

LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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News Highlights



NATIONAL

[Bangladesh crisis boosts Indian textile stocks](#)

[Bangladesh crisis poses "significant concerns" for India's textile, apparel industry: CITI](#)

[Bangladesh Situation Poses Concerns For Indian Textile Sector: CITI](#)

[National Handloom Day: New generation of designers reviving Indian textiles](#)

[Bangladesh Crisis: How is the Indian economy affected by the political turmoil?](#)

[India to become third largest economy in two years, says VP Dhankhar](#)

[Cotton Dropped On Profit Booking; North India Area Down.](#)

[India's July inflation likely dipped below RBI's target, high base effect at play: Reuters poll](#)

[BIMSTEC trade push: Security General pledges to accelerate FTA negotiations](#)

[Bangladesh unrest: Buyers hesitant to place orders in India unless govt tweaks policies, says AEPC](#)

[Over 400 people to attend cotton conference in Coimbatore](#)

[Bangladesh crisis: Yarn makers stare at losses, textile units sniff opportunity](#)

[Bt cotton yielded high income for farmers: Union Minister](#)

[Karnataka looks to benefit as unrest hits Bangladesh's textiles sector](#)

[Bangladesh crisis: India's garment export orders likely to increase 10-20%](#)

[Bangladesh Unrest Likely To Benefit Tirupur](#)

[Velumani: Help Tirupur Textile Units Grow](#)

GLOBAL

[ICE Cotton Falls As Dollar Strengthens & Global Demand Wavers](#)

[Form Interim Bangladesh Govt, Restore Order, Economic Activities: DCCI](#)



NATIONAL

Bangladesh crisis boosts Indian textile stocks

The Bangladesh crisis has driven the stock prices of India's major spinning and textile companies on an upward trajectory on Tuesday. Companies like Vardhman Textiles, KPR Mills, GHCL Textiles and Sportking experienced substantial gains during the day.

V Nagappan, a stock analyst, commenting on the increase in stock prices of various textile and spinning companies says, "Many of them have begun performing well with new and dynamic management unlike in the past where the owners were like Zamindars and their lieutenants running the show. NexGen is doing better. Bangladesh uncertainty adds to FDA issues."

The increase in stock price was anticipated due to the expectation that many foreign buyers would now be looking at India as a China Plus policy, said a source. Bangladesh has built a strong garment industry over the past decade. It holds an edge over India in the global readymade garments market, which was valued at around \$1,110 billion in 2023.

Trade impact

India's exports of readymade garments (RMG), including cotton accessories, stood at \$16 billion in FY23. In comparison, Bangladesh's RMG exports topped \$47 billion, according to data on the web.

It is unfortunate to note the internal turbulence in Bangladesh. As a dominant player in apparel exports, the concern over timely delivery from Bangladesh may lead to order diversion to countries like India particularly for cotton apparel. "We have some spare capacity available in India to handle an additional 20 per cent of orders immediately," said Prabhu Dhamodharan, Convenor, Indian Texpreneurs Federation, Coimbatore.

Sector impact

In yarn and fabric exports, with Bangladesh being a major buyer of Indian cotton yarn and fabrics, the spinning sector may face short-term issues. A swift recovery in Bangladesh is crucial for these two sectors. Once the businesses resume production, which can happen in a week, demand for yarn and fabric may rebound strongly to manage the Shortages created by the disruption in their spinning sector.



Apparel imports from Bangladesh have already been declining over the past few months, and a further drastic reduction in imports is expected. Consequently, goods may not arrive in time for India's upcoming festival season. This will help Indian manufacturers to get more orders from domestic retailers, he said.

K Venkatachalam, Chief Advisor of the Tamil Nadu Spinning Mills Association, said that if garment orders diverted to India, the country has sufficient infrastructure to cater for any requirements. This opportunity needs to be capitalised suitably.

A temporary slowdown in yarn sales is anticipated, but it should stabilise in a month or so, said SK Sundararaman, Chairman, The Southern India Mills' Association (SIMA).

"Bangladesh is the biggest customer for yarn exports as of now. with around 25 per cent to 30 per cent of exports goes to Bangladesh. Any disruption over there will create issues here as well. However, this situation is relatively minor and has not yet impacted demand. But unless it is resolved or it continues for a long period, then there could be a concern. But as of now, there doesn't seem to be an issue," Neeraj Jain, Joint Managing Director, Vardhman Textiles Ltd, told analysts while discussing financial results.

[Home](#)

Bangladesh crisis poses "significant concerns" for India's textile, apparel industry: CITI

Read more at : <https://m.economictimes.com/industry/cons-products/garments/-/textiles/bangladesh-crisis-poses-significant-concerns-for-indias-textile-apparel-industry-citi/articleshow/112316500.cms>

[Home](#)

Bangladesh Situation Poses Concerns For Indian Textile Sector: CITI

The ongoing scenario in Bangladesh poses significant concerns for the Indian textile and apparel sector, particularly for companies operating factories in Bangladesh and exporting products from those units, the Confederation of Indian Industry (CITI) has said. Any supply disruption in Bangladesh will have immediate impacts on the supply chain, potentially affecting production schedules and delivery timelines.



Supply Disruption and Short-Term Impacts

In the short term, supply disruptions are expected due to the prevailing situation in Bangladesh. Indian companies with manufacturing operations in the country are likely to face challenges in maintaining their production flow, leading to delays and potential shortages in the market. This disruption could affect the availability of products and might force companies to seek alternative.

Impact on Global Brands

Several major global brands that rely on Bangladesh for their sourcing needs will also be affected by these disruptions. Brands with significant portions of their supply chain rooted in Bangladesh may experience delays and a decrease in the availability of their products. This, in turn, could lead to a ripple effect across the global retail market, affecting inventory levels and sales, CITI said in a statement.

Importance of Bangladesh to Indian Textiles

Bangladesh is a crucial market for Indian textiles, serving as both a manufacturing hub and a significant export destination. The Indian industry is deeply concerned about the current events and hopes for the swift restoration of normalcy. Stability in Bangladesh is vital for maintaining the smooth operation of cross-border trade and production.

Shift to Alternative Manufacturing Hubs

Amid the uncertainties in Bangladesh, there is already a noticeable shift towards alternative manufacturing hubs such as a strategic move by companies to diversify their production bases and reduce dependency on a single market. Tiruppur, known for its robust textile and apparel manufacturing capabilities, may be a key beneficiary of this shift.

Increased Sourcing from India

As global garment brands face disruptions in Bangladesh, there is an expected increase in sourcing from India. Indian manufacturers are expected to see a rise in orders as brands seek to mitigate risks and ensure continuity in their supply chains.

Chandrima Chatterjee, secretary general of CITI, said: "The situation in Bangladesh is indeed concerning, and we are closely monitoring the developments. Bangladesh's growth in textile sector has been inspiring and has lent strength to the trade flows in the entire subcontinent. While we are concerned about the impact on the supply chain and the potential delays and disruptions it might cause, we are hopeful that the situation will improve soon. We extend our solidarity and support to them."

[Home](#)

National Handloom Day: New generation of designers reviving Indian textiles

India's handloom fabrics have been an integral part of the country's cultural tapestry. As we celebrate National Handloom Day today, a new generation of designers has emerged at the forefront of breathing new life into our textile legacy. From incorporating the unique Maheshwari weaves of Madhya Pradesh to the delicate Jamdani of West Bengal, these designers are not only preserving this invaluable craft but also elevating it to new heights. For Vaishali Shadangule, founder, Vaishali S Couture, the handloom techniques of Jamdani, Khun, Kesarpal and Maheshwari are a constant in her collections. "These weaves are close to my heart. It gives me unparalleled satisfaction to bring them to a luxury stage." Her work has also brought the younger generation of weavers, who had left their villages for the big cities, back to the looms. "The women especially have higher social status and economic freedom because of this," she shares.

Rina Singh, founder, Eka, a textile-led contemporary design studio, emphasises the blend of traditional and modern in her work. "We work with rural belts, often using Jamdani, Pashmina and Bhagalpur textiles. One of our rarest collections was developed for the Telangana Craft Cluster Scheme, using organic and wild thigh-reeled tussar silk from Mahadevpur. She feels, "Handlooms don't need sympathy; they need younger aesthetics to be seen as cool."

Gaurav Khanijo, the founder of Khanijo, tells us about his approach to integrating traditional crafts with contemporary fashion. "The idea is to make traditional craftsmanship relevant, like motifs inspired by cultural heritage and cutting-edge silhouettes in contemporary styles. We use a lot of handwoven silk, Khadi and traditional embroidery like Kantha quilting. I like to experiment with different projects like ikkat and ajrakh block printing," he shares.

Kartik Kumra, the brain behind Kartik Research, stresses the unique character of handlooms. "We intend to tell unique stories through each modern vintage aesthetic because it's handmade and can't be duplicated. We reference the past, working collaboratively with fourth- and fifth-generation weavers to develop our ideas for the brand. This results in high-standard outputs that are easy to translate into our silhouettes," says the designer.

[Home](#)

Bangladesh Crisis: How is the Indian economy affected by the political turmoil?



Bangladesh Prime Minister Sheikh Hasina had on January 8 declared that her primary goal for the next five years is to advance the country's economic progress. Cut to August 2024, the four-time Prime Minister of Bangladesh, which got its independence in 1971, resigned as PM and fled from the country in the wake of violent protests in the country against a quota system for government jobs.

During Sheikh Hasina's tenure, trade relations between India and Bangladesh experienced a significant boost, resulting in a notable trade surplus for India. Her departure could potentially disrupt these gains, impacting the flow of goods and people and potentially delaying the progress of a proposed free trade agreement (FTA) between the two countries.

The trade relationship between the two countries spans various sectors including trade, medical tourism, and corporate expansion.

Bangladesh plays a significant role in the global garment industry and imports cotton from India. In the fiscal year 2023-24, India's exports to Bangladesh fell to \$11 billion from \$12.21 billion in 2022-23. Similarly, imports from Bangladesh decreased to \$1.84 billion in the last fiscal year, down from \$2 billion in the previous year.

India's major exports include vegetables, coffee, tea, spices, sugar, confectionery, refined petroleum oil, chemicals, cotton, iron and steel, and vehicles, while its main imports consist of fish, plastic, leather, and apparel.

According to the Global Trade Research Initiative (GTRI), India's exports to Bangladesh are diverse, encompassing agriculture, textiles, machinery, electronics, auto parts, iron and steel, electricity, and plastics. However, most of these exports face full tariffs and are not covered by the South Asian Free Trade Area (SAFTA) agreement. Conversely, Bangladesh's exports to India are more focused, with textiles, garments, and made-ups comprising 56% of their exports, benefiting from zero tariffs under SAFTA.

Amid the political turmoil, India's diversified export portfolio means that any disruptions in trade with Bangladesh are unlikely to significantly affect its overall trade position for the fiscal year, according to S&P Global Ratings.



Andrew Wood, Director of Sovereign and International Public Finance Ratings (Asia-Pacific) at S&P Global Ratings, stated that S&P anticipates weak domestic demand in Bangladesh will reduce support for imports, including those from India.

“India is a well diversified exporter to the entire world and its trade profile is significantly larger than bilateral trade relationships with economies like Bangladesh.

“Whatever the impact is going to be on directly is really quite unlikely to have a meaningful impact on its overall trade position for the fiscal year... its external position is quite strong in the country and is a net creditor to the world by our calculation,” Wood said in a webinar, as quoted by PTI.

On the same note, Suman Chowdhury, Chief Economist and Head-Research, Acuité Ratings & Research, said that the crisis in Bangladesh would have very little impact on overall trade volumes.

“While Bangladesh is an important trade partner for India, the impact of the severe political crisis there will have a very limited impact on India’s overall trade volumes. The exports to Bangladesh account for only 2.5% of India’s total merchandise exports. However, specific industry segments where exports to that country constitute a large share such as cotton yarn, may witness a material impact in the near term; on the other hand, this can also be an opportunity for Indian RMG players who had lost export markets earlier to Bangladesh.”

“Indian manufacturing and infrastructure companies having business or project operations or supply linkages therein are likely to witness some disruption and uncertainty in the near term. Importantly, the current scenario may lead to deferment or slowdown of fresh investments by Indian companies in the neighbouring country pending the establishment of a stable government. The proposed FTA with Bangladesh will also be put on the backburner under the current circumstances,” it said.

Meanwhile, Indian exporters indicated on Tuesday that the political crisis in Bangladesh could result in a short-term shift of garment orders to India. However, they emphasised that India has no desire to take advantage of the situation in its neighboring country.



Mithileshwar Thakur, Secretary General of the Apparel Export Promotion Council (AEPC), expressed hope for a swift stabilization of the situation to allow normal business activities to resume, emphasizing that India has no intention of taking advantage of the crisis.

He noted that while the Indian garment industry strives to grow its exports independently, a temporary shift of orders to India might occur due to the current disruption.

Notably, infrastructure and connectivity projects have been crucial in bolstering Indo-Bangladesh relations. Since 2016, India has provided \$8 billion in credit for the development of road, rail, shipping, and port infrastructure in Bangladesh. Key projects include the Akhaura-Agartala rail link and the Khulna-Mongla Port rail line, both inaugurated in November 2023, which aim to boost trade and strengthen people-to-people ties.

Disruptions in these connections, due to the ongoing political chaos, could hinder India's access to its Northeast region, which relies on narrow land corridors, and jeopardise existing bus routes and agreements for Chittagong and Mongla ports.

[Home](#)

India to become third largest economy in two years, says VP Dhankhar

Asserting that India's rise is unstoppable, Vice President Jagdeep Dhankhar on Wednesday said the country will become the third largest economy in the world in two years.

Addressing on the occasion of the 10th National Handloom Day, he expressed confidence that the optimal utilisation will take place to promote handlooms, the need of the hour, the need of the country, and the need of the planet, if we think in terms of climate change.

The "Be Vocal for Local" clarion call given by the Prime Minister has economic freedom at this core, with handloom products being one of its key elements, said the Vice President.

Strongly advocating economic nationalism, Dhankhar said it is fundamental to the country's "spinal economic growth" and will lead to three key impacts including foreign exchange savings, employment generation and boosting entrepreneurship.



"I want everyone to respect national interest. Can we sacrifice economic nationalism merely for fiscal gain? I have no doubt; no fiscal gain, irrespective of quantum, can justify engaging in imports that are avoidable," said the Vice President.

Pointing out that India is the world's most populous country, Dhankhar observed that "today no one can say we are a nation with potential as we are on the rise."

"The rise is unstoppable, the rise is incremental. I remember the day when I came to the Lok Sabha for the first time 34 years ago, when our economy's size was less than even that of cities like London and Paris and today we are the world's fifth largest economy," he said.

"We will become the third largest economy in the world in two years or even less," said the Vice President.

He called upon the countrymen to pledge and make it a habit to buy handloom products like sarees, kurtas, shawls, etc., so that it becomes a fashion statement, a brand, and leads to higher sales.

[Home](#)

Cotton Dropped On Profit Booking; North India Area Down.

Yesterday, Cottoncandy settled up by 0.05% at 56,500, driven by profit booking after initial support from supply concerns. The decline in cotton acreage in Punjab, Haryana, and Rajasthan has been significant, with these states reporting a total of 10.23 lakh hectares under cotton, down from 16 lakh hectares last year. Punjab saw a drastic reduction to 97,000 hectares, a far cry from the normal 7.58 lakh hectares in the 1980s and 1990s. Similarly, Rajasthan's cotton area dropped from 8.35 lakh hectares to 4.75 lakh hectares, and Haryana saw a reduction from 5.75 lakh hectares to 4.50 lakh hectares in 2024. Additionally, delays in shipments from the US and Brazil have triggered demand for Indian cotton from mills in neighbouring countries. Firm trends in cottonseed prices have held up natural fibre prices, despite the start of the sowing season in southern states like Karnataka, Telangana, and Andhra Pradesh, which have begun receiving monsoon rains.

Cotton acreage is expected to rise in Telangana, where some chilli farmers might switch to cotton due to weak spice crop prices. For the 2024/25 U.S. cotton projections, higher beginning and ending stocks are expected compared to last month, with unchanged production, domestic use, and exports. The season-average upland farm price has decreased by 4 cents to 70 cents per pound. Global projections show increased beginning



stocks, production, and consumption, with world trade unchanged. Consequently, world-ending stocks are projected to be 480,000 bales higher than in May at 83.5 million.

Technically, the market is under a short covering, evidenced by a 0.59% drop in open interest to settle at 168 contracts while prices increased by 30 rupees. Cotton candy is currently supported at 56,270, with further support at 56,040. Resistance is expected at 56,690, and a move above this level could see prices testing 56,880.

[Home](#)

India's July inflation likely dipped below RBI's target, high base effect at play: Reuters poll

India's consumer price inflation likely eased in July to below the Reserve Bank of India's 4.0% medium-term target for the first time in nearly five years, thanks to last year's high base, according to a Reuters poll of economists.

Rising food costs, especially for vegetables, and hikes in telecom tariffs last month were offset by a higher base from July last year when inflation hit a 15-month peak of 7.44%, suggesting the slower pace of price rises was temporary.

The Aug. 2-7 poll of 36 economists forecast the consumer price index rose at an annual rate of 3.65% last month, down sharply from 5.08% in June.

Forecasts for the data, due Aug. 12 at 1200 GMT, ranged widely from 2.85% to 5.30%, underscoring uncertainty in predicting inflation in a country where consumer prices are largely dependent on erratic monsoon rains.

"The only comfort inflation would be getting in July and August is of a favourable statistical base," said Dipanwita Mazumdar, economist at Bank of Baroda.

"Barring this, another positive thing about the inflation sub-print is that price pressures are not widespread, and its epicentre emerges from a few items such as tomatoes, onions and potatoes."

She said core inflation was likely to "exhibit some upward correction" and the risks were "of inflation being tilted to the upside."



[Home](#)

BIMSTEC trade push: Security General pledges to accelerate FTA negotiations

Read more at : <https://www.businesstoday.in/latest/economy/story/bimstec-trade-push-security-general-pledges-to-accelerate-fta-negotiations-440544-2024-08-07>

[Home](#)

Bangladesh unrest: Buyers hesitant to place orders in India unless govt tweaks policies, says AEPC

Read more at : https://m.economictimes.com/news/economy/foreign-trade/bangladesh-unrest-buyers-hesitant-to-place-orders-in-india-unless-govt-tweaks-policies-says-aepc/amp_articleshow/112348155.cms

[Home](#)

Over 400 people to attend cotton conference in Coimbatore

The Indian Cotton Federation (ICF) and Punjab-based Indian Cotton Association Ltd (ICAL) will jointly host the sixth bi-annual cotton conference in Coimbatore on August 9 and 10.

J. Thulasidaran, president of the ICF, told the media here on Wednesday that, “All issues related to cotton will be discussed at the conference. Experts from various cotton-related sectors including reputed industry leaders, office bearers from various associations and research organisations will speak about the national and global scenario of cotton, the changing trends, expectations from the markets, environmental-aspects, and sustainability.”

Nearly 400 delegates across India and also from Egypt, Malaysia, and other foreign countries are expected to attend the event. The participants will discuss and compile their views to submit to the government for necessary policy initiatives both, at the Centre and State levels.



Mr. Thulasidharan added that 30% of textile sector exports have been affected due to various reasons. The low cotton yield and holding of cotton by a few stakeholders were affecting the market. The import duty on cotton should be removed for Indian textile and garment industry to be internationally competitive, he added.

Roop Rashi, Textile Commissioner, Union Ministry of Textiles, will inaugurate the conference on August 9, and Selvendaran, Agriculture Secretary, Madhya Pradesh, will be the guest of honour.

K.G. Baalakrishnan, chairman of KG Group and S. Manivannan, chairman and managing director of LS Mills, will receive the Lifetime Achievement Award. Business Leader Award will be presented to Atul P. Asher, partner at RS Asher & Co; Ashok D. Daga, partner at Damji Velji & Co, and Gopal Bhuradia, Mr. Thulasidharan added.

[Home](#)

Bangladesh crisis: Yarn makers stare at losses, textile units sniff opportunity

Even as the ongoing turmoil in Bangladesh has left the yarn exporters from Punjab and other parts of the country worried over their stuck consignments and payments, the textile industry is eyeing an opportunity. Exporters believe that due to the crisis, global textile orders could shift partly to India.

In a month, India exports around 40,000 tonnes of different type of yarns, including cotton, acrylic and woollen, to Bangladesh. Punjab's share in the exports is around 35 per cent.

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According to yarn makers, the state has huge stakes in Bangladesh as the net exports generate over Rs 4,000 crore each year. The largest share is of cotton yarn, followed by acrylic wool. As the border with Bangladesh has been shut, the export consignments are stuck.

"Goods worth more than Rs 200 crore are stuck at the border and orders worth Rs 1,000 crore will be immediately effected," said Amit Thapar, president, Ganga Acrowools Ltd, who also heads Northern Region-CII export committee. His own goods (woollen yarns), worth Rs 2 crore were stuck and orders worth Rs 4 crore would be impacted if the situation did not improve, he added.



Sanjiv Dutt, vice-president of Punjab-based Winsome Textiles, said the crisis in Bangladesh would have a severe impact on the industry in Punjab, as payments would be halted or delayed. “High-quality cotton had been imported before the crisis. The payment circle will be hit as Bangladesh is a crucial market for Indian textiles,” he added.

Bajrang Lal Sharma, member of the management committee of All-India Motor Transport Congress, said: “More than 700 trucks laden with yarn, chemical fabric and cycle parts are stranded on the Indian side of the border, while 1,300 trucks are stuck on the other side. Of these, roughly 200 are were of Punjab-based exporters.”

Meanwhile, stakeholders of the garment industry anticipate that due to the crisis, global buyers may shift short-term orders to India, benefitting the garment clusters in Ludhiana, Noida, Tiruppur and Gurugram. They also hope that Indian corporate houses like Reliance, Tata, Madura Coats, Arvind and brands like Marks and Spencer, Canterbury, Polo, etc., who were earlier getting outsourcing done from Bangladesh, can come up with orders for the local industry.

Talking to The Tribune, Sudershan Jain of Oner Knitwear said: “India now has a good opportunity to make a comeback. If governments support the garment industry, this could be a golden opportunity for manufacturers to get orders in bulk. Countries like China, Cambodia and Vietnam are also in the race, but India too can catch up,” said Jain.

“Some of our members have already received queries from foreign buyers. As India exported a significant amount of yarns and fabric to Bangladesh, if everything goes well, you might see a lot of export orders being catered from India in the near future,” said Lalit Thukral, president, Noida Apparel Exporters Cluster. Thukral is also the regional head, northern region, for Apparel Export Promotion Council.

As per estimates, there are approximately 10,000 garment/textile units in Ludhiana, half of which are associated with the corporate sector in one way or the other.

Currently, of \$44 billion earned due to textile exports from India, \$14 billion is generated by exports in the apparel segment alone. Bangladesh earns \$47 billion in a year from apparel exports.

[Home](#)

Bt cotton yielded high income for farmers: Union Minister

A study conducted by ICAR-CICR found that the income of farmers has increased with the adoption of Bt [cotton](#) in the country as the yield is higher by 3 to 4 quintals per acre



and there is a reduction in insecticide cost against the cotton bollworm, Minister of State for Agriculture & Farmers' Welfare Ramnath Thakur informed the Lok Sabha. The current net return from Bt cotton is estimated at Rs 25,000 per hectare in rainfed areas with the adoption of suitable agronomy. With the rapid adoption of Bt. cotton by the farmers, currently more than 96 per cent area under cotton cultivation is occupied by Bt cotton, he added,

Indian Council of Agricultural Research (ICAR)- Central Institute for Cotton Research (CICR), Nagpur conducted a study to evaluate the impact of Bt cotton in Maharashtra during 2012-13 and 2013-14. ICAR-CICR also conducted a study on the impact of Bt cotton on soil ecology.

During the period of survey, the incidence of bollworm infestation reduced drastically and the number of insecticide applications fell from eight to four. Further, ICAR-CICR studies had shown no adverse effect of Bt cotton cultivation on soil ecological parameters.

Bt cotton is the only Genetically Modified (GM) crop approved in 2002 by the Genetic Engineering Appraisal Committee (GEAC) of the Ministry of Environment, Forest and Climate Change for commercial cultivation in the country, the minister added.

During the year 2023–24, Bt cotton was grown in 129.27 lakh hectares in 11 cotton-producing states of the country. The total production of Bt cotton during the year was 336.6 lakh bales while the yield was estimated at 443 kg per hectare.

Maharashtra had the highest area under Bt cotton cultivation with the crop being grown in 41.82 lakh hectares, Gujarat was in the second spot with 24.84 lakh hectares followed by Telangana with 19.73 lakh and Karnataka with 9.49 lakh hectares.

In Andhra Pradesh there were 7.04 lakh hectares under Bt cotton during 202-23 while as many as 4,73,345 farmers were cultivating the crop, the minister said.

Among the northern states, Rajasthan had the highest acreage under Bt cotton with the crop being sown in 8.15 lakh hectares. Neighbouring Haryana devoted 5.75 lakh hectares to Bt cotton while Punjab had 2.49 lakh hectares under the crop.

In the central region, the crop was being grown in Madhya Pradesh which had 5.95 lakh hectares sown with Bt cotton during 2022-23.

[Home](#)

Karnataka looks to benefit as unrest hits Bangladesh's textiles sector



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[Home](#)

Bangladesh crisis: India's garment export orders likely to increase 10-20%

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[Home](#)

Bangladesh Unrest Likely To Benefit Tirupur

The political unrest in Bangladesh, which is a vibrant textile manufacturing hub, is likely to benefit the Tirupur garment sector.

While some in the garment sector say overseas buyers have already begun scouting for potential manufacturers in Tirupur, others say the complete picture of the impact on the global textile supply chain would emerge only after a few more days.

“Bangladesh crisis will certainly have an impact on the global textile supply chain and India will stand to gain from that,” said Raja M Shanmugam, managing director of Warsaw International, a leading garment exporter from Tirupur. Over the years, Bangladesh, the world’s second largest exporter of textile goods after China, has emerged as a serious threat to the garment industry in India. Due to lower production cost, aided by govt sops and cheap labour, Bangladesh managed to bag more orders. Of late, Bangladesh garments had been flooding the Indian domestic market, posing a challenge to local manufacturers. The current unrest is expected to disrupt the robust garment sector there, hitting production. Also, global buyers may shun a country with uncertain political climate fearing production line disruptions. This in turn may help Tirupur companies bag more orders, say manufacturers here. “New orders may not come immediately. But there could be more orders for Tirupur from the next season,” said Raja Shanmugam.

Tirupur Exporters Association (TEA) president K M Subramanian said they are adopting a wait and watch strategy. “When a country is in a crisis, we don’t want to appear scouting for business opportunities. We will wait and watch,” he said.



Another leading garment maker, however, said a few European brands that were placing orders in Bangladesh so far have begun exploring options in Tirupur. “Four or five leading brands have begun the process. They visited a few manufacturing units and audited to see if the units conform to their norms,” said a manufacturer.

Shanmugam said several buyers were opting for Bangladesh only because of the lower price there. “That will not happen anymore as buyers would want timebound supplies more than anything else,” he said.

Exporters say similar to the ‘China Plus’ policy adopted by the Western world after Covid to reduce dependence on China, there would be a ‘Bangladesh Plus’ policy. “India and Vietnam would benefit from this,” said an exporter.

Tirupur Exporters and Manufacturers Association (TEAMA) president M P Muthurathinam was of the view that the Bangladesh crisis would not benefit Tirupur. “Buyers opt for Bangladesh manufacturers for cheaper products whereas Tirupur makes premium products. So, our product line is different,” he said.

Textile hubs in other states where production cost is low might benefit, he said.

At the same time, the Bangladesh crisis has come as a cause for concern for spinning mills in Tamil Nadu as some of them were supplying yarn to garment manufacturers in Bangladesh. If production was hit in the neighbouring nation, their sales would suffer a blow, at least temporarily.

[Home](#)

Velumani: Help Tirupur Textile Units Grow

Former AIADMK minister S P Velumani has urged the state and central govts to help the textile units in Tirupur grow.

Speaking to reporters after flagging off relief materials collected by AIADMK cadre from Coimbatore to Wayanad on Wednesday, he said garment units in Tirupur are chalking expansion plans in other states as they consider further expansion in Tamil Nadu was infeasible due to high production cost.

Since the Bangladesh crisis has affected the textile sector there, the state and central govts should take immediate measures to help Tirupur manufacturers grow. The state govt should offer interest-free loans to ensure that the garment manufactures in Tirupur do not leave Tamil Nadu, Velumani said.



Velumani said the previous AIADMK regime brought multiple infrastructure projects to Coimbatore, but the DMK was not even laying proper roads. “The Avinashi–Athikadavu scheme should be commenced immediately,” he said.

Earlier, he held a meeting with AIADMK workers at the party office. Velumani said they discussed about reasons for the party’s defeat in the Lok Sabha elections and strategies to be adopted for winning 2026 assembly polls. “We will win the 2026 polls for sure,” he said.

[Home](#)

GLOBAL

ICE Cotton Falls As Dollar Strengthens & Global Demand Wavers

ICE cotton continued its downward trend for the second consecutive day yesterday. A stronger dollar index and geopolitical conditions contributed to weakness across commodities, including cotton. Concerns about cotton demand in Bangladesh and China also dampened market sentiment.

Yesterday, the ICE cotton December contract settled at 67.30 cents per pound (0.453 kg), down 0.48 cent. It remained under pressure due to pessimistic conditions. US cotton has seen a loss of 225 points in the last five trading sessions.

Yesterday, the dollar recovered against most major currencies from lower levels. The reversal in the dollar brought stability to financial markets but exerted pressure on agricultural commodities.

The trading volume yesterday was 26,764 contracts, with 38,580 contracts cleared, indicating active market participation. Open interest, which had seen 21 consecutive increases adding 22,664 contracts, dropped by 4,496 contracts over the past three sessions, bringing it to 226,861 contracts, down by 2,876 yesterday. The drop in open interest might be due to some profit-taking from record short positions.

Certified cotton stocks remained unchanged at 18,991 bales, providing stability in available inventory.

On the weather front, Hurricane Debby poses a concern for cotton growers in Georgia and the Carolinas, though only minor damage is expected. The highest risk from the hurricane is flooding in low-lying areas, but growers remain optimistic due to generally favourable weather conditions and healthy-looking crops.



Traders expressed concerns about the situation in Bangladesh, which could impact cotton prices. Bangladesh is a significant market for cotton. While political unrest may affect demand, it is too early to confirm this.

Markets are waiting for stability around the world, with a major focus on economic issues. Demand remains weak, and traders are awaiting the US Cotton export sales report due tomorrow.

On Wednesday, ICE cotton for December 2024 was traded at 67.18 cents per pound, down 0.12 cent. Cash cotton settled at 61.70 cents (down 0.35 cent), the October contract at 66.20 cents (down 0.35 cent), the March 2025 contract at 68.94 cents per pound (down 0.01 cent), the May 2025 contract at 70.14 cents (down 0.03 cent), and the July 2025 contract at 71.05 cents (down 0.03 cent). A few contracts remained at the same level as the last closing, with no trading noted today.

[Home](#)

Form Interim Bangladesh Govt, Restore Order, Economic Activities: DCCI

The Dhaka Chamber of Commerce and Industry (DCCI) recently called for immediate lawful formation of the interim government in Bangladesh and steps to restore law and order in Dhaka and around the country to restore normal economic activities at the soonest possible.

"We request all concerned to take necessary measures to this end," a DCCI statement said.

Economic operations have been significantly hampered due to the unrest, it noted.

"The recent anarchy has taken huge toll on our lives and economy, disrupting living and economic conditions. Unless measures are effective, supply chain disruptions will cause further damage to public sufferings," read the statement.

Voicing concern over the destruction, torching and vandalism targeting industrial and commercial establishments, business leaders urged the chief of army staff Gen. Waker-Uz-Zaman to ensure the security of business premises.

International Chamber of Commerce, Bangladesh (ICCB) president Mohammad Mahbubur Rahman stressed the need for putting an end to the destruction caused by miscreants.



Many garment factory owners are hesitant to open their units, especially in Ashulia, Bhaluka and Narayanganj.

Meanwhile, the Ethical Trading Initiative, a platform of trade unions, non-governmental organisations and companies, urged global buyers to appreciate the consequences of transitions and factory shutdowns amid the recent unrest and remain engaged with Bangladesh suppliers.

Both sides should work together to prioritise worker safety, especially of those commuting to and from work, an ETI statement said.

Companies should also adjust their expectations and purchasing practices to suit these unique circumstances, ensuring that order adjustments were practical and aligned with responsible purchasing practices recommended by the ETI, it added.

“We continue to urge calm and urge all sides to come together peacefully so we can jointly move past this crisis. It is imperative that full democratic institutions be maintained and stability be assured; these are key steps in supporting the lives and livelihoods of Bangladeshi citizens and ensuring short term disruptions will indeed be temporary,” *American Apparel & Footwear Association (AAFA) president and chief executive officer Steve Lamar* said.

[Home](#)