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KASTURI COTTON BHARAT

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INTERNATIONAL NEWS

UK economic growth may hit 1.7% in 2025 from 0.8% in 2024: KPMG

As the United Kingdom looks ahead to more growth in 2025, the year could bring renewed challenges from a higher pace of inflation, increased trade frictions and a heightened state of economic uncertainty, according to KPMG.

The ultimate impact will depend on policy responses and the interplay of these trends on a global scale KPMG said in its latest economic outlook.

Buoyed by a looser monetary and fiscal policy stance, growth in the UK economy may stage a welcome recovery after a lacklusture performance in the second half last year. UK gross domestic product (GDP) growth could more than double from 0.8 per cent in 2024 to reach 1.7 per cent this year, KPMG noted.

Meanwhile, UK consumers could ramp up the pace of spending after a cautious recovery last year which saw many continuing to prioritise savings.

As household incomes continue to be boosted by robust pay growth and lower interest rates provide less incentives for saving, increases in disposable incomes could translate into a 1.8-per cent increase in consumer spending this year, KMPG said in a release citing the document.

However, stronger growth could come at a cost of higher and more persistent inflation, as businesses pass on the cost of tax rises as they enjoy a temporary glut of demand. Inflation is now projected to remain above the Bank of England’s 2-per cent target until 2027.

This short term pick-up in growth is unlikely to be sustained as the economy continues to be constrained by a weak pace of productivity growth and shortfalls in labour force participation.

The incoming US administration's willingness to use tariffs to achieve policy goals could escalate trade frictions, influencing the global economic outlook for 2025 and 2026.

A flare-up in trade frictions could lower UK GDP by 0.4 per cent, with an even larger hit to more export-oriented economies in Europe, KMPG added.

Source: fibre2fashion.com– Jan 09, 2025

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Air Cargo Demand Growth Buoyed by Asia-to-North America Flights

Air cargo demand showed continued strength in November as the holiday season kicked into gear, and airlines benefited from rising e-commerce demand in the U.S. and Europe amid ongoing capacity limits in ocean freight stemming from the Red Sea crisis.

Total demand, measured in cargo tonne-kilometers (CTKs), rose by 8.2 percent compared to the year prior, according to monthly data from the International Air Transport Association (IATA). This marked the 16th consecutive month of demand growth for air cargo. On a seasonally adjusted basis, demand contracted by 0.5 percent month over month.

International operations grew 9.5 percent across all trade lanes. The Asia-to-North America route, the largest market based on CTK volumes, saw the highest air cargo demand increase at 13 percent.

2024 was unquestionably a hot year for air cargo on the whole, with the first eight months seeing double-digit growth in demand.

For the full year, the IATA said last month that it expected air cargo demand to increase by 11.8 percent over 2023 totals to 275 billion CTKs worldwide. This represents a rebound following two consecutive years of declining air cargo volumes as the industry adjusted after the Covid-19 pandemic peak.

With such big shoes to fill, 2025 is unlikely to have the excessive CTK growth of 2024. But the IATA still projects healthy growth for the industry even as demand tapers off.

CTK totals are expected to jump another 6 percent in 2025 to 291 billion, while total cargo volumes transported are expected to reach 72.5 million metric tons this year, a 5.8 percent increase from 2024.

"All things considered we are looking to close out 2024 air cargo performance on a profitable note," said Willie Walsh, IATA's director general, in a statement. "While this strong performance is very likely to extend into 2025, there are some downside risks that must be carefully watched. These include inflation, geopolitical uncertainties and trade tensions."

Global air cargo capacity, measured in available CTKs (ACTKs), grew by 4.6 percent year over year in November. On a monthly, seasonally adjusted basis, capacity declined by 0.6 percent for the third straight month.

Even as fuel costs plummeted substantially from 2023 levels, at 22 percent, tight market conditions have enabled air cargo rates to accelerate at a 7.8 percent pace from the year prior.

These global air cargo yield (including surcharges) also rose by 5.8 percent over October totals. By the end of November, air cargo yields were 52 percent higher than pre-pandemic levels in 2019.

The increasing yield, from a month-over-month perspective, is driven by several factors, IATA said.

"One is the strong e-commerce demand as the holiday season approaches. Another is the limited air cargo capacity between Asia and North America, and Asia and Europe, due to air space restrictions," said the November market analysis. "Additionally, ongoing disruptions in sea shipping such as the effective blockade in the Red Sea caused by Houthi rebel attacks on merchant ships, are causing some shippers to choose air transport instead."

For 2025, the association expects average yield to adjust downwards by 0.7 percent, but still remaining well above pre-pandemic levels. Freight rates (quoted in 2014 dollars/kg) are expected to be $1.34, 6 cents fewer than in 2024 and 24.4 percent below 2014 levels.

To kick off the year, logistics giants like Mediterranean Shipping Company (MSC), Maersk and DB Schenker have introduced new air freight services along the Europe-to-Asia trade lane.

MSC Air Cargo revealed on LinkedIn that it would launch a direct flight from Amsterdam to Seoul that would begin flights in the first quarter of 2025. Bookings for flights can already be secured. The shipping giant said its road feeder service network will enable companies "anywhere in Europe" to leverage the direct line, even if they aren't located near Amsterdam.

Top container shipping competitor Maersk has already debuted a new air freight route between Billund Airport in Denmark and Zhengzhou Xinzheng International Airport in China.

Maersk Air Cargo will use Boeing 767 freighters on the route and will offer six flights scheduled per week, according to a report from China's state press agency, Xinhua. Cargo will primarily comprise e-commerce and electronics products.

DB Schenker is teaming up with Etihad Cargo to debut a weekly route from Ezhou, China to Frankfurt, Germany route, with a Boeing 767 freighter. The flight will stop at Abu Dhabi, U.A.E. and is also expected to handle an annual cargo volume of 5,200 tons. Cargo will mainly consist of e-commerce shipments, technology, electronics and automotive parts.

Source: sourcingjournal.com– Jan 09, 2025

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Texworld Apparel Sourcing Paris 2025 brings innovations and new sourcing destinations

Texworld Apparel Sourcing Paris will return to the Paris-Le-Bourget Exhibition Centre from February 10 to 12, 2025, bringing with it exciting innovations and an enhanced visitor experience.

Over 1,200 weavers and garment makers will showcase their products in Halls 2, 3, and 4, marking a new chapter for the event as it adopts a redesigned layout to better serve attendees.

The exhibition will highlight a diverse range of global sourcing, with creative collections offered at competitive prices for the fashion industry. Traditional sourcing nations like China, Turkey, India, South Korea, and Taiwan will continue to play a key role, while new sourcing areas such as Malaysia, Singapore, the UK, Vietnam, the Netherlands, and Egypt enrich the show's offerings. Dutch exhibitors like Quality Textile, Nooteboom, and Verhees Textiles will present cutting-edge cotton collections, while Korean companies ONK and W-Tex will feature innovative knitwear.

Sustainability will also be a focal point at the show, with the new 'Initiatives' zone in Hall 4 showcasing eco-friendly solutions. Vietnamese company Bao Lan Textile, for example, will display fabrics made from pineapple leaf fibers, known for their natural antibacterial properties and UV protection. The China Textile Information Centre's trends forum and the Econogy Hub will also focus on sustainability in textiles.

Apparel Sourcing will see the participation of over 500 exhibitors, offering a broad range of finished products, clothing, and fashion accessories.

A key highlight will be the focus on local and near-sourcing, with products from Africa, including companies from Ethiopia, Rwanda, and the Arise Integrated Industrial Platform in Togo, Benin, and Gabon. Ukrainian exhibitors, supported by their national textile association, will add to the Euromed offering.

The event will also feature new exhibitor itineraries to optimize the sourcing experience. These include the Econogy Finder trail for sustainable textiles, the Small Quantity trail for limited production runs, and the Hand Made trail for authentic, handcrafted products.

With an expanded range of exhibitors and services, Texworld Apparel Sourcing Paris 2025 promises to be a must-attend event for the global fashion and textile industry.

Source: fashionatingworld.com– Jan 09, 2025

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Fast Retailing Posts Q1 Profit Despite Uniqlo China Declines

Fast Retailing posted first-quarter profits, even though the business saw slow sales from Uniqlo's Mainland China operations.

Fast also said on Thursday that group sales for the quarter and the month of December were slightly below the company's plan, but noted that it can make up the shortfall in the second quarter. With the exception of Mainland China, Uniqlo sales were strong in Japan and the brand's businesses saw "favorable" expansion in Southeast Asia, India & Australia, North America and Europe. Fast also cited strong performance from establishing a business that is "less vulnerable to changes in temperature, primarily in Uniqlo Japan," and it said the Uniqlo brand awareness has been on the rise because of "hugely successful store openings" in new areas across North America and Europe. Fast cited success in the Southern U.S. region as confirmation of the brand's stateside growth potential. Fast in October 2023 detailed plans on how it would step up new store openings.

For the three months ended Nov. 30, operating profit rose 7.4 percent to 157.5 billion yen ($996.2 million) from 146.6 billion yen ($927.3 million) in the same year-ago period. Revenue for the quarter rose 10.4 percent to 895.1 billion yen ($5.66 billion) from 810.8 billion yen ($5.13 billion).

For its main Uniqlo brand, revenue for Uniqlo Japan rose 9 percent to 266.6 billion yen ($1.69 billion) from 244.4 billion yen ($1.55 billion) a year ago. Fast said product mixes suited to hotter weather helped with September sales, ending the quarter in November with cooler weather product—such as its warm apparel line Heattech and cashmere items—and its "vigorous" 40th Uniqlo Thank You Festival sale. The fast-fashion firm started the second quarter with a 15.3 percent rise in December same-store sales on strong sales of thermal apparel, helped by a "buoyant year-end sale."

Uniqlo International saw revenues rise 13.7 percent to 501.7 billion yen ($3.17 billion) from 441.3 billion yen ($2.79 billion). The business slipped on sales projections due to "lower-than-expected performance in Greater China, which reported a decline in revenue and large contraction in profit," Fast said. It attributed the decrease to insufficient warm-winter product mixes because of "unseasonal warm weather" from late October through November. Fast said it would improve product mixes and

consider the timing of product introductions tailored to regional needs such as local climate conditions, as well as shift to local-store management.

Fast's GU brand—which opened its New York flagship in September—saw revenue increase 3.1 percent to 90.6 billion yen ($573.1 million) from 87.8 billion yen ($555.3 million), while its global brands division—Theory, PLST, and Comptoir des Cotonniers—posted a 2.4 percent decline in revenue to 35.7 billion yen ($225.8 million) from 36.6 billion yen ($231.5 million).

Fast left full-year estimates for the period ending August 2025 unchanged, with operating profit forecasted to rise 5.8 percent to 530 billion yen ($3.35 billion) and revenue to increase 9.5 percent to 3.4 trillion yen ($21.51 billion).

Fast ended the first quarter with 2,541 Uniqlo stores in operation, including owned and franchised.

And this past week, word surfaced that Uniqlo would stop using freelance apps favored by TikTok influencers, such as Temper and YoungOnes, to meet hiring needs for temporary store-based roles.

Source: sourcingjournal.com– Jan 09, 2025

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As Retail Hails East Coast Port Deal, US-Bound Container Prices Might Ease

In the hours after East and Gulf Coast port dockworkers and their maritime employers reached a tentative labor agreement and averted a possible strike, retailers are breathing a sigh of relief while ocean carriers could miss out on another spike in container prices.

The National Retail Federation (NRF) and the Retail Industry Leaders Association (RILA), two top U.S. retail trade associations and lobbying groups, overwhelmingly supported the new, yet-to-be-ratified six-year deal between the International Longshoremen's Association (ILA) and the United States Maritime Alliance (USMX).

"Providing certainty with a new contract and avoiding further disruptions is paramount to ensure retail goods arrive in a timely manner for consumers," said Jonathan Gold, vice president of supply chain and customs policy at NRF, in a statement. "The agreement will also pave the way for much-needed modernization efforts, which are essential for future growth at these ports and the overall resiliency of our nation's supply chain."

After months of front-loading goods into the U.S. ahead of the ILA's three-day Oct. 1 strike at ports from Maine to Texas, retailers decided to do the same in November and December as the prospects of a second strike appeared to be more of a threat.

The strike scenario was further compounded by the fact that there were only five days between the Jan. 15 contract expiration date and the Jan. 20 inauguration of President-elect Donald Trump, who has vowed to enact tariffs on China, Mexico and Canada on day one of his presidency.

But with a strike more than likely averted, retailers at least have one of multiple potential distractions off their plate.

"Operating at full capacity and without the stress of potential disruption looming, retailers can continue delivering for consumers without delay or added costs and the U.S. economy can push forward on the right track for growth," said RILA in a statement, calling the agreement a "welcome relief" for all industries reliant on the ports. "We urge a quick ratification

of the agreement to eliminate the element of uncertainty that has long lingered over supply chains and the U.S. economy."

Retailers and brands are likely to benefit from lower freight rates for goods entering the U.S. in the weeks ahead, as concerns about capacity issues on major container lines continues to ease.

"We have seen average spot rates on the trade from the Far East to U.S. East Coast spike 26 percent since Dec. 14 to stand at $6,800 per 40-foot container (FEU). Carriers were poised to add further disruption surcharges of up to $3,000 per FEU should the strike have gone ahead," said Emily Stausbøll, a senior shipping analyst at ocean and air freight benchmarking service Xeneta. "Looking ahead, it is likely spot rate growth will now soften on trades into the U.S. from the Far East, suggesting a brighter outlook for shippers negotiating new long-term contracts."

Ocean carriers like Mediterranean Shipping Company (MSC), Maersk, Hapag-Lloyd, CMA CGM and Cosco Shipping are USMX members, and would have benefited from a multi-day port strike due to the likely increases in spot freight rates as supply was removed for the market.

But now that there aren't concerns about the rerouting of containers to alternate ports, increased berthing times or extended container dwell times, the container shipping firms aren't likely to reap the reward of higher freight rates.

Global markets appeared to reflect this school of thought in the wake of the ILA-USMX joint announcement.

While US markets were closed, trading overseas saw Maersk's stock tumble nearly 6 percent, while Hapag-Lloyd's share price plummeted more than 8 percent. Cosco, which already took a hit to share price after the U.S. designated the shipping company as a Chinese military asset, saw stock sink again nearly 5 percent on Thursday.

Israel-based ZIM, which is the only major public container shipping company to trade on a U.S. exchange, saw its stock decrease more than 3 percent in the hour after the announcement was made Wednesday.

The threat of an East Coast port strike may have been keeping wider rates up, as container prices had already been sinking on routes to Europe in December and January, platforms like Xeneta and Drewry have observed.

"Signs of a weakening underlying global market in 2025 are also seen in falling average spot rates from the Far East to North Europe, which spiked in Q4 last year," Stausbøll told Sourcing Journal.

As of Thursday, the Xeneta Shipping Index says the average 40-foot container from the Far East to northern Europe declined 1.9 percent in price from the week prior, and 3.6 percent from the month prior to $4,923.

Drewry's World Container Index (WCI) indicates an even stronger dip on the Shanghai-to-Rotterdam trade lane, with weekly spot rates decreasing 8 percent to $4,375 per container. Month-over-month rates dropped nearly 10 percent.

That's not to say the carriers won't still benefit in the immediate short term from the recent higher prices for U.S.-destined cargo. In its Thursday WCI update, Drewry said it still expects rates on the trans-Pacific trade to rise in the coming week, driven by the front-loading ahead of the anticipated tariff hikes under the incoming Trump administration.

"Shippers must still be cautious because it will not take much for freight rates to begin spiraling up once again, particularly given the ongoing conflict in the Red Sea and the return of Trump to the White House, which could escalate the U.S.-China trade war," Stausbøll said.

Source: sourcingjournal.com– Jan 09, 2025

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Australian retail turnover rises 0.8% MoM in November 2024

Australian retail turnover rose 0.8 per cent month-over-month (MoM) in November 2024, according to seasonally adjusted figures released by the Australian Bureau of Statistics (ABS). This comes after growth of 0.5 per cent YoY in October 2024 and 0.4 per cent in September 2024.

The seasonally adjusted estimate in November rose 3.0 per cent compared with November 2023. There were rises in all retail industries in November. Of the non-food related industries, department stores rose 1.8 per cent, followed by clothing, footwear and personal accessory retailing (+1.6 per cent), household goods retailing (+0.6 per cent), and other retailing (+0.3 per cent), said ABS in a press release.

Both food-related industries also saw growth. Cafes, restaurants and takeaway food services rose 1.5 per cent, its fourth straight monthly rise, while food retailing rose 0.5 per cent.

“Black Friday sales events proved once again to be a big hit, with widespread discounting and higher spending across all retail industries,” said Robert Ewing, head of business statistics at ABS. “The popularity of Black Friday sales continues to grow with promotional activity now stretching across the entire month of November, not just solely focused on the Black Friday weekend.”

“Consumers have taken advantage of Black Friday sales once again, with discounting seen across clothing items, furniture, electrical goods and cosmetics. Discounts were also seen in essential goods, with businesses in food retailing boosted by higher spending due to Black Friday price cuts and points incentives through rewards programs,” Ewing further said.

In November, seasonally adjusted sales for clothing, footwear, and personal accessory retailing increased by 1.6 per cent, amounting to $47.0 million. Within this category, clothing retailing rose by 1.4 per cent ($29.5 million), while footwear and other personal accessory retailing saw a 1.8 per cent increase, contributing $17.5 million.

In November, sales at department stores rose 1.8 per cent ($33.7 million), and other retailing rose 0.3 per cent ($16.7 million) in seasonally adjusted terms.

The total online retailing sales were $4,182.6 million in November 2024, in seasonally adjusted terms. Seasonally adjusted online sales rose 1.2 per cent ($47.6 million), following a rise of 1.1 per cent ($43.1 million) in October 2024. Seasonally adjusted through-the-year sales are up 8.7 per cent ($333.0 million). Original online sales rose 21.8 per cent ($944.5 million) compared to a rise of 26.9 per cent at the same time last year.

Source: fibre2fashion.com– Jan 10, 2025

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Cambodia's apparel exports to ASEAN rise 4.2% in Jan-Oct 2024

Cambodia's apparel exports to ASEAN nations gained 4.23 per cent during January-October 2024. The shipment was valued at $190.759 million in the period which was slightly higher than the exports of $183.013 million in the same period of year 2023.

ASEAN is a block of Southeast Asian countries, including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Cambodia's apparel exports to ASEAN totalled $219.759 million in 2023, which was higher than the shipment of $182.391 million in 2022. Earlier, the exports were noted at $133.756 million in 2021, $272.621 million in 2020 and $240.5210 million in 2019.

The average price of apparel exports from Cambodia to ASEAN also continued to rise in year 2024, for the third year in a row. The average price increased to $11.41 per unit of garment from $10.04 per unit in year 2023, according to Fibre2Fashion's market insight tool TexPro.

The average price was noted at $8.05 per unit in year 2019. But it jumped to $12.20 per unit in 2020 due to COVID-19 related disruption. The price saw deep cut to reach $8.94 per unit in 2021. It recovered to $9.20 per unit in 2022 and $10.04 per unit in 2023.

As per TexPro, Cambodia exported 15.316 million units of garments to ASEAN nations in the first ten months of 2024. It had exported 19.787 million units of garments in 2023, which was slightly lower the exports of 19.800 units in 2022.

Cambodia's garment export volume was noted at 14.969 million in 2021, 22.253 million in 2020 and 29.894 million units in 2019.

Source: fibre2fashion.com– Jan 10, 2025

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Vietnam among top 10 nations in 2024 with fastest e-com expansion

Vietnam was among the top ten nations last year with the fastest e-commerce growth rate in the world, with the market valued at $25 billion—a year-on-year (YoY) rise of 20 per cent, according to the Vietnam E-commerce and Digital Economy Agency. E-commerce accounted for 9 per cent of the total retail sales of goods and services in the country last year and two-thirds of the digital economy, statistics showed.

Vietnam's business-to-consumer (B2C) e-commerce export value is estimated to reach VNĐ 145.2 trillion ($5.8 billion) by 2028 from VNĐ 86 trillion in 2023, according to Access Partnership, an international research organisation specialising in e-commerce. Micro, small and medium enterprises (MSMEs) are projected to contribute 25 per cent of that.

Challenges in e-commerce market management include difficulties in managing cross-border e-commerce services, the agency said. Several foreign e-commerce platforms sold inside Vietnam without completing registration or simply dumping cheap products, which could badly affect the domestic market and raise price competition pressure, it noted.

Legal framework to manage livestreaming, which is booming, remains incomplete, together with rampant fake, counterfeit and low-quality products, requiring more efficient management measures, a domestic media outlet reported.

To promote sustainable development of the e-commerce market, the focus would be on improving the regulations on e-commerce and enhancing management on cross-border commerce to ensure transparency and compliance, the agency's director Le Hoang Anh said.

It is also necessary to promote the development of sustainable and green e-commerce to reduce its impact on the environment, she said. The application of artificial intelligence (AI) in e-commerce management would also be strengthened.

Source: fibre2fashion.com– Jan 09, 2025

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Bangladesh: Feud over container handling rates disrupts Ctg port operations

Container handling at six jetties of Chattogram port has slowed recently due to berth operators' non-cooperation in completing essential documentation. The disruption stems from a long-standing conflict between shipping agents and berth operators over raising onboard container handling charges.

These berth operators have been managing the six container jetties at the port's oldest terminal since 2007, the General Cargo Berth (GCB), where geared vessels are handled.

Shipping agents currently pay Tk 559.53 per container as onboard container handling charge to these operators for loading and unloading activities. Berth operators have proposed raising this fee for months, a move opposed by the shipping agents.

Syed Mohammad Arif, chairman of the Bangladesh Shipping Agents Association (BSAA), termed the proposed hike "illogical" in a letter to the member for harbour of the Chittagong Port Authority (CPA) on December 19 last year.

The situation escalated on January 4, when berth operators reportedly began non-cooperation in documentation processes, coinciding with the berthing of two vessels, MV San Pedro and MV JT Glory, at the GCB.

Local shipping agents for these vessels alleged that berth operators stopped sending export loading plans to private off-docks, processing import discharge and export permissions from the CPA's shipping section. These actions disrupted operational activities, as off-docks require export loading schedules to send containers to vessels.

Subsequently, several other vessels reportedly faced similar issues.

Berth operators issued letters to shipping agents and vessel operators on January 6, demanding a $5 increase in the current onboard handling rate per container. Fazle Ekram Chowdhury, president of the Berth Operators, Ship-Handling Operators, and Terminal Operators' Owners' Association, defended the fee hike proposal, adding that berth operators had not

increased the rate since 2007, despite rising operational costs, wages, and other expenses.

He also said that while document processing is not part of the berth operators' official responsibilities, they have been performing these tasks for years on behalf of the shipping agents.

Ekram denied allegations of operational disruptions, saying that vessel handling operations continued smoothly and that berth operators were extending their usual services. However, shipping agents claim otherwise.

They said they had deployed their staff to handle documentation processes amid the non-cooperation.

Bangladesh Shipping Agents Association (BSAA) Chairman Syed Mohammad Arif said berth operators have been increasing charges annually by 10 percent since 2016 on 40 percent of the total onboard handling charge.

The charge rose from Tk 409 per container in 2016 to Tk 559.53 per container, he added. In a recent letter to the CPA, the BSAA said such annual increases without a gazette notification are illogical and were based on a verbal direction from then-shipping minister Shahjahan Khan.

Fazle Ekram stated that the 10 percent annual increase applies only to the 40 percent of charges covering labour costs.

He added that since 2007, there has been no increase in the remaining 60 percent of charges, which cover equipment operation, maintenance, safety gear, staff attire, and documentation costs.

CPA Secretary Md Omar Faruk said that CPA officials have already held meetings with the stakeholders to address the issue, highlighting the need for coordinated efforts to resolve the matter and ensure smooth operations.

Source: thedailystar.net– Jan 09, 2025

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Pakistan: Import delays push lint prices to record Rs20,000 per maund

The local cotton market was showing a bullish trend as white lint rates on Thurs-day touched the highest mark of Rs20,000 per maund for the ongoing season.

On the other hand, the Federal Board of Reven--ue (FBR) has called a special meeting on Monday to discuss whether to mai-ntain sales tax exemption on imported cotton and yarn. Local cotton prices are rising because of an un--e-x--pected delay in the arri-val of imported yarn, a drastic cut in domestic crop production, and lar-g--e textile products' export orders.

Total domestic cotton production fell short of the projected target by 51 per cent and 32pc over the last year's output. While the textile industry has received big ex--p-ort orders, reports suggest that the arrivals of imported cotton shipm-ents have been delayed to May from March.

These factors have helped push the local cotton prices as the textile industry has been actively purchasing domestic lint. Cotton prices for one-month deferred payment have reached the highest level of the current season, up to Rs20,000 per maund, while for routine payment they have reached Rs19,000 to Rs19,500 per maund. Market watchers are expecting a further increase in the prices.

Cotton Ginners Forum Chairman Ihsanul Haq says that cotton import was delayed due to the Brazilian authorities' failure to timely fumigation their cotton. He adds that some say the country ran short of the chemical used for fumigation.

Meanwhile, on the ins-tructions of Prime Minis-ter Shehbaz Sharif, the FBR called an important meeting in Islamabad on Jan 13, in which an imp-ortant decision will be made on whether to maintain the 18pc sales tax exemption for imported cotton and yarn.

The prime minister's directive came on the appeal of cotton growers and ginners who protested disparity in the local and imported cotton.

Source: dawn.com– Jan 10, 2025

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NATIONAL NEWS

Ministry of Commerce and Industry revises trade data after reconciliation

The provisional Quick Estimates (QE) of EXIM data for the month of Nov'24 was released on 16th December, 2024 .

On noticing unusual surge in imports of precious metals, DGCI&S under Ministry of Commerce and Industry has jointly taken up a detailed examination with DG (Systems), CBIC.

During the reconciliation exercise, primarily, it was observed that due to migration of data transmission mechanism from SEZ to ICEGATE, figures of precious metals needed revision as it was noticed as the system was calculating both imports into SEZ and subsequent clearance into DTA as separate transactions after the migration.

DGCI&S receives trade data from approximately 500+ locations and about 2.5 lakh transactions every day from different sea ports, land ports, airport and inland container depots.

The EXIM data from more than 100 SEZs was earlier captured by SEZ Online System and EXIM data for all other ports (i.e non-SEZ locations) was captured by ICEGATE system. Both systems (i.e ICEGATE and SEZ Online) were transmitting the EXIM data separately to DGCIS for publishing foreign trade statistics.

However, based on a decision to shift EXIM declarations from SEZ Online to ICEGATE system, the EXIM data pertaining to SEZs as well as all other ports is being captured and transmitted by ICEGATE to DGCIS. However, owing to persistence of certain technical glitches, the migration is still not complete. Both SEZ Online and ICEGATE are still capturing and transmitting mutually exclusive EXIM data to DGCIS.

DGCIS does revision and correction of data from time to time. The revision is based on data that's received late, amendments in the respective months and qualitative corrections wherever required.

The principal commodity level data, which have been uploaded recently at DGCIS Data Dissemination Portal, incorporates the first phase of reconciliations made till date. Revision has been done for trade figures from April 2024 to November 2024, which are made public in compliance to the regular publication cycle maintained as per international standard data dissemination norms. The revised data can be accessed through the Data Dissemination Portal of DGCIS. A committee has been formed with stakeholders from DGCIS, DG Systems (CBIC) and SEZs for creation of a robust mechanism for publishing consistent data.

Internationally, revision and corrections are an inherent part of any statistical procedure. The quick estimate values are initial estimates and are often systematically amended to reflect more accurate information.

Worldwide, official statistics are released and are subject to subsequent corrections and revisions as per available updated and additional information.

As a statistical system, the main objective/aim is to maintain a balance between data quality, accuracy and timeliness. Apart from this, the fixed revisions and unscheduled corrections are also obligations of the statistical system as and when more data are available.

Source: pib.gov.in– Jan 09, 2025

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India's economy likely to grow 6.6% in 2025, 6.7% in 2026: UN report

The Indian economy is expected to grow by 6.6 per cent in 2025 and 6.7 per cent in 2026, supported by solid private consumption and investment growth, according to the United Nations (UN) flagship report, World Economic Situation and Prospects 2025, released on Thursday.

Keeping its 2025 growth forecast unchanged from its mid-2024 estimates, the UN report said, "In India, the public sector continues to play a pivotal role in funding large-scale infrastructure projects, physical and digital connectivity, and social infrastructure, including improvements in sanitation and water supply. Strong investment growth is expected to continue through 2025."

The First Advance Estimates from the National Statistics Office forecast the Indian economy to slow to a four-year low of 6.4 per cent in 2024-25, falling short of the Reserve Bank of India's (RBI's) projection of 6.6 per cent.

The report highlighted that capital expenditure on infrastructure development is expected to have strong multiplier effects on growth in the coming years. Expansion in the manufacturing and services sectors will continue to drive the economy, while strong export growth in services and certain goods categories, such as pharmaceutical and electronics, will bolster economic activity, the UN report said.

It also noted that favourable monsoon rains in 2024 have improved summer-sowing areas for all major crops, boosting agricultural output expectations for 2025.

The UN report said that economic growth in South Asia is expected to remain robust in 2025, primarily driven by strong performance in India. The region is projected to grow at 5.7 per cent in 2025 and 6 per cent in 2026.

Risks to the outlook, the report stressed, include possible escalation of geopolitical tensions, deceleration in external demand, ongoing debt challenges, and social unrest. In addition, the region is highly vulnerable to the impact of climate hazards, with extreme weather events posing a significant risk, the report said.

"Countries cannot ignore these perils. In our interconnected economy, shocks on one side of the world push up prices on the other. Every country is affected and must be part of the solution — building on progress made," said António Guterres, UN Secretary-General, in the foreword to the report.

Consumer price inflation, the report forecast, would decrease from an estimated 4.8 per cent in 2024 to 4.3 per cent in 2025, staying within the 2–6 per cent medium-term target range set by the RBI.

The UN flagship economic report projects that global growth will remain at 2.8 per cent in 2025, unchanged from 2024.

The report also highlighted the opportunity for resource-rich developing countries, such as India, to boost growth, create jobs, and increase public revenues for investment through rising demand for critical minerals. The report warns that these opportunities come with considerable risks.

"Governments must adopt forward-looking policies and comprehensive regulatory frameworks to drive sustainable extraction, equitable benefit-sharing, and investments in building productive capacities to maximise the development gains from these resources," said Li Junhua, UN Under-Secretary-General for Economic and Social Affairs.

Source: business-standard.com– Jan 09, 2025

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Govt seeks suggestions to boost FDI inflows, may consider policy tweaks

The Central government has asked industry associations, legal players and regulatory representatives to suggest ways to further improve the business climate for overseas investors to boost the flow of foreign direct investment (FDI) -- which has been on a decline for the last three years.

The Department for Promotion of Industry and Internal Trade (DPIIT) on Wednesday held a meeting with industry bodies CII, FICCI, ASSOCHAM, and representatives from the Reserve Bank of India to discuss norms governing inbound investments and to come up with ways to increase overseas equity flow into the country.

"The government has sought suggestions on the sectors and areas where the FDI policy can be further liberalised and situations where clarity is required. The discussions included minimum capitalisation norms, beneficial ownership determination criteria, and downstream investments," a representative from a law firm, who was part of the meeting, said.

The industry associations and legal players have been asked to submit their responses in the next two to three days on how to ease the norms.

People privy to the development said that the government is looking favourably on measures to attract more FDI in the country and investments in MSMEs.

Legal players said that the officials also discussed issues around Press Note 3 which scrutinises investments from land-bordering countries.

According to DPIIT, there has been a decline in the FDI equity inflow in the last three years.

In the financial year 2021 (FY21), the investments peaked to Rs 4.42 trillion and have been on a decline since. In FY24, the number stood at Rs 3.67 trillion. As of September of FY25, FDI equity inflow stands at Rs 2.49 trillion.

Further clarity has been sought from DPIIT on what a foreign owned and controlled company (FOCC) can and cannot do. The legal players also sought clarity on FDI in the skill based gaming industry.

“One of the recommendations was that if a financial service activity has been exempted by a financial sector regulator, then there should not be any further government intervention or subject to minimum capitalisation norm. As exemptions were granted when the financial regulators did not find any further need to regulate them, they should not be further regulated unnecessarily,” said a legal player.

Source: business-standard.com– Jan 09, 2025

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Indian mission officials of 20 nations asked to work on specific market opportunities to boost exports

The commerce ministry has asked the commercial wings of Indian Missions of 20 countries to specifically identify market opportunities in six goods and services to promote India's exports, an official said on Thursday.

Ways to increase the exports were discussed during a three-day meet, concluded on January 8, between senior officials from the ministry and commercial wings of Indian Missions.

The official said the missions were asked to market opportunities in these six sectors, competitors and specific companies.

The meeting was important as the commerce ministry is in the process of formulating a strategy to push exports of six key product categories, including engineering goods and electronics, to 20 focus countries, including the US, Australia, France, China, Russia, the UK, Japan, South Korea, Singapore and Indonesia.

These countries, including the US and the European Union nations, account for a major chunk of India's total exports.

After recording double-digit growth in October 2024, India's exports in November contracted 4.85 per cent year-on-year to USD 32.11 billion. Cumulatively, during April-November this fiscal year, exports increased by 2.17 per cent to USD 284.31 billion and imports by 8.35 per cent to USD 486.73 billion.

Services exports reached an all-time high of USD 34.31 billion in October, registering an increase of 22.3 per cent year-on-year.

Source: economictimes.com– Jan 09, 2025

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Are India-Bangladesh textile ties unraveling amidst unrest?

As political tensions simmer between India and Bangladesh, the intricate textile trade relationship between the two South Asian neighbors hangs in the balance. Here is a look at the interwoven textile supply chain, the stakes, indispensable links, and potential vulnerabilities for both nations.
A symbiotic relationship

India and Bangladesh share a deeply intertwined textile trade relationship, characterized by complementary strengths. India dominates the upstream segment, providing raw materials like cotton, yarn, and fabrics to Bangladesh. Bangladesh, in turn, leverages its competitive labor costs to focus on downstream garment manufacturing, exporting finished apparel globally, including to India.
Table

Trade flow 2022-23 Value (% bn) Key items India to Bangladesh Exports $11 Cotton, yarn, fabrics, dyes, chemicals India from Bangladesh Imports $1.89 Ready-made garments, knitwear, home textiles

The two countries have some indispensible links. For example, Bangladesh's reliance on Indian inputs for garment industry, a cornerstone of its economy, means any disruptions in supply could cripple production and impact export commitments.

Also, Bangladesh provides a significant market for Indian textile products, particularly yarn and fabrics. Losing this market share would deal a blow to Indian manufacturers. Bangladesh also has lower labor costs that make it an attractive destination for garment manufacturing. This benefits global brands and retailers, contributing to the affordability of clothing.

However, the country is seriously vulnerable now. These vulnerabilities include the political volatility. The current political climate has led to uncertainty and risk, potentially disrupting established trade flows. Any disruption in cross-border movement of goods could lead to delays, shortages, and increased costs for both nations. Moreover, both countries also face competition from other textile and garment producing nations, particularly in Southeast Asia.

What's at stake is their economic growth as the textile industry significantly contributes to the GDP and employment in both countries. Trade disruptions could have adverse economic consequences. Both nations also risk losing their hard-earned positions in the global textile and garment market if the current situation persists. And supply chain disruptions and increased costs could ultimately lead to higher prices for clothing and textiles globally.

Therefore, while certain aspects of the textile trade relationship are indispensable, both countries possess some flexibility. India could seek alternative export markets, and Bangladesh could explore sourcing raw materials from other suppliers. However, such shifts would likely involve higher costs and logistical challenges. Thus the current situation underscores the importance of diversification and resilience in textile supply chains. It also highlights the need for political stability and cooperation to ensure continued growth and prosperity for both India and Bangladesh.

Source: fashionatingworld.com– Jan 09, 2025

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Revival of orders boosts textile activity in the western districts of Tamil Nadu

The increase in international demand in the last few months has revived production activity and investments at the garment units in Tiruppur. This has, in turn, buoyed up demand for yarn produced by the textile mills.

According to K.M. Subramanian, president of the Tiruppur Exporters Association (TEA), several retail buyers who are sourcing garments from Bangladesh are exploring the potential in Tiruppur. Some of them have started conducting audits at the units and this indicates that orders will be placed in six months. Almost 90% of the garment export units in Tiruppur are running to full capacity now.

“The machines at the garment units are mostly outdated as the current generation machines come with artificial intelligence. The efficiency is 30% higher. Hence, the garment manufacturers are going in for new machines to replace the old ones or to build additional capacity,” he said.

A garment exporter said the requirements of the buyers and the customers in other countries have changed in the last couple of years. Several small retailers have gone out of business and customers prefer to buy from large retailers. These retail buyers and their sourcing agents are looking at higher capacities in the garment units here. Hence, a manufacturer or exporter should have at least 150 machines to get good orders.

“The manufacturers and exporters in Tiruppur who are able to adapt to the changing demands of the buyers are doing good,” he said. Further, at least 18% of the fabric needs of Tiruppur are imported now to meet the needs of the buyers.

In the case of the spinning mills, the smaller mills that supply to the garment units have seen a revival of orders for yarn. “Almost 40% of the small mills were affected because of the slump in business last two years. The other units are doing good and operating almost to full capacity for the last three months,” said a small-scale spinning mill owner in Coimbatore. The government should remove the import duty on cotton and relax the Quality Control Order norms for the textile industry to capitalise on the opportunities in the international market, he added.

According to the Southern India Mills Association, the cotton prices cannot get lower. The low and stable cotton prices, which is the main raw material for the textile industry, are supporting the mills.

However, the weaving industry continues to face slowdown in orders. Those who went in for auto looms are struggling to get viable prices. Exports to Bangladesh has taken a hit as there are delays in payments by the buyers there. This will take a few more months to settle down, said K. Sakthivel, Chairman of the Powerloom Development and Export Promotion Council.

Source: thehindu.com– Jan 09, 2025

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New credit guarantee scheme for MSMEs soon, says DFS Secretary Nagaraju

The government will soon launch a new credit guarantee scheme for the MSME sector covering loans up to ₹100 crore, DFS Secretary M Nagaraju said on Thursday.

Addressing the concluding session of the Grameen Bharat Mahotsav (GMB) 2025 in the capital, Nagaraju said, "We are likely to come up with a scheme, which was announced by Finance Minister in her last Budget, that could provide loans up to ₹100 crore without guarantee, if they are already having the enterprise".

The scheme is likely to be placed before the Union Cabinet soon for its approval. Finance Minister Nirmala Sitharaman had announced in Budget 2024-25, "For facilitating term loans to MSMEs for purchase of machinery and equipment without collateral or third-party guarantee, a credit guarantee scheme will be introduced.

The scheme will operate on pooling of credit risks of such MSMEs. A separately constituted self-financing guarantee fund will provide, to each applicant, guarantee cover up to ₹100 crore, while the loan amount may be larger".

The GMB 2025 was an initiative of the Department of Financial Services (DFS) and National Bank for Agriculture and Rural Development (NABARD) celebrating rural India's growth and potential.

Rural tranformation

The six-day Mahotsav brought together stakeholders from across the country to envision an empowered rural India. The event underscored the government's commitment to rural transformation, aligning with the goal of achieving a "Viksit Bharat" by 2047.

GMB 2025 was inaugurated, on January 4 by Prime Minister Narendra Modi in the presence of Finance and Corporate Affairs Minister Nirmala Sitharaman and Pankaj Chaudhary,Minister of State for Finance.

More lending

Meanwhile, Nagaraju on Thursday said the government is very keen to lend more to rural areas through its various schemes. From a level of ₹ 8.5 lakh crore in 2015, rural credit has expanded to ₹25 lakh crore in 2023-24, he added. “We want to increase agricultural credit by several times. Agricultural credit was 8.5 lakh crore in 2015”, he said.

As the country surges ahead, he said, there is need to focus on four things: quality, linkages for exports, capacity building, and support to achieve the vision of Vikshit Bharat.

Nagaraju said that the Mahotsav has brought to light the vast potential of rural India as a driver of nation’s economic progress. With over 53 crore Jan Dhan accounts, primarily held by women and rural communities, and 14.4 million self-help groups (SHGs) fostering financial inclusion, the event underscored the critical role of grassroots resilience, innovation, and entrepreneurship.

Initiatives such as Lakhpati Didi, agricultural credit worth ₹25 lakh crore annually and dedicated support for FPOs in every State reflect government’s unwavering commitment to empowering rural communities, especially women entrepreneurs, he added.

Source: thehindubusinessline.com– Jan 09, 2025

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Epic Group and Creative Group sign ₹500 Crore MOU to revolutionize India's apparel industry

In a significant development aimed at harnessing growth opportunities in India, Epic Group and Creative Group are pleased to announce a joint venture that promises to transform the Indian apparel business landscape. Today marks the beginning of this promising collaboration with the signing of a non-binding memorandum of understanding (MOU). This initial agreement sets the stage for an extensive joint business planning exercise.

The joint venture brings forth a potential investment of Rs 500 crores (approximately 60 million USD) and is set to leverage India's local talent by creating employment opportunities for a 10,000 strong workforce. This venture aims not only to enhance operational capabilities but also to lay the foundation for substantial economic contributions through job creation.

The partnership is poised to set new industry benchmarks, drive innovation, and deliver superior value to our customers and stakeholders in India. Both Epic Group and Creative Group are committed to fostering innovation and growth in the apparel sector, with a focus on sustainable practices and community development.

Source: indiantextilemagazine.in– Jan 09, 2025

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Yarn prices stable despite rise in North India cotton, demand weak

North India cotton yarn prices did not increase despite the recent rise in cotton prices. The Delhi and Ludhiana markets witnessed below-average demand from the downstream industry, which deterred stockists and mills from passing on the higher cost of production.

Market experts said that North Indian markets are still facing slow demand from the downstream industry. Although cotton prices have increased in recent times, traders said that integrated mills have increased their focus on the export market amid the falling Indian Rupee against the US dollar. Panipat's recycled yarn market also noticed slow demand amid price stability. However, recycled polyester fibre gained ₹1 per kg after the rise in virgin PSF last week. Cotton comber prices remained at the previous level.

Cotton yarn prices did not see significant movement in the Ludhiana market. The market experienced weak demand from the downstream industry. A trader from the Ludhiana market told Fibre2Fashion, "Cotton yarn trade noticed silent demand as summer demand is still weak. The downstream industry is not sure about good demand for finished products in the coming months. Spinning mills are focusing on the export market due to the weaker Indian currency. Cheaper imported cotton has also provided an opportunity for the global market."

In Ludhiana, 30 count cotton combed yarn was sold at ₹257-267 (approximately $2.99-3.11) per kg (inclusive of GST); 20 and 25 count combed yarn were traded at ₹247-257 (approximately $2.88-2.99) per kg and ₹252-262 (approximately $2.93-3.05) per kg, respectively. Carded yarn of 30 count was noted at ₹237-242 (approximately $2.76-2.82) per kg today, according to trade sources.

The Delhi market also witnessed steadiness in cotton yarn prices. According to market sources, buyers are still cautious about fresh deals. The market is facing price disparity due to higher cotton prices and tough competition in the export market. A trader said that the falling rupee has provided much needed relief to yarn exporters, but the domestic consumer industry remains cautious regarding domestic demand for the coming summer season.

In this market, 30 count combed knitting yarn was traded at ₹260-262 (approximately $3.03-3.05) per kg (GST extra), 40 count combed at ₹282-290 (approximately $3.28-3.38) per kg, 30 count carded at ₹237-239 (approximately $2.76-2.78) per kg, and 40 count carded at ₹262-265 (approximately $3.05-3.09) per kg today.

India's home textile hub, Panipat, noticed stability in recycled yarn prices amid weak demand. However, recycled polyester fibre prices increased by ₹1 per kg as Indian polyester fibre manufacturers hiked the prices of virgin PSF due to an increase in crude oil prices.

A trader from the market said that recycled yarn buying has yet to pick up in the new year. The market expects demand for summer items of home textiles, like bed sheets and pillow covers, but it is unclear when the demand will pick up.

In Panipat, 10s recycled PC yarn (Grey) was traded at ₹78-82 (approximately $0.91-0.95) per kg (GST paid). Other varieties and counts were noted as follows: 10s recycled PC yarn (Black) at ₹53-56 (approximately $0.62-0.65) per kg, 20s recycled PC yarn (Grey) at ₹96-102 (approximately $1.12-1.19) per kg, and 30s recycled PC yarn (Grey) at ₹130-135 (approximately $1.51-1.57) per kg. Cotton comber prices were noted at ₹102-108 (approximately $1.19-1.26) per kg, while recycled polyester fibre (PET bottle fibre) was recorded at ₹79-81 (approximately $0.92-0.94) per kg today.

In North India, cotton prices remained steady amid limited arrivals and cautious buying by spinning mills. The natural fibre was traded at previous levels in North Indian markets. However, cotton and seed cotton have noticed a rise in the last couple of days amid changing market dynamics. Traders said that cotton arrivals remained stable in the market as the total output is likely to remain lower.

Although the Cotton Corporation of India (CCI) is buying seed cotton in nominal quantities in North India, ginners are purchasing aggressively, which has driven seed cotton prices upward. They expect that cotton prices will receive a boost in two months when arrivals decline in the country. CCI's cotton stock will remain blocked for the next couple of months. It is currently selling last season's cotton stock to clear its warehouses.

North India's cotton arrival was 11,600 bales of 170 kg, comprising 600 bales in Punjab, 3,000 bales in Haryana, 4,000 bales in upper Rajasthan, and 4,000 bales in lower Rajasthan. Cotton prices in Punjab ranged from ₹5,560 to ₹5,570 (approximately $64.75-64.86) per maund of 37.2 kg, while in Haryana, prices ranged from ₹5,550 to ₹5,570 (approximately $64.63-64.86).

In upper Rajasthan, cotton was priced between ₹5,570 and ₹5,590 (approximately $64.86-65.09) per maund. In lower Rajasthan, it was priced at ₹53,100 to ₹54,200 (approximately $618.34-631.15) per candy of 356 kg. Meanwhile, seed cotton was priced at ₹7,100-7,500 (approximately $82.68-87.34) per quintal of 100 kg.

Source: fibre2fashion.com– Jan 09, 2025

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