necessarily due to issues with Indian products, but because of how other countries have made their policies more conducive to boost growth,” Mukherjee said.

Trade experts point out that while India has achieved some product diversification in its export basket, traditional strengths like textiles and agriculture are facing stiff competition from countries like Vietnam.

Historically, India’s exports were dominated by industrial products — chemicals, gems and jewellery, textiles, and leather. Over the last two decades, however, new products such as automobiles, pharmaceuticals, and, more recently, electronics like smartphones have found a place in India’s export portfolio.

Smartphone exports, in particular, have surged, driven by the launch of the production-linked scheme in 2020. In FY24, smartphone exports grew to $5.5 billion, a 158 per cent jump from $2.1 billion the previous year.

TOP 5 TRADE PARTNERS IN 1999

EXPORTS	Value ($ bn)	IMPORTS	Value ($ bn)
US	8.3	Belgium	3.6
Hong Kong	2.5	US	3.5
UAE	2.1	Nigeria	2.9
UK	2.0	UK	2.7
Germany	1.7	Switzerland	2.5

TOP 5 TRADE PARTNERS IN 2023

EXPORTS	Value ($ bn)	IMPORTS	Value ($ bn)
US	77.5	China	101.7
UAE	35.6	Russia	61.1
The Netherlands	22.3	UAE	48.0
China	16.6	US	42.1
Singapore	14.4	Saudi Arabia	31.4

Source: Department of Commerce

Challenges & the way forward

Ajay Srivastava, a former trade ministry official and founder of the Global Trade Research Initiative (GTRI), believes India's export competitiveness is hampered by high energy and financing costs, inefficient logistics, and rigid labour laws. He suggests that reforms in these areas, along with boosting domestic production of critical inputs, are crucial for India to compete effectively on the global stage.

Besides, the economic growth of large economies such as India, China, and the US is not export driven. Exports make up a significant portion of GDP in smaller economies — Vietnam (93 per cent) and Singapore (174 per cent) — but also leave them vulnerable to global economic instability, he explained. In contrast, larger economies have a much smaller share of exports in their GDP: the US (11.6 per cent), China (19.7 per cent), Japan (20.5 per cent), and India (21.9 per cent).

India, like other large economies, follows an open trade policy, signs balanced Free Trade Agreements (FTAs), restricts unfair imports and has a healthy mix of domestic champions and MNCs, Srivastava said. "While export remains a priority, it is not pursued at the expense of other sectors. The focus is on organic economic growth," he added.

Looking ahead, the Indian government has set an ambitious target of achieving $1 trillion in merchandise exports by 2030, up from $437 billion in FY24. To meet this goal, the commerce department is focusing on 20 key countries, including Australia, France, Germany, China, Russia, Turkey, the UK, Japan, South Korea, Brazil, Singapore, and Vietnam, which together account for 60 per cent of global imports.

India has also identified six key sectors — engineering goods, electronics, chemicals and plastics, pharmaceuticals, agriculture and allied products, and textiles — that represent 67 per cent of global imports. The aim is to deepen economic ties with these focus countries through balanced trade agreements, increased market access, and addressing the non-trade barriers India has been facing in these countries, a senior government official told Business Standard.

To boost exports in the remaining months of this fiscal year, the focus will be on developing strategies for commodities where India has a comparative advantage," the official said. Srivastava also highlighted the need for the country to shift from assembly-based exports to deep manufacturing to unlock its full trade potential.

As India enters the next phase of its trade journey, overcoming these challenges will be crucial.

Source: business-standard..com– Dec 30, 2024

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Dr Manmohan Singh trusted India's trade capacity to compete at global level

Dr Manmohan Singh passed away last Thursday, leaving behind memories of how deftly he navigated the Indian economy during its most difficult days in 1991 and launched the liberalisation process that transformed the economy and led to higher economic growth in the following decades.

When he took over as the Finance Minister, after the previous government had shipped gold to the Bank of England to borrow some money, the forex reserves were barely adequate to cover two weeks of imports. He responded not by restricting imports but by making it easier to import, not by restricting outward remittances but by making it easier to send money abroad. He crushed the parallel market in foreign exchange by devaluing the rupee by about 21 per cent in July 1991. He made smuggling unattractive by reducing import duties on consumer goods. He discouraged black money by bringing down income tax rates.

He abolished cash subsidies for exports and import licensing on most items. He abolished industrial licensing and restrictions on foreign investment and acquisition of technology hours before presenting his first Budget, vastly cutting import duties and spelling out his vision of a greater role for the private sector. What stood out during his initial days of economic liberalisation is the confidence he had in businesses coping with global competition. Soon, several sectors were opened up for the private sector.

He introduced a dual exchange rate mechanism in February 1992 and unified exchange rate mechanism in February 1993, effectively engineering a further devaluation of about 30 per cent.

The introduction of Export Promotion Capital Goods scheme allowing import of capital goods at low rates of duty against export obligation and the introduction of value based advance license (VABAL) scheme in 1992 got the corporate sector interested in exploring export markets. The VABAL scheme gave way to the Passbook scheme in 1995 and later to the Duty Entitlement Passbook scheme in 1997 inducing more businesses to explore opportunities in the global markets.

During his first term as PM in 2004–09, exports of services were incentivised through the Served from India scheme for the first time. Targeted subsidies like the Focus Market scheme, Focus Product scheme, Market Linked Focus Product scheme, Vishesh Krishi Gram Udyog Yojana scheme, and incentives for incremental exports helped boost exports. Meanwhile, quantitative restrictions were abolished, and legal dispensations for the Special Economic Zone scheme were put in place. India started entering into bilateral treaties for free trade and comprehensive economic cooperation.

In his second term as PM in 2009–14, the zero-duty EPCG scheme was introduced, and the DEPB scheme was abolished, but exports still grew rapidly. The digitalisation of various processes, which started during his tenure as Finance Minister, gained pace during his tenure as PM. All the while, most economic policies were directed toward greater integration of the Indian economy with the world.

The best tribute to Dr Manmohan Singh is to trust our entrepreneurs, professionals and businesses to compete globally, abandon the protectionist trade policies being followed since 2014 and become part of global value chains by joining multilateral trade agreements like Regional Comprehensive Economic Partnership agreement.

Source: business-standard..com– Dec 29, 2024

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Textiles exports a silver lining as India's trade deficit widens

New Delhi: India's textiles sector has emerged as a beacon of resilience and growth, recording an impressive 36.65% increase over the last four years, although industry stakeholders aren't much enthused by the resurgence.

Rising from $17.05 billion in FY21 (April-November 2020) to $23.30 billion in the last eight months of the current fiscal year, this growth underscores the sector's ability to adapt and thrive despite global economic uncertainties and shifting trade dynamics, according to a commerce ministry official.

Against the backdrop of increasing import bills for crude oil and gold, the steady growth in textile exports has played a vital role in mitigating India's trade deficit. India's trade deficit in November surged to a record high of $37.84 billion, primarily driven by the rise in gold imports and net oil and gas imports.

A detailed analysis of export data during the corresponding months of the past five years reveals a robust expansion in key markets, including Europe, the UK, the US, and African nations. This surge in demand highlights India's growing prominence as a global textile hub, catering to a diverse range of consumer needs across regions, said the official cited above.

Even so, Rahul Mehta, chief mentor of the Clothing Manufacturing Association of India, said a growth of 36% over a period of 5 years was not a respectable figure, considering the low base during the covid-19 period.

"In the readymade garment sector, we have not seen significant growth, except in The rising textile exports, however, have to an extent helped contain India's widening trade deficit because of increasing oil and gold imports.

In November 2023, gold imports reached $3.44 billion, contributing to a record $14.86 billion in imports for November 2024, driven by festival and wedding demand.

Cumulatively, imports from April to November FY24 rose 49% to $49 billion, up from $32.93 billion in the previous year. India's net oil and gas imports for April-October stood at $79.3 billion, up from $69.2 billion last year, according to provisional data from the Petroleum Planning and Analysis Cell.

Robust expansion

India's textile exports to Europe grew from $4.56 billion in FY21 (April-November) to $6.36 billion in FY25 (April-November), marking a remarkable growth of 39.47%, the commerce ministry data showed. European markets have shown a strong preference for Indian textiles, driven by the sector's emphasis on quality, competitive pricing, and an expanded product range.

The UK stands out as another success story for Indian textiles, with exports climbing from $946.47 million in FY21 to $1.31 billion in FY25, reflecting a growth of over 38%, the data showed. This growth signals strengthening trade ties and the rising appeal of Indian textiles in the UK, particularly in segments such as high-fashion fabrics and home furnishings.

Latin American countries including Suriname, Brazil, Argentina, Peru, and Chile, have also emerged as promising destinations for Indian textiles. Exports to the region grew from $602.76 million in FY21 to $969.59 million in FY25, representing a growth of over 60%. This expansion showcases India's strategic efforts to penetrate new markets and diversify its export base.

The African region, with its vast and varied consumer base, has seen a steady rise in textile imports from India. Countries such as South Africa, Madagascar, Zambia, Ivory Coast, Senegal, Niger, and Nigeria collectively imported $1.13 billion worth of textiles in FY21, a figure that grew to $1.29 billion in FY25. The sector's focus on offering affordable yet high-quality products has been instrumental in driving this growth.

NAFTA surge

Under the North American Free Trade Agreement (NAFTA) bloc, which includes the US, Canada, and Mexico, textile exports surged to $7.62 billion in FY25 from $5.11 billion in FY21. The US alone accounted for $7 billion in FY25, up from $4.77 billion in FY21, reaffirming its status as

India’s largest textile export market. This growth is attributed to strong demand for premium Indian products, coupled with a revival in consumer spending in North America post-pandemic.

Industry experts attribute this growth trajectory to a combination of factors, including government-led policy interventions, trade agreements, and the sector’s adoption of cutting-edge technologies. Investments in sustainable practices and innovation have further enhanced India’s competitiveness in global markets.

"With India’s inherent strengths and a strong supportive policy framework from the Centre and States, India is all poised to reap its benefits. With end-to-end value chain capability, a strong raw material base, and factories focusing on sustainable and responsible business practices, India will surely see substantial growth in the times to come," said Sudhir Sekhri, chairman, Apparel Export Promotion Council (AEPC). Raja M. Shanmugam, former president of the Tirupur Exporters' Association, said India's textiles industry has a high potential for growth and needs greater policy attention.

“India is fortunate to have three strong factors supporting the industry: manpower, cotton production, and the position in manmade fibers. All these three are positive factors prevailing in India," Shanmugam said.

"However, despite these advantages, we have not succeeded in securing a respectable share of the global market in end products so far. There is a need for policymakers to give more thrust to this sector. Textiles are being kept at a low priority, at the ministry level. This is a job creator for a populous country like India."

Source: livemint.com– Dec 27, 2024

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India-Australia bilateral goods trade more than doubled in FY23: Govt

India's exports to Australia grew 14% since the signing of the India-Australia Economic Cooperation and Trade Agreement (ECTA) with textiles, chemicals, and agriculture growing substantially, and new lines, including gold studded with diamonds and turbojets highlighting the diversification enabled by the agreement, the government said Sunday.

Total trade, however, moderated in FY24 to $24 billion although since its signing, bilateral merchandise trade has more than doubled to $26 billion in FY23 from $12.2 billion in FY21.

The current fiscal continues to reflect strong momentum. Total merchandise bilateral trade in April-November 2024 reached $16.3 billion, according to a statement issued by the commerce and industry ministry.

"This landmark agreement has brought with it increased market access for Indian exporters, expanded opportunities for MSMEs and farmers, and generated several employment avenues," commerce and industry minister Piyush Goyal said in a post on X, adding that it has also enabled a notable boost in IT/ITeS, business & travel services, and post-study work & work holiday visas.

"We are committed to building on the momentum that the Ind-Aus ECTA has generated and achieve the AUD 100 billion trade target by 2030. Together, we are shaping a prosperous and resilient future," Goyal said.
Exchange of preferential import data has commenced between both countries, highlighting the effective implementation of the agreement in 2023.

"The data reveals export utilization at 79% and import utilization at 84%," the ministry said.

Imports of essential raw materials, such as metalliferous ores, cotton, wood and wood products have fuelled India's industries, contributing to the win-win nature of this partnership. Sectors such as electronics and engineering have room for growth.

Widening scope

The ECTA was implemented on December 29, 2022 and the two are now negotiating to widen the scope of the pact to a Comprehensive Economic Cooperation Agreement (CECA).

10 formal rounds and inter-sessional discussions held so far. CECA builds on the foundation laid by the ECTA, advancing the bilateral trade agenda with even greater ambition.

"Both the parties are committed to building on the momentum created by the ECTA, driving deeper economic integration and to achieve the target of trade to reach AUD 100 billion by 2030 between India and Australia," the ministry said.

A stocktake visit on India-Australia CECA was also recently concluded in New Delhi from December 4-6 to assess the progress made and chart the path forward.

Source: economictimes.com– Dec 29, 2024

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Tirupur trade associations meet to discuss impact of textile imports

Over the past few years, Tirupur's fabric and garment producers have been reportedly negatively impacted by the imports of ready-made garments and fabrics from Bangladesh. In light of this, a joint meeting was called for in the Tirupur Exporters Association with representatives from Tirupur-based groups of fabric and ready-made garment manufacturers.

M. Subramanian, president of the Tirupur Exporters Association, stated that imports from Bangladesh had impacted not just Tirupur but other Indian garment production hubs. The goal of this meeting, he said, was to draw the Government's attention to this problem and take the required steps to save not just the local manufacturers but also the region's jobs.

Dr. A. Sakthivel, the Honorary Chairman, discussed the amount of ready-made clothing and textiles that India has imported from Bangladesh during the previous three years. He emphasised that both exporters and domestic manufacturers and producers have been negatively impacted by the ongoing rise in imports.

The meeting adopted the following resolutions:

To safeguard domestic producers and exporters, it was decided that the Central Government should promptly implement countervailing or anti-dumping duties on ready-made clothing and fabrics imported from Bangladesh.

Based on the petition submitted to the central ministry, it was decided that all associations that manufacture textiles and ready-made garments in India should cease all imports from Bangladesh until taxes are imposed on imported textile goods from that country.

Through the Tirupur Exporters' Association, these two resolutions will be forwarded on behalf of all Tirupur trade groups to the Union Ministers of Commerce and Industry and Textiles.

Source: apparelresources.com– Dec 30, 2024

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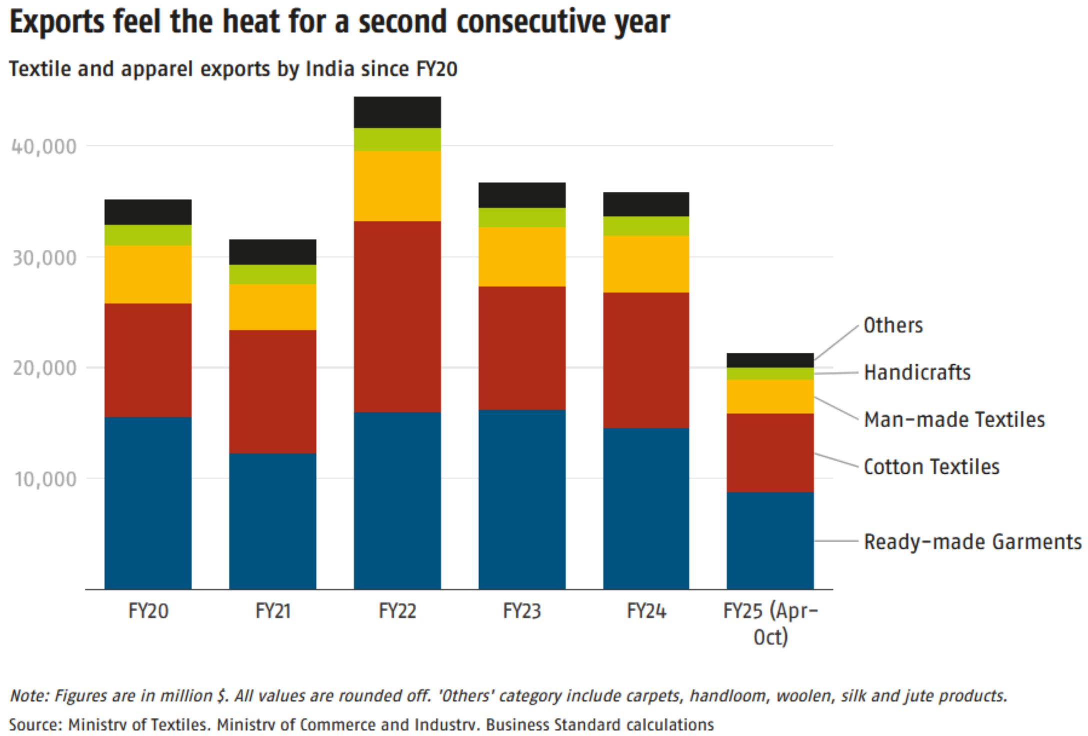
Cheap imports, declining FDI challenge India's textile export ambitions

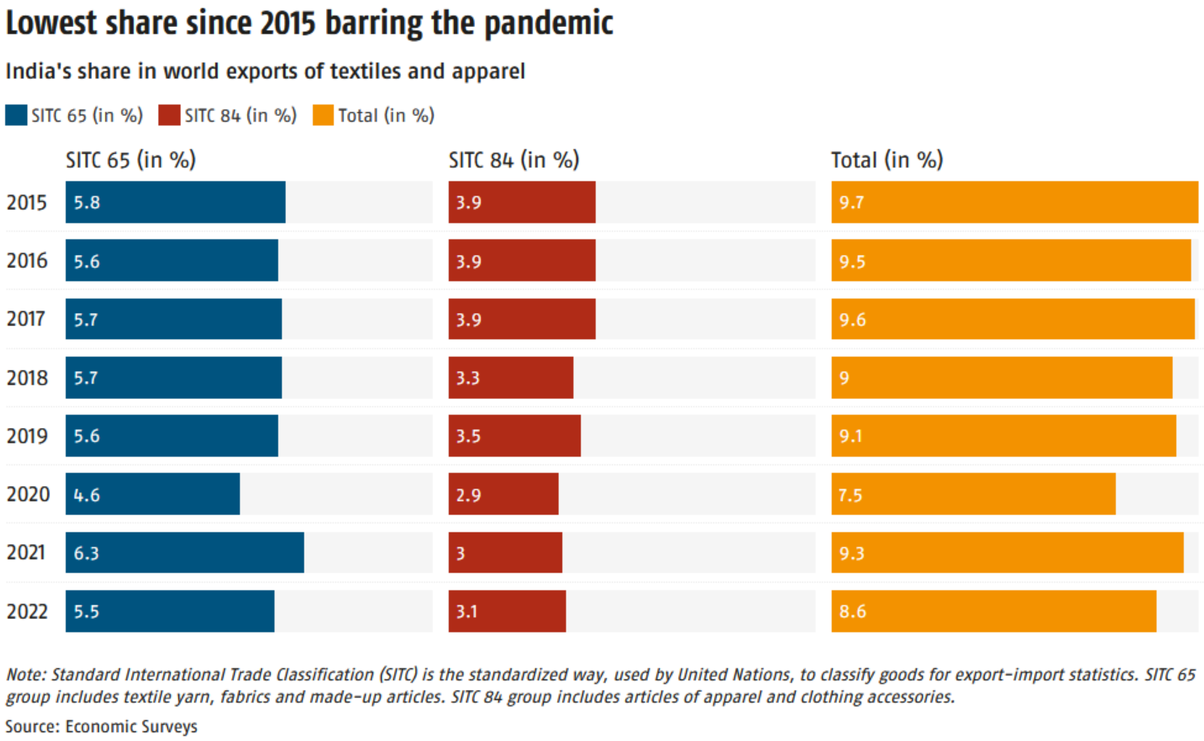
India has set an ambitious target of textile exports worth $100 billion by 2030, but the recent data released by the Ministry of Textiles pertaining to India’s textile and apparel trade puts achievement of the goal in jeopardy.

Textile and apparel exports increased 19.26 per cent from the financial year 2022 - 2024 (FY22 -24).

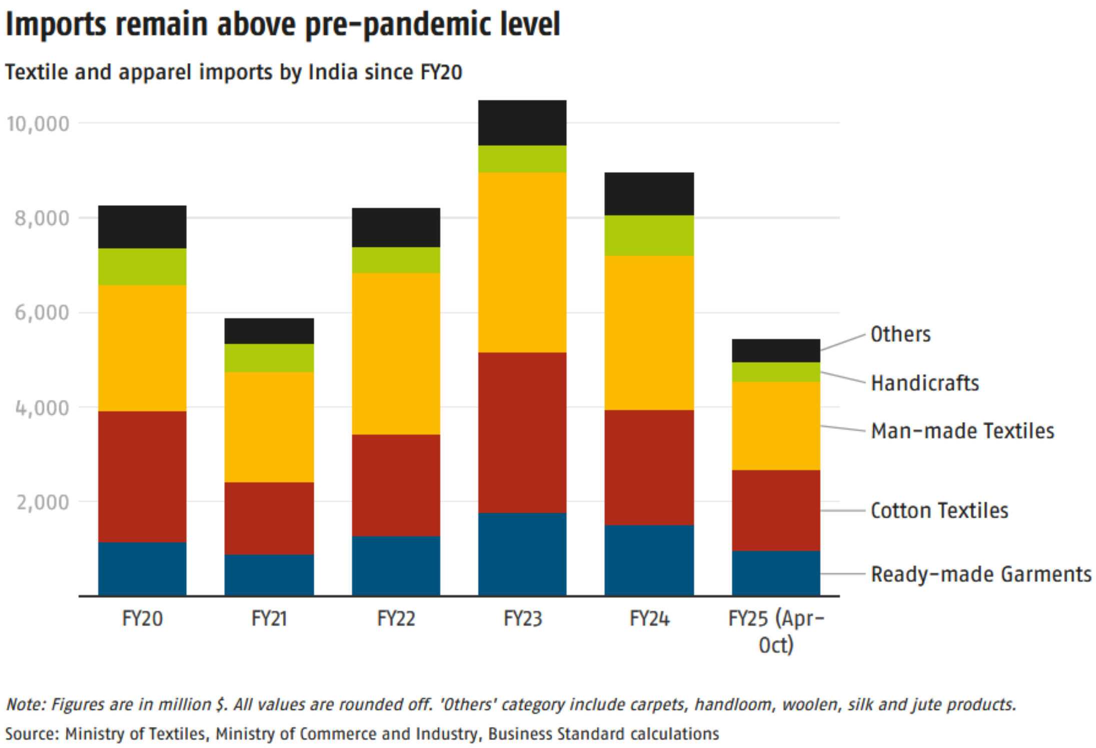
Furthermore, the exports of ready-made garments, man-made textiles, jute products, and handlooms (mentioned in the ‘others’ category) fell below the pre-pandemic level. (chart 1)



India’s share in world textile and apparel exports has been declining since 2015, reached its lowest in 2022, except during the pandemic. (chart 2)



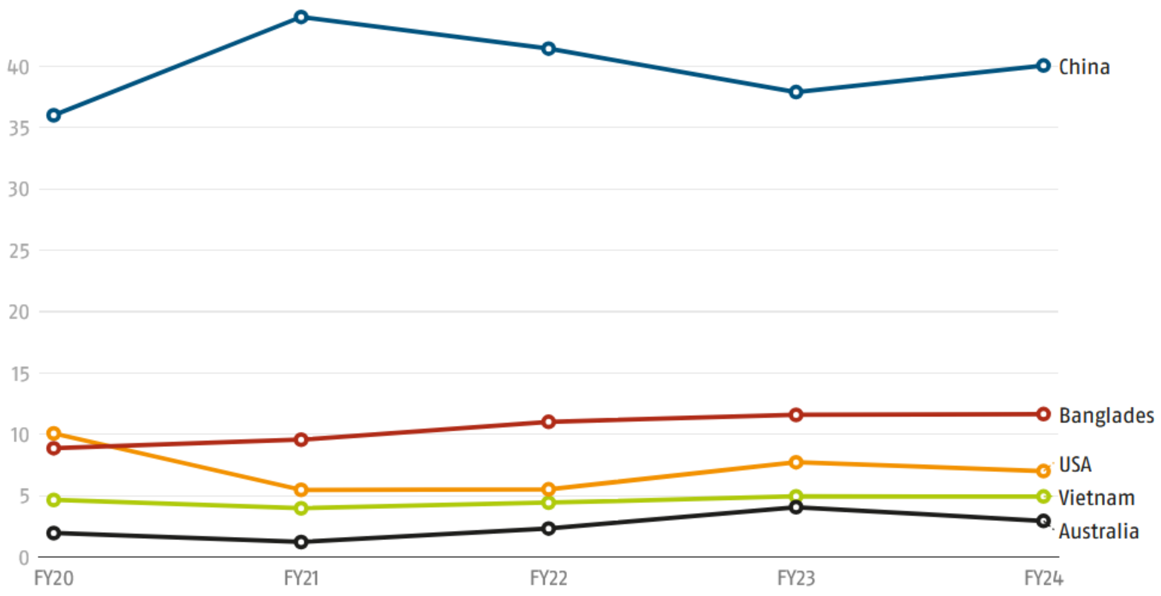
Textile imports remained above the pre-pandemic figures. The combined imports of ready-made garments, cotton textiles, and handicrafts (April-October) grew roughly 11 per cent year-on-year (Y-o-Y) in FY25. (chart 3)



Cheap imports from China and Bangladesh continue to be a menace to the domestic textile industry, as reflected in their share of India's imports. (chart 4)

Cheap Chinese imports flood Indian market

Country-wise import of textiles and apparel (including handicrafts) by India



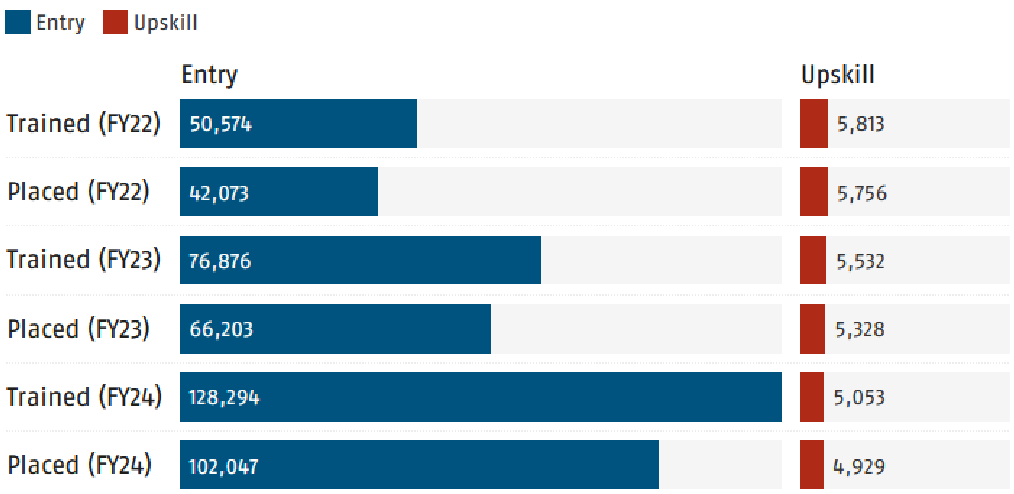
Note: All figures are in percentage.

Source: Ministry of Textiles, Business Standard calculations.

Meanwhile, the number of people coming forward to hone and update their craft at textile work witnessed a slight decline in the past three years. (chart 5)

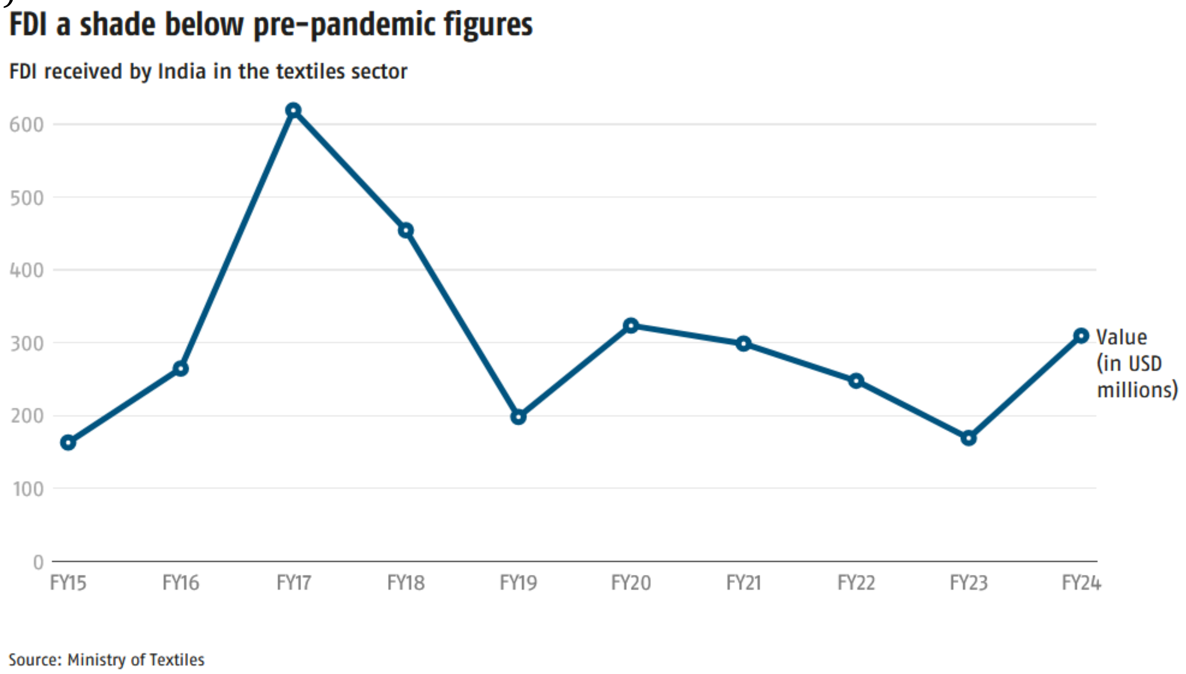
Fewer people getting upskilled

Number of beneficiaries trained and placed under the Samarth scheme.



Source: Parliamentary replies

The value of foreign direct investment (FDI) in the textile sector fell short of the pre-pandemic level, notwithstanding its rise in recent years. (chart 6)



Source: business-standard.com– Dec 29, 2024

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India begins anti-dumping probe into NFY imports from China, Vietnam

India's Directorate General of Trade Remedies (DGTR) recently initiated an anti-dumping investigation into imports of nylon filament yarn (NFY) from China and Vietnam.

The decision follows a request for such a probe by Century Enka Private Limited, Gujarat Polyfilms Private Limited and Oriilon India Private Limited, all of which have alleged that dumping of this product from these two countries has caused material injury to the domestic industry, a DGTR note said.

The applicants have said that the products exported from the two countries are identical to the goods produced by the domestic industry in terms of technical specifications, physical and chemical characteristics, manufacturing process and technology, functions and uses, pricing, distribution and marketing and tariff classification. The two are technically and commercially substitutable.

Source: fibre2fashion.com– Dec 30, 2024

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WT-ECIB scheme likely to benefit 1,000 new small exporters, says govt

The ECGC is aiming to reduce the export credit gap through the WT-ECIB scheme, which is expected to benefit about 1,000 new small exporters, in addition to the existing 8,000-odd by facilitating the availability of adequate and affordable export finance from banks for working capital, an official statement said.

The commerce ministry in its 2024 year-end review said that the Export Credit Guarantee Corporation of India (ECGC) has extended the scope of its Whole Turnover Export Credit Insurance for Banks (WT-ECIB) scheme to export credit working capital limits up to Rs 80 crore with effect from July 1.

"ECGC aims to improve the export credit offtake for MSME exporters and reduce the export credit gap through this scheme, which is expected to benefit around 1,000 new small exporters, in addition to around 8,000 existing exporters," it added.

It also said that the India-Sri Lanka Economic and Technology Cooperation Agreement (ETCA) negotiations are ongoing with the 14th round of negotiations concluded in July.

"Except the track on goods dealing with specific lines pertaining to garments, negotiations on almost all chapters including services and Rules of Origin have been concluded," the ministry said.

India is leveraging its free trade agreement engagements to enhance services trade through these pacts by ensuring certainty in market access, non-discriminatory treatment and a transparent and objective regulatory environment.

Source: business-standard.com– Dec 26, 2024

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India year-end review 2024: Catching up in Asian competition

India's real GDP growth in FY24 reached 8.2 per cent and exceeded 7 per cent for the third consecutive year, demonstrating resilience amidst global challenges. The growth is driven by stable consumption and improving investment demand. Surpassing China's economic growth rate, Indian economic growth rate over the last few years has been one of the highest in the world. The Economic Survey 2023-24 projected country's real GDP growth in the range of 6.5 to 7 per cent, despite taking a conservative approach. Many experts, however, believe these projections will be surpassed. Retail inflation, at 5.4 per cent, remained lowest since the pandemic due to policy interventions and RBI measures. Inflation is expected to decline further to 4.5 per cent in FY25 and 4.1 per cent in FY26, under the assumption that India will have normal monsoon and no external disruption.

A supportive budget

The annual budget for 2024-25 was presented by Indian Finance Minister on July 23, 2024. The budget addressed various aspects of textile and apparel sector, encompassing production incentives, export growth and sustainability. The key highlights of the budget for the sector include:

- The budget allocation for the textile industry was increased by 28.29 per cent, from ₹3,443 crore (FY24) to ₹4,417 crore (~$530 million), of which ₹375.41 crore are allocated for the establishment expenditure of the Centre, ₹3,866.17 crore for central sector schemes/projects, and ₹175.41 crore for other central sector expenditure. The major share of spend on schemes/projects will be consumed by top 5 centrally sponsored schemes: Programmes of the Central Silk Board (23.28 per cent), the Amended Technology Upgradation Fund Scheme (16.42 per cent), Procurement of Cotton by the Cotton Corporation of India under the Price Support Scheme (15.52 per cent), National Technical Textiles Mission (9.70 per cent) and PM MITRA (7.76 per cent).

- The budget for PLI (Product Linked Incentive) scheme was increased by 800 per cent to ₹45 crore (~$5.4 million) from ₹5 crore in the previous year.

- The funding for CCI's cotton purchase under the price support scheme was increased from ₹0.01 crore to ₹600 crore, while funding for the Integrated Scheme for Skill Development got a boost from ₹115 crore to ₹166 crore.

- The budgets for the Development of the Jute Sector and the Amended Technology Upgradation Fund Scheme (ATUFS) were reduced from ₹75 crore to ₹50 crore, and ₹675 crore to ₹635 crore, respectively.

- The budgets towards the National Technical Textiles Mission, National Handicraft Development Programme, National Handloom Development Programme and Handicraft Cluster Development Programme (Handicraft Mega Cluster) went up from ₹170 crore to ₹375 crore, from ₹155 crore to ₹206 crore, from ₹190 crore to ₹200 crore, and from ₹15.7 crore to ₹30 crore, respectively.

- The reduction in the customs duty, as proposed in the budget, aims to reduce input costs, deepen value addition, promote export competitiveness, correct inverted duty structure, boost domestic manufacturing etc.

In the same regard, the Basic Customs Duty (BCD) on MDI (methylene diphenyl diisocyanate) for spandex yarn production was reduced from 7.5 per cent to 5 per cent, to address duty inversion and reduction in input costs for manufacturers; and, lowering of BCD on real down-filling material from ducks or geese, from 30 per cent to 10 per cent aims at making premium filling materials more affordable for garment manufacturers.

- Tariff rates were reduced to zero for certain additional accessories and embellishments for the manufacture of textiles. Additionally, a bottom-up reform was proposed to create new tariff lines concerning many products including technical textiles to align them to the tariff lines with WCO (World Customs Organisation) classification and better identification of goods. These changes came into effect from October 1, 2024.

- The government also proposed to expand the list of exempted goods used in the manufacture of leather and textile garments, footwear, and other leather articles intended for export. The move aims at reducing production costs and encourage more manufacturers to enter the export market.

Trade update

In FY24 ended March 31, 2024, India's export of textiles and apparel, including handicrafts, increased 1 per cent and reached ₹2.97 trillion (~$35.64 billion). The export value of RMG at ₹1.2 trillion (~$14.4 billion) contributed around 41 per cent to total exports, followed by cotton textiles (34 per cent) and man-made textiles (14 per cent). MSMEs contributed more than 80 per cent of India's textile and apparel manufacturing capacity.

Particularly in March 2024, the textiles and apparel exports registered 11.18 per cent and 1.7 per cent growth over March 2023, respectively, while their combined growth was 6.91 per cent year-on-year. Category-wise, exports of cotton yarn, fabrics, made-ups, handlooms grew 6.78 per cent, carpets increased 16.23 per cent and handicrafts rose by 128.39 per cent. The categories which saw a drop in March included man-made yarn, fabrics, made-ups (-7.86 per cent) and jute including floor covering (-24.13 per cent). Imports of cotton raw & waste and textile yarn fabric, made-ups during the month fell by 11.29 per cent and 12.17 per cent, respectively.

In the first quarter period of April to June of FY25, exports of textiles and apparel increased 4.08 per cent y-o-y to $8.785 billion. In this, textile export at $4.935 billion increased 3.99 per cent and apparel export valued at $3.849 billion grew 4.2 per cent, though their combined share in India's total merchandise exports decreased to 7.99 per cent during the period. Cotton yarn, fabrics, made-ups, and handloom products saw a 5.71 per cent increase to $2.916 billion, the shipment of man-made yarn, fabrics, and made-ups gained by 0.37 per cent to $1.165 billion, and carpet exports increased by 11.41 per cent to $263.37 million.

Despite unfavourable economic conditions in the EU, US, and West Asian nations, Indian textile exports grew 9.59 per cent in the month of May compared to May 2023, while apparel exports grew 9.84 per cent. The combined exports of textiles and apparel during the month registered a growth of 9.70 per cent y-o-y.

The Indian textile exports during two consecutive months of April and May, increased 6.04 per cent over exports during the same two months in the previous year, whereas the exports of apparel increased 4.46 per cent. Overall, aggregate exports of textiles and apparel for 2-month period surged 5.34 per cent y-o-y.

In June alone, textiles and apparel exports amounted to $2.919 billion, with textiles increasing marginally by 0.05 per cent to $1.625 billion. While cotton yarn, fabrics, made-ups, and handloom products increased 0.92 per cent to $959.55 million and the shipment of man-made yarn, fabrics, and made-ups gained 2.79 per cent to $383.16 million, the exports of carpet increased by 10.64 per cent to $121.44 million.

During Q1, FY24, imports of raw cotton and waste declined 23.42 per cent to $152.01 million, down from $198.49 million in Q1, FY23. Imports of textile yarn, fabric, and made-ups improved 7.47 per cent to reach $557.2 million, up from $518.4 million in the same quarter of the previous fiscal.

The inbound shipment of raw cotton and waste dipped 26.16 per cent to $70.22 million from $95.10 million, while imports of textile yarn, fabric, and made-ups jumped 23.83 per cent to $209.23 million in the month of June 2024.

Tough time for exports

Indian government aims to achieve $600 billion in textile exports by 2047, but the sector faced challenges such as geo-political uncertainties, consumption shifts, and low overall growth in 2024. The sector was affected by the ongoing Russia-Ukraine war, the Red Sea crisis, and the Israel-Hamas conflict, which made the international trade scenario much tougher for the Indian exporters in 2024. According to a CRISIL report released in February, India's textiles industry is unlikely to be significantly impacted by the Red Sea crisis. However, a prolonged crisis is likely to impact margins and stretch the working capital cycle. It was further highlighted that the higher freight cost due to the Houthi disruption maybe a hindrance for textile exporters with a lot of trade happening through the Suez Canal.

The freight rates increased by nearly 40-50 per cent. Additionally, a global 'weak demand' in textiles was another worrisome factor for the industry. The May 2024 ITMF Global Textile Industry Survey (GTIS) revealed a continued stagnation in the textile business climate and that a weak demand remained the main concern since September 2022.

Tiruppur bounced back

Tiruppur – India's textiles export hub, revived back in the first quarter of FY25, following a 14 per cent contraction in knitwear exports during FY24.

The revival was triggered by large orders from global players like Primark, Tesco, George at ASDA and Decathlon. While April grew marginally at 1.5 per cent, the respective growths in May and June were 11.4 per cent and 10 per cent. The Tiruppur Exporters Association (TEA) reported US players like GAP, Carter's and Walmart, European majors such as Next and Duns, and Australian giants like Target and Woolworths, lining up to place orders in the region.

This was also due to the global majors diversifying their sourcing basket under the 'China Plus One' policy and a major wage hike in an important market like Bangladesh. Late last year, Bangladesh reportedly announced a 56 per cent increase in the monthly minimum wage to $113 from the previous $75 for garment factory workers. As per TEA, the region's export in April and May amounted to $294 million and $360 million versus $290 million and $323 million in respective months of 2023. During calendar year 2024 also, excluding a 3.8 per cent drop in January, the exports showed growth in rest of the months. The increase in February and March, compared to last year, were 6.4 per cent and 5.6 per cent respectively.

Tiruppur accounts for 90 per cent of India's cotton knitwear exports, and 55 per cent of all its knitwear exports. The region faced issue of labour shortage, which showed sign of improvement after elections in India. Prior to elections, the region reportedly experienced around 40 per cent shortage in migrant employees, which reduced to around 10 per cent by mid-2024. Tiruppur's textile industry hosts 600,000 inland employees and 200,000 migrants.

Mandatory BIS certification

The range of medical textile products, including hospital bed linens, pillow covers, and sanitary napkins, are now subjected to Bureau of Indian Standards (BIS) w.e.f. October 1, 2024. The move aims at ensuring quality and safety in medical textiles. BIS began the sensitisation efforts in this regard among stakeholders even before the implementation date. The compulsory ISI mark is a significant step in standardising products used in critical healthcare settings, potentially elevating the industry's standards on a global scale.

Source: fibre2fashion.com– Dec 29, 2024

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PM MITRA park in India's Madhya Pradesh to attract $1.17 bn investment

The proposed PM MITRA park in Bhainsola village in Dhar district of Madhya Pradesh (MP) state will attract an investment of more than ₹10,000 crore (~$1.17 billion), Indian Textile Minister Giriraj Singh recently said in Indore.

PM MITRA stands for Prime Minister Mega Integrated Textile Region and Apparel scheme. The project in Dhar is among seven such textile parks being set up in Tamil Nadu, Telangana, Gujarat, Karnataka, Madhya Pradesh, Uttar Pradesh and Maharashtra states.

The central government recently designated the Madhya Pradesh Industrial Development Corporation (MPIDC) as the master developer of the project.

These parks have secured approval with an allocation of ₹4,445 crore for a seven-year duration, extending until fiscal 2027-28.

India's garment exports have surged by 35 per cent year on year (YoY) and textile exports by 11 per cent YoY in October-November this year, Singh was cited as saying by media reports from the state.

Keeping in view the crisis in Bangladesh, the Indian garment industry is augmenting its capacity, he added.

Source: fibre2fashion.com– Dec 31, 2024

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Maharashtra CM Launches Technical Textile Mission & MSTDC | Boosting Textile Sector

Maharashtra Chief Minister Devendra Fadnavis on Monday directed officials to take active steps to boost the state's textile sector.

He directed them to establish Maharashtra Technical Textile Mission (MTTM) and Maharashtra State Textile Development Corporation (MSTDC) and also emphasised the state's active participation in Bharat Tex 2025, scheduled to take place in New Delhi.

These announcements came during the CM's review of the Department of Rural Development and Panchayati Raj's 100-day action plan.

The CM called for inviting of Expressions of Interest (EOIs) to set up technical textile parks and also stressed on the importance of effectively implementing the Captive Market Scheme to support the local textile industry.

To support handloom weavers, Fadnavis directed the implementation of an old-age pension scheme to ensure social security, officials said.

"Under the Integrated and Sustainable Textile Policy 2023-28, he called for the development of 'Urban Haat' centres to promote and support handloom artisans. He also proposed collaborating with Prasar Bharati to broadcast the first episode of the traditional textile industry series 'Kargha'," an official said.

The Chief Minister stressed on the importance of innovation and efficiency and instructed officials about the digitisation and automation of schemes within the textile department.

He also encouraged the increased adoption of solar energy in spinning mills across the state, the official said.

Source: rediff.com– Dec 30, 2024

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