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Currency Watch			
USD	EUR	GBP	JPY
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INTERNATIONAL NEWS

Global growth closes 2024 on 4-month high; optimism wanes: S&P Global

The J.P. Morgan worldwide purchasing managers' index (PMI) survey registered the strongest global economic growth for four months in December last year.

Employment edged higher for the first time in five months in response to rising inflows of new orders.

However, growth was again dependent on the services economy, where a stronger rate of expansion—fueled in particular by surging financial services activity—contrasted with a renewed downturn of manufacturing output, the survey produced by S&P Global in association with the Institute of Supply Management and the International Federation of Purchasing and Supply Management, revealed.

Growth disparities widened by region, with the United States outperforming other major developed economies, all of which reported either falling or near-stalled output, and India far outpacing other major emerging markets.

Global business confidence, meanwhile, slipped lower, ending 2024 at one of the lowest levels seen over the past year, amid rising concerns over economic growth prospects in the year ahead, which were often linked to geopolitical and protectionism worries.

Although sentiment lifted higher in the United States, confidence fell across emerging markets and remained subdued in Canada, the eurozone and the United Kingdom.

S&P Global Market Intelligence's PMI surveys indicated that global business activity expanded for a fourteenth successive month in December 2024. The rate of expansion ticked higher for a third month running to register the strongest growth since last August.

The headline J.P. Morgan global composite PMI output index, covering manufacturing and services in over 40 economies, rose from 52.4 in November to 52.6 in December.

At its current level, historical comparisons indicate that the PMI is broadly consistent with the global economy growing at an annualised rate of 2.8 per cent. That compares with an average GDP growth rate of 3.1 per cent in the decade prior to the pandemic.

The current growth rate signalled by the PMI is, therefore, one that is modestly below-trend but accelerating, S&P Global Market Intelligence said in a release.

The gap in performance between the global services and manufacturing sectors widened in December to the greatest for one-and-a-half years. While services growth revived to a four-month high, registering one of the strongest rates seen over the past one and half years, manufacturing output contracted slightly for the second time in four months.

While basic industry sectors saw the steepest downturns, machinery and equipment makers notably also reported the sharpest drop in output for 32 months.

Among the major developed economies, the United States saw the strongest expansion for an eighth successive month, the rate of growth rising to the fastest since April 2022 as surging services growth (a 33-month high) offset a steepening manufacturing decline.

The improved US performance contrasted with malaise reported elsewhere in the major developed markets. Only marginal output gains were reported in Japan, the United Kingdom and Australia during December, while eurozone output fell for the third time in four months and output fell in Canada for the first time in three months.

However, in both the eurozone and Canada the falls in output were only modest.

While the eurozone, UK, Japan and Australia all reported higher services output, all four reported lower manufacturing output in the closing month of 2024, with especially steep factory output falls seen in the eurozone, UK and Australia. Canada bucked the trend, with higher factory output reported, but it was the only major developed economy to report lower services activity.

India once again led growth among the BRICS 'emerging' economies by a wide margin, as has been the case since July 2022, with growth picking up slightly in December amid sustained strong performances across both manufacturing and services.

Growth meanwhile slowed in the other BRICS emerging economies. China reported only modest growth and the weakest expansion of output for three months. Brazil also reported a considerable loss of momentum, with growth down to a 12-month low amid weakened expansions across both manufacturing and services.

Only modest growth was likewise reported in Russia, the expansion cooling from November's eight-month high, thanks to a near-stalled manufacturing economy and slower growth of service sector activity.

Improved inflows of new orders, which rose globally at the fastest rate for seven months, helped global private sector employment edge higher in December for the first time in five months. A marginal rise in service sector staffing offset a slight fall in factory payrolls.

In the major developed markets, US firms reported an upturn in the pace of job creation to the highest since last July, thanks to the strongest rise in new orders for 32 months, driven by renewed hiring in services.

In contrast, UK employment fell at the sharpest rate since January 2021 due in part to the sharpest fall in new order for 14 months, but also in reaction to recent tax changes.

Falling orders also prompted a further loss of in eurozone jobs, where the rate of decline hit the joint-steepest since December 2020. Rates of job creation also cooled in Japan and Canada.

In the major emerging markets, robust job gains in India were accompanied by further net job creation in Russia and Brazil, but jobs were cut for a fifth straight month in China.

Looking to 2025, worldwide business expectations for output in the year ahead remained well above the near-two-year low seen in September, which had seen sentiment slump on uncertainty over the US election outcome.

Sentiment nonetheless remained below the long-run average, having dipped slightly again in December, due principally to ongoing geopolitical concerns and intensifying economic growth worries.

Although service sector companies became slightly more optimistic in December, often reflecting hopes of lower interest rates and the waning cost of living squeeze, future sentiment slumped to the second-lowest in 14 months in manufacturing, as factories around the world grew more concerned over the impact of the potential rise in trade protectionism.

Among the major developed economies, the lowest confidence relative to long-run averages was recorded in the United Kingdom, where expectations hit a two-year low amid growing reports of concerns over the impact of recent government policy changes, followed by the eurozone and Canada, both of which saw ongoing concerns over proposed US tariffs.

US business confidence, in contrast, rose further above its long-run average as companies warmed to the prospect of a more business-friendly administration in 2025. Future expectations in the US rose to the joint-highest since May 2022.

Japan saw the highest business optimism of the big, developed economies relative to its long-run average, though the degree of positivity faded to one of the lowest seen over the past two years, in part on trade worries.

Source: fibre2fashion.com– Jan 08, 2025

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The Widening Chasm: High-end vs affordable luxury in a changing market

While the desire for exclusivity and craftsmanship remains strong among luxury buyers, there is a clear bifurcation between high-end and affordable luxury. This shift is due to evolving consumer demographics, economic pressures, and changing perceptions of value.

A tale of two markets

At the top, high-end luxury brands like Hermès, Chanel, and LVMH are experiencing record growth. These brands cater to an ultra-wealthy clientele seemingly immune to economic headwinds. Their focus remains on heritage, exclusivity, and artisanal craftsmanship, often with price tags reflecting this rarified positioning. Conversely, the accessible luxury segment, with brands like Michael Kors, Coach, and Kate Spade, faces a more challenging landscape. These brands, once symbols of aspirational luxury, are grappling with rising costs, increased competition, and a more discerning consumer.

Table: High end vs affordable luxury

Segment	Q2 2024 revenue growth (YoY)	Key trends
High-End Luxury (LVMH)	17%	Strong demand in China and the US, price increases, focus on exclusive experiences
Affordable Luxury (Capri Holdings)	-10.50%	Inflationary pressures, discounting, declining mall traffic

(Source: LVMH Q2 2024 Report, Capri Holdings Q2 2024 Report)

This contrasting in performance highlights the growing gap. While high-end luxury thrives on scarcity and exclusivity, accessible luxury brands are struggling to maintain margins and brand cachet in a crowded market. For example, Hermès' iconic Birkin bag, with its waiting lists and astronomical prices, epitomizes high-end luxury's enduring appeal.

Hermès's strategic focus on limited production and handcrafted quality reinforces its exclusivity and desirability. On the other hand, Michael Kors, once a high-flying accessible luxury brand, has faced challenges in recent years due to overexposure and heavy discounting. This has diluted the brand's perceived luxury and impacted profitability.

What’s driving the divide

One major reason for this divide is the growing wealth gap globally that fuels demand for high-end luxury goods, seen as both status symbols and investment assets. Moreover, consumer values too are changing, as younger buyers are increasingly prioritizing experiences and sustainability over material possessions, putting pressure on traditional luxury brands to adapt.

The rise of ‘Quiet Luxury’ as a trend which highlights understated elegance and discreet branding, too favors high-end brands known for their subtle craftsmanship. In fact, the gap between high-end and affordable luxury is likely to persist. High-end brands will continue to cater to the ultra-wealthy, focusing on personalized experiences and bespoke offerings. Accessible luxury brands will need to innovate and differentiate themselves through unique designs, compelling narratives, and a strong focus on value.

This trend also has broader implications for the retail landscape. Department stores, once the bastion of luxury brands, are struggling to attract shoppers. Meanwhile, online luxury platforms and direct-to-consumer models are gaining traction, offering new avenues for both high-end and affordable brands to reach their target audiences.

Thus understanding the distinct dynamics of high-end and affordable luxury is crucial for brands, retailers, and investors alike. As consumer preferences and economic forces continue to shape the industry, the ability to adapt and innovate will be key to success in this increasingly polarized market.

Source: fashionatingworld.com– Jan 08, 2025

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Brazil world's largest cotton exporter in 2024 as production soars

Brazil has ascended to become the world's top cotton exporter in 2024, overtaking the US, which had held the position since the 1993-94 crop season. This shift comes after Brazilian cotton production increased for the third consecutive year, while output in the US declined, as per the Centre for Advanced Studies on Applied Economics (CEPEA).

In Brazil, the area dedicated to cotton has expanded annually, driven by favourable profitability, technological advancements, and the high quality of the produce. Although domestic demand has seen only a modest rise, the growing surplus has been balanced by increases in international prices, sustaining cotton prices in the local market, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In 2024, the CEPEA/ESALQ cotton index in Brazil saw prices fluctuating within a narrow range. The lowest price recorded was BRL 3.8063 (~$0.62) per pound, with the highest reaching BRL 4.3645 (~$0.71) per pound. Despite these fluctuations, average prices remained below those of 2023 throughout most of the year.

The 2023-24 crop season in Brazil witnessed a significant 16.9 per cent increase in planted area from the previous year, reaching 1.944 million hectares—the highest since the 1991-92 season. However, productivity slightly declined by 0.18 per cent. Despite this, the output for the season is estimated at a record 3.7 million tons, marking an increase of 16.64 per cent compared to the previous season. These figures underscore Brazil's strengthening position in the global cotton market.

Source: fibre2fashion.com– Jan 07, 2025

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ICE cotton up amid weak dollar, stronger grains & weather concerns

ICE cotton futures rose on Monday due to a weaker dollar index, stronger Chicago Board of Trade (CBOT) grains, crude oil, and stock markets. Unfavourable weather conditions in many cotton-growing countries also supported US cotton prices.

Yesterday, the ICE cotton March 2025 contract settled at 68.68 cents per pound (0.453 kg), up by 1.02 cents.

The US dollar weakened significantly, dropping 1.07 per cent against a basket of currencies. This makes cotton purchases more affordable for foreign buyers. Crude oil prices gained on a weaker dollar and higher heating energy demand due to winter storms. However, negative economic prospects in the US and Germany led to volatility in crude oil prices.

Positive market sentiment from CBOT grain futures (soybeans, corn, and wheat), crude oil, and stock markets also influenced cotton prices. CBOT grains recovered losses from the previous session, supported by dry weather in Argentina and a sharp drop in the dollar.

Hot and dry conditions in northern Argentina, southern Brazil, and Australia are impacting the cotton-growing seasons, adding bullish pressure to the market.

According to market analysts, the cotton market remains oversold. Farmers are likely to sell last year's production as prices rise, and once transferred to traders, the market may experience a rebound.

Brazil's cotton exports in December 2024 reached 352,853.44 tons, up 0.58 per cent from 350,804.44 tons in December 2023, as reported by Brazil's Foreign Trade Secretariat.

ICE deliverable No. 2 cotton futures stocks were steady at 20,113 packages as of January 3, 2025, according to data released by the Intercontinental Exchange (ICE).

Currently, ICE cotton for March 2025 is traded at 68.83 cents per pound (up 0.15 cent). Cash cotton is traded at 66.18 cents (up 1.02 cents), the May 2024 contract at 69.93 cents per pound (up 0.11 cent), the July 2025 contract at 70.86 cents (up 0.01 cent), the October 2025 contract at 69.40 cents (up 0.92 cent), and the December 2025 contract at 69.89 cents (down 0.01 cent). A few contracts remained at the level of the last closing, with no trading noted today.

Source: fibre2fashion.com– Jan 07, 2025

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Outlook '25: Industry Insiders Sound Off on Denim Trends

Denim fashion in 2025 is poised to strike a balance between the timeless appeal of vintage styles and the innovation demanded by today's eco-conscious and individuality-driven consumers.

"Trends in 2025 will revolve around nostalgic-yet-reimagined fits, a focus on sustainable craftsmanship and an increased demand for consumer customization and one-of-one pieces. For the more commercial market, retro inspired silhouettes will dominate, blending '70s and '90s vintage aesthetics with modern tailoring for a polished yet casual aesthetic, styles that feel both familiar and fresh," said Shannon Reddy, Denim Dudes trend forecaster.

Beyza Baykan, founder and managing director of Baytech-HMS (Hand Made Stone), anticipates experimental designs and materials to shape trends in 2025. "Designers like Dolev Elron have reimagined classic silhouettes with exaggerated and experimental twists. This approach could gain mainstream traction, offering a bold and avant-garde edge to traditional denim styles," she said.

Baykan said the "fusion of different mill technologies and materials" will likely inspire creative experimentation. "These blends will deliver unique aesthetics and textures that push denim into new territory," she said. Diesel's devoré technique, which mimics the look of burnt out fabric, is one example of how fabric manipulation is redefining denim fashion.

"On the directional side of design, we can expect to see a combination of experimental surface finishes and weave constructions, skewed seam details and silhouettes that push the boundaries of traditional jeans wear and move it into the category of wearable art," Reddy said.

In a context of global uncertainties, Paolo Gnutti, creative director of Isko Luxury by PG, said it is crucial for designers to move away from "safe zones" and respond to the increasing demand for novelty in fashion. "I believe that consumers are hungry for innovative and authentic products, not just those already present in their closets," he said.

While creatives will romanticize denim fashion, there's still a large market demand a balance of style and function.

Gnutti noted that brands need to balance accessibility with authentic luxury and offer fashion that makes consumers feel unique and special.

“I envision collections that combine sophistication and practicality, offering pieces that can adapt to various situations and lifestyles. Fashion must return to being a rewarding experience that enhances individuality without overwhelming it. A focus on innovation and quality, combined with a touch of boldness, could represent the necessary refresh for the sector,” he said.

“Fashion, including denim, is a representation of social perception of life today. We are not living in a happy island—we are an active part of this world,” said Adriano Goldschmied, founder of Genious Group and House of Gold. “I think that we are going into a more responsible direction that is prioritizing functionality, comfort and a durability with a simple and elevated aesthetic. The inspiration will be ‘less is more’ [and] essential and functional like workwear. Not just a replica of the past but a design with a touch of contemporary and creative innovation.”

Haya Iqbal Ahmed, the director of Artistic Fabric Mills, described the dominate trend for 2025 as elevated utility, or constructions that blend comfort and functionality.

“Silhouettes will continue to lean towards relaxed and oversized fits, like wide-leg and barrel-leg jeans, and slouchy, low-slung options inspired by the ’90s and early 2000s. At the same time, tailored denim pieces like structured denim blazers, corset-inspired tops, and utility jumpsuits will gain popularity, offering versatility for casual and polished looks,” she said.

On the design side, Ahmed said designers will capture an organic aesthetic through natural indigo tones and earthy hues. Details like patchwork and mending will nod to the growing appreciation for craftsmanship and upcycling. Customizable options, such as adjustable waistbands will also be important.

“Overall, denim in 2025 will balance timeless appeal with modern sensibilities, focusing on quality, individuality, and a commitment to circularity,” she said.

Sustainability will be a through line, especially for consumers that want to flex their knowledge and passion for the topic.

Kingpins Show has been a long-time champion for sustainability and circularity, even in how the company produces events. “We are very conscious about the materials we use, but we are also focused on any waste we generate, and we look for ways to eliminate or recycle that waste,” said Vivian Wang, Kingpins managing director and head of sales. “We want to provide ideas and solutions for our exhibitors and attendees for how to take the same approach in our business. Many of our mills have made great strides in circularity and we want to encourage the rest of the industry to follow their lead.”

Consumers’ eco-consciousness is set to take center stage, Reddy said. “Consumers are looking for more than just cool jeans—they want pieces that tell a story of sustainability, artistry and creativity…Artisanal detailing, like hand-stitching or small-batch indigo dyeing, will add uniqueness, catering to a growing desire for ‘slow fashion’ that values quality over quantity,” she said.

Additionally, Reddy said to expect to see more mass-market denim made from regenerative cotton, hemp blends, and recycled fibers, all with an emphasis on ethical production methods while lowering a product’s environmental impact. “Overall, it’s a mix of vintage-inspired and near-nostalgic fits and finishes that meet forward-thinking values and innovation,” Reddy said.

Click here for more details

Source: sourcingjournal.com– Jan 07, 2025

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Indonesia to join BRICS as full member

Brazil recently announced that Indonesia will formally join BRICS as a full member.

The bloc was originally formed with Brazil, Russia, India, China and South Africa. It was later joined by Egypt, Ethiopia, Iran and the United Arab Emirates.

Brazil, which holds the bloc's presidency this year, said in a statement that member states approved Indonesia's entry by consensus as part of an expansion push initially endorsed at the 2023 BRICS summit in Johannesburg.

Indonesia's foreign ministry welcomed the announcement, saying "BRICS membership is a strategic way to increase collaboration and partnership with other developing nations".

"Indonesia shares with the other members of the group support for the reform of global governance institutions, and contributes positively to the deepening of cooperation in the Global South," the Brazilian government was quoted as saying by global newswires.

Brazil has said one of the key objectives of the bloc is the 'development of means of payment' to facilitate trade between member countries.

During the last BRICS summit in Kazan, Russia, in November 2024, member nations discussed boosting non-dollar transactions and strengthening local currencies. US President-elect Donald Trump then threatened the group's members with 100 per cent tariffs if they undercut the US dollar.

Rio de Janeiro will host this year's BRICS summit in July.

Source: fibre2fashion.com– Jan 08, 2025

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Vietnam's 2024 trade surplus $24.77 bn; exports expand 14.3% YoY

Vietnam's total trade was worth $786.29 billion last year—up by 15.4 per cent year on year (YoY), with a trade surplus of $24.77 billion, according to the General Statistics Office (GSO).

The December trade figure was $70.53 billion—up by 6.2 per cent month on month (MoM) and 15.9 per cent YoY.

The country's exports expanded by 14.3 per cent YoY to $405.53 billion last year, while imports grew by 16.7 per cent YoY to $380.76 billion, domestic media outlets reported.

Of the total export value, the domestic sector contributed $114.59 billion—a 19.8-per cent YoY increase, accounting for 28.3 per cent. The foreign-invested sector, including crude oil, generated $290.94 billion in exports—up by 12.3 per cent YoY and comprising 71.7 per cent.

Of the total import value, the domestic sector went up by 19.5 per cent to $140.11 billion, and the foreign-invested sector recorded $240.65 billion—a 15.1-per cent increase.

Source: fibre2fashion.com– Jan 08, 2025

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Pakistan: H1 textile exports grow 10pc YoY

The country's textile exports have witnessed a 10% increase, totalling $9.09 billion in the first half of the ongoing fiscal year (2024-25), compared to $8.29 billion during the same period in 2023-24.

According to statistics provided by the All Pakistan Textile Mills Association (APTMA), textile exports initially saw a 3% decline in July 2024. However, subsequent months showed positive growth, with August rising by 13%, September by 18%, October by 13%, November by 11%, and December by 6%.

"During the first half of FY25, exports grew by 10% compared to the first six months of FY24. However, the current fiscal year shows a 3% decline in exports compared to FY22," APTMA reported, referring to its role as a major stakeholder in the textile industry.

In FY22, the textile sector's total exports for the first six months amounted to $9.38 billion, followed by $8.72 billion in FY23.

The textile exports in December of previous years were $1.62 billion in 2022, $1.36 billion in 2023, $1.40 billion in 2024, and $1.48 billion in 2025.

The government introduced a Winter Incentive Package in December 2024, set to run through February 2025, with approval from the International Monetary Fund (IMF). The government remains hopeful that if this initiative proves successful, the IMF will be requested for grant of extension for the program.

APTMA is also actively engaging with the government on multiple fronts to secure greater benefits for the textile sector, aiming to further stimulate export growth.

Additionally, the association is urging the government to reduce policy rates, striving to bring them into single digits.

Source: brecorder.com– Jan 08, 2025

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Bangladesh: FTA with UK can boost trade, investment

Signing of a free trade agreement (FTA) between Bangladesh and the UK can help boost bilateral trade and investment, said Rupa Huq, a member of parliament (MP) in the UK with Bangladeshi origin, yesterday.

Now is the perfect time to sign the FTA as both countries have good business and investment potential, she said.

Exports to the UK must be expanded beyond garments as it is the dominant product in the list of shipments, she told a press conference in Hotel Sarina in Dhaka.

Huq came on a visit to Bangladesh with a trade delegation of the UK Bangladesh Catalysts of Commerce and Industry (UKBCCI), which represents British and Bangladeshi entrepreneurs in the UK and Bangladesh.

Amir Khasru Mahmud Chowdhury, a BNP standing committee member, also supported signing of the FTA, saying it was a good way to generate more business through the liberalisation of the economy. The FTA does not mean the entry of goods would be free for all, rather it will help ease bilateral trade and investment, said Chowdhury, also a former commerce minister.

The first assignment of a bureaucrat should be to facilitate trade of the country and protectionism does not help trade anymore, he added.

Iqbal Ahmed, a British businessperson of Bangladeshi origin and chairman of the UKBCCI, suggested easing business processes in Bangladesh as many investors want to invest in the country. He said the visiting delegation wants to invest at least $500 million in different sectors of in Bangladesh such as in textile and garment, ICT, pharmaceuticals, and farming.

But the amount should have been at least $5 billion as the UK investors are investing outside of their own country, he added. However, the ease of doing business in Bangladesh is still complex, he said, adding that at least 12 signatures were still required at present to start a business in the country. He also said he had started exporting vannamei shrimp from Bangladesh to the UK but on a very limited scale.

India exports vannamei worth $10 billion to the UK in a year while Vietnam $16 billion and the sky is the limit for exporting to the UK, he said. Bangladesh's annual exports to the UK amounts to $4.5 billion, whereas India sends that worth $30 billion and China $60 billion, he said.

Showkat Aziz Russell, regional president of the UKBCCI, highlighted the mission's emphasis on Bangladesh's robust ready-made garment (RMG) sector. "Bangladesh is globally recognised for its strong manufacturing capabilities and is a key hub for apparel sourcing," he said.

"This mission seeks to capitalise on the country's edge in global export competitiveness while fostering innovation in design and manufacturing," he said. The textile sector, which contributes over 13 percent to Bangladesh's GDP, is also a key focus of the delegation, he said.

With investments exceeding $22 billion, the textile industry accounts for more than 84 percent of Bangladesh's export earnings and retains over 30 percent of foreign currency, he said.

The mission aims to leverage these strengths and encourage further investment in this critical industry, he said.

Md Hafizur Rahman, administrator to the Federation of Bangladesh Chambers of Commerce and Industry, said the UK has already committed to continuing to provide Bangladesh duty-free trade benefits like the European Union (EU).

This will come about for three more years after Bangladesh makes the country status graduation from a least developed country to a developing nation in 2026, he said.

Afterwards, the UK, like the EU, will also provide facilities under the GSP Plus arrangement, the administrator said.

Source: thedailystar.net– Jan 08, 2025

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Bangladesh: Import disruptions cripple Banglabandha land port operations

Banglabandha land port, the only cross-border trading hub in Panchagarh's Tetulia, connecting India, Bhutan and Nepal, has got severely disrupted due to protests by Indian truck operators over online slot-booking issues.

No imports have been recorded through the port for the past three days, port officials said.

Approximately 95 percent of the port's imports consist of hard rock, primarily sourced from India and Bhutan.

On November 18 last year, hard rock imports from India got halted due to protests by the Fulbari Border Truck Owners' Association over slot-booking procedures.

Indian trucks exporting goods to Bangladesh must pay fees of Rs 3,000 for six-wheelers and Rs 5,000 for 10 to 12-wheelers.

Bhutanese trucks, however, are exempt under existing agreements. This disparity has led Indian truckers to protest at the Fulbari land port in India.
The situation worsened on January 4 when Bhutan also stopped exporting hard rock due to similar fee-related disputes.

The protests have left Banglabandha's usually busy yard nearly empty, causing port activities to grind to a halt.

In December 2024, some 5,802 trucks transported 162,847 tonnes of goods through the port.

Most of this was hard rock, making the current halt particularly damaging. During the same period, Bangladesh exported goods to India via 228 trucks and traded goods with Nepal using 226 trucks.

The port exceeded its revenue target of Tk 68.13 crore for FY 2024-25, collecting Tk 77.23 crore within December.

However, the ongoing disruptions are expected to impact future earnings.

Local businesses and over a thousand workers dependent on port activities are already facing difficulties.

Jahangir Alam, general secretary of the C&F Agents Association, said the halt began when Bhutan refused to comply with new slot-booking fees imposed by Indian authorities.

If Bhutan agrees to the fees, importers will face increased costs, pushing up stone prices, he warned.

Rezaul Karim Shahin, convener of the Banglabandha Import-Export Group, demanded swift resolution of the issue.

Brij Kishore Prosaad, general secretary of the Northbengal Exporters Association at Fulbari, also called on the Indian government to resolve the dispute.

However, exports through the port remain unaffected.

Source: thedailystar.net – Jan 08, 2024

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NATIONAL NEWS

India's final GDP growth estimate to be revised lower, says Nomura

The final economic growth estimate for India is likely to be revised lower, said Nomura in a note, after the central government pegged GDP growth in FY25 at 6.4 per cent in its first advance estimates released on Tuesday.

"We expect advance GDP estimates to be revised lower," the note said, adding "We note that the first advance estimates are prone to large revisions, depending on the stage of the business cycle."

The economy grew at 8.2 per cent in FY24, and the government's advance estimate for the current fiscal year is below the finance ministry's forecast of 6.5 per cent and 6.6 per cent projection by the Reserve Bank of India.

The note by Nomura pointed out that considering the advance estimates by the government are based on partial data and with the economy on a slowdown phase, it expected a downward revision in the growth rate and closer to its own estimate of 6.2 per cent.

"Growth has been a mixed bag during the festive season of October-November, especially for consumption, industrial and investment growth has been mostly tepid, and early data for December do not suggest a strong rebound thus far," it said.

It said it believed that India was in the midst of a cyclical slowdown led by headwinds such as fading urban pent-up demand, tight monetary policy, stress in household balance sheets, slowing nominal income growth and a negative credit impulse.

Source: thehindubusinessline.com– Jan 08, 2025

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Exporters flag terminal fee, low dry ports use to Piyush Goyal

New Delhi: Exporters and freight agencies Tuesday raised the issue of high terminal handling charges at ports and low usage of dry ports or inland container depots , which add to the overall logistics costs.

At a meeting with commerce and industry minister Piyush Goyal, they said the fee charged by shipping terminals to store and position containers before they are loaded on a vessel is higher by ₹10,000-15,000 per consignment than what ports charge.

"It was a stock-taking meeting on logistics and shipping issues. The government is looking at reducing logistics costs everywhere," said an official. India aims to cross $800 billion of goods and services exports in fiscal 2025 as against $778 billion in the last fiscal year.

Source: economictimes.com– Jan 07, 2025

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Italy and India: Weaving a future together in fashion, apparel, and textiles

Italy, renowned for its exquisite fashion, design, and textile machinery, is setting its sights on India, a land rich in cotton and textile traditions. With a shared history intertwined with the ancient Silk Route, these two nations are now embarking on a new journey – the 'Cotton Route' – to unlock the immense potential of their partnership in the fashion, apparel, and textile sectors. The 'Cotton Route' initiative will further strengthen the historical ties between India and Italy and unlock the immense potential of our partnership in the textile sector," opines Piyush Goyal, Union Minister of Commerce and Industry.

Budding partnership

The Silk Route, an ancient network of trade routes, connected Europe and Asia for centuries, with both Italy and India playing an important role. This shared history has laid the groundwork for a strong relationship built on cultural exchange and commercial cooperation. What's more both countries have complementary strengths. Italy excels in design, technology, and branding, while India boasts a vast pool of skilled labor, abundant raw materials, and a thriving domestic market.

This creates a fertile ground for collaboration and mutual growth. Add to it the recent visit of Adolfo Urso, the Italian Minister for Business and 'Made in Italy', to India underscores the commitment of both nations to strengthen their economic ties.

The 'Cotton Route' initiative, announced during the visit, aims to boost trade and investment in the textile sector. "Italy can become a production hub for Indian access to Europe, vice versa India can become a production hub for Italian companies' entry into its domestic and Asian markets," says Adolfo Urso, Italian Minister for Business and 'Made in Italy'.

In fact, Italian brands are already well established in India. For example. Benetton, the Italian fashion brand, has a strong presence in India with over 800 stores. The company sources a significant portion of its raw materials from India and has established manufacturing facilities in the country.

The potential areas of growth are numerous. First there is a lot of scope for joint ventures in manufacturing. The Italian Trade Agency (ITA) has been actively promoting collaboration between Italian and Indian companies in the textile sector. ITA has organized several trade fairs and B2B meetings to facilitate partnerships and joint ventures. Indeed, combining Italian design expertise with India's manufacturing capabilities can lead to the creation of high-quality apparel and textiles for both domestic and international markets.

Then there is the whole aspect of technology transfer and skill development. Italian companies can share their advanced technology and know-how with Indian partners, fostering innovation and upgrading skills in the Indian textile industry. Both countries can also collaborate on promoting sustainable practices in the fashion industry, such as using organic cotton, reducing waste, and ensuring fair labor standards. And Italian brands can leverage India's growing middle class and its vibrant fashion scene to expand their market reach.

Table: Data highlights India-Italy

Indicator	Italy	India
Textile and apparel exports (2021)	$55.7 billion	$44.4 billion
Global market share in textiles and apparel (2021)	3.80%	4.20%
Growth rate of textile and apparel industry (2022-2027, projected)	3.50%	8.10%

The moot point is that the partnership between Italy and India in the fashion, apparel, and textile sectors holds immense promise. By leveraging their complementary strengths and fostering collaboration, these two nations can create a vibrant and sustainable ecosystem that benefits both economies and contributes to the growth of the global fashion industry. The 'Cotton Route' initiative is a testament to their shared vision and commitment to weaving a future together, thread by thread.

Source: fashionatingworld.com– Jan 07, 2025

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Plans to expand textiles PLI to garments likely on hold

So far, the Centre has approved 74 applicants under the PLI Scheme for textiles

The Centre may have put on hold a proposal to expand to garments the production-linked incentive (PLI) scheme for textiles, as looks to priorities utilisation in the existing plans, a government official has told Moneycontrol.

The PLI scheme for textiles has been one of the laggards among the 14 sectors covered under the flagship scheme aimed at encouraging manufacturing to reduce import dependence, the official said.

“There is no consensus on this. The thinking is to not tweak the existing scheme too much and focus on a pick-up in utilisation. If we keep tweaking or expanding schemes, we may get a flurry of requests for similar PLI schemes and it should not be repeated in every sector,” this official said, requesting not to be identified.

In 2024, textiles minister Giriraj Singh said the government was considering extending the textile PLI to garments to boost domestic manufacturing and exports.

The Centre in 2021 approved a PLI scheme for textiles with a budgetary outlay of Rs 10,683 crore for a five-year period to boost production of man-made fibre (MMF) apparel and MMF fabrics among others.

It was estimated that over five years, the output- linked plan for the sector would lead to fresh investments of more than Rs 19,000 crore and create more than 7.5 lakh jobs.

So far, the Centre has approved 74 applicants under the PLI scheme for textiles with an estimated incentive of Rs 7,086 crore.

Unveiled in 2020 to promote local production, the PLI scheme for 14 key sectors has an outlay of Rs 1.97 lakh crore. The incentives disbursed, however, stood at just Rs 9,721 crore till FY 2023-24, official data shows. Automobiles, large-scale electronics, textiles, white goods, specialty steel, and solar photovoltaic modules are among the 14 sectors covered by PLI scheme.

In 2023-24, the PLI schemes spurred investments worth Rs 1.46 lakh crore, production or sales of Rs 12.50 lakh crore, exports worth Rs 4 lakh crore (US$48 billion) and direct and indirect employment for 9.5 lakh individuals.

The scheme has had a mixed run, so far. While sectors like large-scale electronics manufacturing have seen unparalleled success, others such as steel and textiles are laggards.

Source: moneycontrol.com– Jan 07, 2025

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Upcoming elections in EU member states may delay India-EU free trade agreement talks

New Delhi: Upcoming elections in several European Union (EU) member-states, including Germany, Romania and Croatia, are expected to delay India's plans to finalize the free trade agreement (FTA) with the 27-nation bloc, two people aware of the matter said.

While the next round of FTA negotiations is expected in the first quarter of 2025, political transitions in key EU countries may shift priorities and hinder progress on the trade pact.

Germany, the EU's largest economy, will hold its federal election on 23 February, followed by the Hamburg state election on 2 March5, both of which are expected to dominate the country's political discourse.

The ninth round of FTA negotiations was held in New Delhi from 23–27 September 2024. The EU remains India's largest trading partner, with bilateral trade in goods reaching €124 billion in calendar year 2023, accounting for 12.2% of India's total trade.

The EU is also India's second-largest export destination, with a 17.5% share, just behind the US at 17.6%.

Electoral politics can throw trade talks into uncertainty as different political parties have different policy priorities. Most recently, the change in government in the UK have delayed FTA talks. It's not yet certain when negotiations will resume.

On hold since polls

Talks for the 14th and final round of the FTA with the UK began in January 2024 but were put on hold in May after the elections were announced. Even after the formation of a new Labour government in July, the talks have not resumed.

"The upcoming elections in the member-states of the EU are a matter of concern and are likely to cause delays in finalizing the terms of negotiations, as each member state has its own priorities and concerns that need to be addressed during the process," said the first of the two people cited above.

In Romania, presidential elections are scheduled for 23 March, with a possible second round on 6 April. This election will decide Romania's head of state, a significant player in foreign policy and national security matters.

Meanwhile, Croatia has already started its electoral process, with the first round of its presidential election held on 29 December 2024, and the second round set for 12 January.

"We are in constant touch with the EU team and remain hopeful of moving forward, as we have not yet received any official communication regarding the deferment of the talks," the second person said.

Citing the case of the UK, this person said, "The process was ongoing even during the elections in India, but it was paused by the UK."

Experts caution that political uncertainties within individual member states often slow decision-making at the EU level, as trade talks require consensus among all 27 members.

Overlapping timelines

"The overlapping timelines of these elections in major EU economies may reduce the bloc's focus on external negotiations, including the India-EU FTA," said Abhash Kumar, assistant professor, economics, Delhi University.

"The outcomes of these elections are expected to influence not only national policies within the EU but also the bloc's internal cohesion and its ability to address global challenges effectively," he said.

Queries emailed to the spokespersons of the commerce ministry and the EU remained unanswered till press time.

During the 9th round of talks, India and the EU discussed a 12-point agenda, which included deforestation, electric vehicles, sustainability, carbon tax or Carbon Border Adjustment Mechanism (CBAM), sanitary and phytosanitary (SPS) measures, technical trade barriers, textiles, services benefits for IT professionals, trade of more goods and services, taxes on liquors, among others.

“Regular electoral cycles across individual European countries, and even periodic elections at the continental (MEP) level, invariably tend to undercut progress on trade agreements, with snap polls in countries such as the impending one in Germany, only accentuating matters,” said Dattesh D Parulekar, assistant professor, international relations, Goa University.

“This said, the countries slated to helm European Presidencies over the ensuing three years are also not going to help matters, as they and their incumbent dispensations are seen as more focused on internal EU issues of discord, rather than forging trade ties externally, in times of increasing protectionism and prioritization of narrow economic interests,” said Parulekar.

Germany, Romania, and Croatia play important roles in shaping the EU's trade agenda, with Germany leading economic negotiations, Romania contributing to strategic discussions in Eastern Europe, and Croatia connecting the EU with the Balkans, all of which influence the India-EU free trade agreement.

Source: livemint.com– Jan 05, 2025

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EXPLAINER | What's holding back our textile & apparel exports?

Following the discontinuation of the Technology Upgradation Fund Scheme (TUFS), there is a lack of investment incentives for MSME units, which constitute the majority of the industry.

India is looking at $100 billion worth of textile exports by 2030. Ahead of Budget 2025, Chandrima Chatterjee suggests tweaks in the quality control orders for textile products and tackling non-tariff barriers faced by exporters to leverage free trade agreements to the maximum

Current status of the textile and apparel sector

The Indian textile and apparel (T&A) industry has performed well in the current fiscal, with exports up by 6.93% during April-November 2024 compared to the same period in 2023. This growth is primarily driven by the apparel segment, which saw an 11.3% rise in exports. The surge is attributed to rising demand for Indian T&A products in major markets like the

USA and the EU. The industry is optimistic about sustaining this momentum through the rest of the fiscal. India is a significant player in the global textile and apparel market, ranking as the world's sixth largest exporter in 2023. The sector accounted for around 8% of India's total exports in 2023-24.

However, uncertainties on the continuation of some critical schemes such as the Remission of Duties and Taxes on Exported Products (RoDTEP) for advance authorisation (AA)/ special economic zones (SEZ) and export-oriented units (EOU), as well as the Interest Equalisation Scheme beyond December 31, 2024, pose a potential challenge to the growth of the industry.

Quality control orders announced for textile products

Quality Control Orders (QCOs) are regulatory directives issued by the government to ensure that specific products meet mandatory quality and safety standards. Unlike voluntary Bureau of Indian Standards (BIS) norms, QCOs are compulsory, requiring manufacturers, importers and sellers to comply with the prescribed norms.

The intent behind introducing QCOs in textiles for certain man-made (MMF) fibres, filaments and yarns is enhancement of product quality. However, the industry's primary concern lies in the implementation approach. Globally, such mandatory quality standards are usually applied top-down, beginning with finished goods.

Whereas in India, the focus of quality standards is on raw materials such as fibres and yarns.

Are QCOs posing any challenges?

The present approach has limited the supply of certain raw materials as many overseas suppliers are yet to receive BIS certification. Though exemptions for imports by AA, SEZ and EOU units are allowed, these provisions apply only to physical exports, not intermediate supplies. The manufacturers of certain specialised downstream products who are dependent on imports of such raw materials due to non-availability domestically in terms of required quality and quantity have taken a hit. This might lead to a flood of imports of the next product in the value chain, such as fabric and garments, which will affect the interest of the domestic manufacturers.

As such, there is a dire need to re-evaluate the policy regarding the QCOs and an impact assessment needs to be done before announcing any further QCOs. To meet the objective of having quality finished goods, QCOs may be started from the garments.

Fibre prices, sops for investment

Indian fiber prices, including that of cotton and MMF, are 12% to 30% higher than those available to competitors. That percolates down the value chain, resulting in the erosion of the cost-competitiveness of the garments and made-ups. The government needs to ensure raw material availability at internationally competitive prices by removing import duty from all cotton varieties as also liberalising the import policy for MMF fibres.

Following the discontinuation of the Technology Upgradation Fund Scheme (TUFS), there is a lack of investment incentives for MSME units, which constitute the majority of the industry. MSMEs require TUFS-like schemes with upfront capital subsidies and simplified procedures to ensure capacity building, particularly in downstream segments, to attract more investments .

Leveraging free trade agreements

For the textile and apparel sector, Free Trade Agreements (FTAs) provide tariff concessions, better market access, and a level-playing field against global competitors. Recently India has signed trade agreements with important T&A markets such as the UAE, Australia and Mauritius and has also signed a pact with the European Free Trade Association (EFTA). The industry is particularly keen on finalising the FTA with the EU, the second-largest export destination for Indian T&A products.

To maximise the benefits of FTAs, the government may also negotiate on the various non-tariff/technical barriers that Indian exporters might be facing while exporting to these countries. For instance, the EU and the UK are coming up with stringent quality measures; at the same time, the Indian government through the BIS is also coming with standards that are at par with international norms. Both sides may negotiate for mutual recognition of testing and quality norms which will further catalyse bilateral trade.

Source: financialexpress.com– Jan 08, 2025

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Cotton procurement at MSP up at 63 lakh bales till early January

The State-run Cotton Corporation of India (CCI) has procured about 46 per cent of the total market arrivals of the fibre crop in the 2024-25 marketing season till now. As per the latest data, CCI has procured over 63 lakh bales of kapas (raw cotton), which is close to half of the estimated market arrivals of around 136 lakh bales (170 kg each).

According to data from the trade body Cotton Association of India (CAI), the market arrivals as of Tuesday reached nearly 136 lakh bales.
Regional procurement

According to Lalit Kumar Gupta, Chairman and Managing director of CCI, about 32 lakh bales have been procured in Telangana and 16 lakh bales in Maharashtra so far. In Gujarat, 5 lakh bales have been procured, while in Andhra and Karnataka, the procurement was at 3 lakh bales each.

In Madhya Pradesh, about 2.25 lakh bales have been procured, while in Odisha the cotton purchases stood at 1.25 lakh bales. In Rajasthan, 0.5 lakh bales have been procured, 0.30 lakh bales in Haryana and 0.01 lakh bales in Punjab.

CCI's purchases have been aggressive over the past few weeks. Till mid-December, CCI purchased 31 lakh bales.

Pricing concerns

Despite the aggressive purchases by CCI, the market prices of raw cotton remain below the minimum support price levels. The kapas prices are in the range of ₹7,100-₹7,200 per quintal in various markets of key producing regions. The Centre had set the MSP of ₹7,121 per quintal for the medium staple and ₹7,521 per quintal for the longer variety for the 2024-25 marketing season.

"Prices of pressed cotton have firmed up by about ₹1,000-1,250 per candy (356 kg) in the past one week. Cotton prices are ruling steady and firm in the range of ₹53,500-54,500 per candy," said Ramanuj Das Boob, a sourcing agent in Raichur. Also, the firming trend in cottonseed prices is providing support to the cotton prices.

Cottonseed prices have increased by about 10-15 per cent over the past few days to ₹3,400-3,500 range, Das Boob said. This is mainly due to tight supplies.

Das Boob said mills buying of cotton is still slow. “There is no bulk buying from mills,” he said.

Daily arrivals top 2 lakh bales

As per CAI data, daily cotton arrivals are exceeding 2 lakh bales, with the majority coming from Maharashtra and Telangana. Arrivals will likely pick up in Maharashtra, where the marketing season was delayed due to a late harvest and the recent assembly elections, sources said.

In Telangana, a total of over 34.45 lakh bales have arrived so far, of which CCI has procured over 32 lakh bales. In Maharashtra, of the 26.91 lakh bales that have arrived in the market, CCI has procured 16 lakh bales.

Close to half of the estimated crop size of around 300 lakh bales have arrived in the market till the first week of January. The Committee on Cotton Production and Consumption has estimated the 2024-25 crop size to be lower at 299.26 lakh bales of 170 kg each, while the Cotton Association of India has pegged the crop size at 302.25 lakh bales, primarily due to a drop in acreage this kharif season.

Source: thehindubusinessline.com– Jan 07, 2025

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