LETTER

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News Highlights

NATIONAL

Handloom Industry Focused On Sustainability, Energy Efficiency: Singh

The 10th National Handloom Day, celebrated yesterday at Vigyan Bhawan, New Delhi, highlighted the growing emphasis on sustainability and energy efficiency within India's handloom industry. Minister of Textiles Giriraj Singh underscored this focus, pointing out that the industry is not only a vital part of the nation's cultural and economic fabric but also a leader in producing environment-friendly goods. The event, inaugurated by Vice President Jagdeep Dhankhar, also showcased the government's ongoing efforts to enhance the textile value chain, thereby improving income opportunities for the predominantly women-led workforce.
In his address, Vice President Dhankhar underscored the importance of promoting handloom products as part of Prime Minister Narendra Modi's ‘Be Vocal for Local’ campaign. He stressed that handloom products are essential not just for India's economic growth but also for the global movement towards sustainability in the face of climate change. "Promoting handlooms is the need of the hour, the need of the country, and the need of the planet," Dhankhar stated, emphasising economic nationalism as a pillar for India’s economic independence.

Textiles Minister Giriraj Singh spoke on the industry's commitment to sustainability and energy efficiency. He pointed out that India's handloom community is the largest in the world, producing goods with a zero-carbon and zero-water footprint. He also highlighted the government’s efforts, under Prime Minister Modi’s guidance, to enhance the textile value chain, thus improving income opportunities for weavers and their families. "Seventy per cent of our handloom weavers are women, making this a truly women-led industry," Singh noted.

As part of the celebrations, the Vice President conferred the prestigious Sant Kabir and National Handloom Awards to outstanding weavers. Additionally, the award catalogue and a coffee table book titled ‘Parampara - Sustainability in Handloom Traditions of India’ were released. Various activities, including exhibitions, workshops, and social media campaigns, are being organised across the country to honour the handloom sector and generate awareness about its contributions, the Ministry of Textiles said in a press release.

The ‘VIRAASAT’ exhibition, currently underway at Handloom Haat, Janpath, is one of the highlights of this year’s celebrations. The exhibition showcases handloom products from various exotic locations across India, providing weavers and artisans a platform to directly engage with the market. The event also features live loom demonstrations, workshops, and cultural performances, further enriching the experience for attendees.

The National Handloom Day, first celebrated on August 7, 2015, was established to commemorate the Swadeshi Movement launched in 1905, which played a pivotal role in promoting indigenous industries. The government of India continues to support and empower the handloom sector through various schemes, ensuring the sustainable development of this culturally rich industry and instilling pride in the craftsmanship of India's weavers.

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Bangladesh crisis: Why India's textile industry can grow during Muhammed Yunus' interim government

Indian yarn exports to Bangladesh could grow by 10% to 12% in the coming months, with Nobel laureate Muhammed Yunus forming an interim government on Thursday, say analysts.

Bangladesh's textile industry is a significant sector of its economy, accounting for 80% of its exports and 15% of its GDP. The country primarily exports textiles to the European Union, the United States, Canada, Australia, and Japan.

India has been a significant export partner, accounting for 20%-25% of the yarn that Bangladesh imports for manufacturing garments.

Also Read | Bangladesh news LIVE: Interim PM Yunus to return to Dhaka, take office today

“We are currently in August. So maybe from September to November, around two to three months, our exports could rise maybe by lower double digits, around 10%-12%,” Deepak Jasani, Head of Retail Research, HDFC Securities, told *LiveMint*.
Bangladesh's situation benefits India's garment industry by making it the main alternative for countries importing from Bangladesh. However, the fate of India's yarn industry now depends on which party wins the elections in Bangladesh following the fall of Sheikh Hasina's government.

Hint of caution

“There is nothing to be too excited about. The only thing is that companies will get the advantage of operating leverage, and their margins will expand. But this would be temporary,” said Deepak Jasani, while mentioning that no major reforms would be taken during the interim government's tenure.

Jasani added that there continues to be a reason for worry, as uncertainties remain on how much exports would take place.
Also Read | ‘Convinced her to leave, mob would have…’: Sheikh Hasina’s son

Against this backdrop, textile stocks, including Vardhman Textiles, Nitin Spinners, and Precot, experienced a decline ranging from 6.25% to 0.13% in intraday trading today. The fate of these companies depends on whether India can divert its exports to some other countries, as Bangladesh has been a reliable trading neighbour for India under the Awami League, said the analyst.

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India set for export order increase on the back of Bangladesh turmoil

Read more at : https://m.economictimes.com/industry/cons-products/garments-/-textiles/india-set-for-export-order-increase-on-the-back-of-bangladesh-turmoil/amp_articleshow/112379065.cms

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Empowering Ginners to produce Kasturi Cotton Bharat brand

Kasturi Cotton Bharat programme of Ministry of Textiles is a pioneering effort in traceability, certification and branding of Indian cotton.

Kasturi Bharat initiative, a collaboration between the Government of India, trade bodies, and industry, was formalized with a budgetary support of Rs. 30 crore including Rs.15 crores from Trade & Industry Bodies through a MoU signed on15.12.2022 between Cotton Corporation of India on behalf of Government of India, Ministry of Textiles and The Cotton Textiles Export Promotion Council.

To provide complete traceability of Kasturi Cotton Bharat tagged bales across the supply chain, QR based certification technology is being used at each stage of the processing and a Block-chain based software platform will provide end to end traceability and transaction certificate. In this regard, Microsite with QR code verification and BlockChain technology have been developed.

The Kasturi Cotton Bharat programme is operational at the national level and its promotion is being made at national and international platform. Hence, the allocation of funds is not at state level.

The implementation of Block chain Technology under the Kasturi Cotton Bharat program is designed for stakeholders across the entire Indian cotton value chain including Andhra Pradesh.

All the ginners in the country including Andhra Pradesh have been empowered to produce Kasturi Cotton Bharat brand as per stipulated protocol and about 343 modernised ginning and pressing units including 15 ginning and pressing units of Andhra Pradesh have been registered so far for participating Kasturi Cotton initiative and about 100 bales of Andhra Pradesh have been certified under Kasturi Cotton Bharat brand.

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India can be a $55 trillion economy by 2047 with 8% real growth, says IMF Executive Director

“India can be a $55 trillion economy by 2047 as we are targeting 8% real growth and 5% inflation,” said Krishnamurthy V. Subramanian, Executive Director, International Monetary Fund & Former Chief Economic Advisor, Government of India.

“To put this further into perspective, Japan experienced remarkable economic growth from 1970 to 1995, demonstrating the power of sustained development. The compounding effect on GDP growth means that each year of growth builds on the previous year’s achievements, creating exponential progress. China’s economic growth since 2007 offers a similar comparison, highlighting how strategic investments and policies can lead to significant long-term economic gains,” he said during the launch of his book ‘India @ 100: Viksit Bharat 2047’. The event was organised by the Confederation of Indian Industry (CII), in Chennai on Thursday.

Mr. Subramanian further said, “The middle-income trap, a situation where a country’s growth slows after reaching middle-income levels, is a critical challenge we must address. Manufacturing growth and integration into global value chains are essential to overcoming this. State governments play a vital role in driving economic reforms to support these efforts,” he added.

He then said: “Additionally, it is important to clarify the employment data and job creation landscape in India. Despite various reports, our focus remains on creating sustainable and meaningful employment opportunities for all.”

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Today, India is far more resilient than what it was earlier, says RBI

Reserve Bank of India (RBI) Governor SHAKTIKANTA DAS, along with Deputy Governors MICHAEL DEBABRATA PATRA, SWAMINATHAN J, T RABI SANKAR, and M RAJESHWAR RAO, responds to a range of issues during a post-policy media interaction. Edited excerpts:

Will India’s growth and inflation projections be lowered if the Fed cuts rates?

Das: We will take into account all data, domestic and foreign, and deal with all emerging situations. Today India has improved its resilience vis-à-vis external shocks quite a bit. The country is far more resilient than what it was earlier. So we will have to wait for the incoming data and deal with the situation.

There was a study released by the RBI, saying the neutral rate had moved up and also you recently increased the liquidity requirements for banks through the liquidity coverage ratio (LCR). Is there a new normal when it comes to interest rates and liquidity, which is higher than earlier?

Das: With regard to the LCR, it’s a draft we have put in the public domain. We will get inputs from all stakeholders, including banks and other experts. Based on those, we will finalise our decision. It will not be correct to say that we have increased liquidity requirements … the matter is still being discussed. We are waiting for the inputs, which will come.

Rao: The governor has rightly indicated it is a draft circular at this stage and the LCR guidelines were issued in 2014. So it is time for a review, taking into account developments in technology, digitisation, etc. So all those have been factored in and the draft guidelines have been put in the public domain. We will wait for public comments and then take a call on what needs to be done.

Patra: The neutral rate is reflecting a better performance of the economy. The major driver of the neutral rate is potential growth and that has started to rise. So if you factor in the neutral rate, you will see the current level of the policy rate is probably exactly right.

You asked banks to mobilise more household deposits. So is that an indication that deposit rates should go?

Das: So far as deposit rates are concerned, it is for banks themselves to decide on these matters, which are part of their commercial decisions. Lending rates and deposit rates are deregulated. All that we have done is to say that the banks should use their branch network and come up with innovative product offers with regard to mobilising deposits.

In the statement you have said the disinflation process is uneven due to large and persistent supply shocks mainly due to food prices. Are you happy with supply-side management by government agencies?

Das: On supply-side measures there is constant engagement between the RBI and the relevant ministries. The government has been taking measures. I think last year in the Annual Report we gave a list of measures taken by the government to deal with supply-side issues in inflation, including food inflation. There is a long list given out in our Annual Report and the various ministries are attending to the situation. Surprises are there -- sudden rainfall and floods, etc. Even that is being discussed between the RBI and the government and the government has been taking steps.

There is a narrative about trading in futures and options affecting household savings. Can the fall in household savings be linked to that?

Patra: I would request you look at household savings from a perspective which is a little different. There does not seem to be much exposure to equities in household savings in the composition. There is a churn going on in precautionary savings that were made during the pandemic. Financial savings were high with no avenues to spend … that situation is being drawn down to more normal levels. One aspect of household savings is that. Another aspect is that there is a shift going on from financial savings to physical savings. People are buying more houses, etc. If you take both, household savings have stabilised at around 20 per cent. So I am seeing a return of normalcy in household savings behaviour.

Deputy Governor M D Patra said liquidity conditions reflected the RBI's monetary policy stance. In the last couple of months we have seen liquidity conditions swing and hence overnight rates are down by 25 basis points. So, how do we read the RBI's liquidity management in conjunction with the current stance, which has been unchanged all this while? And are the RBI's open market operations aimed at draining core liquidity?

Patra: Some time ago there was a peculiar liquidity situation where government balances were being built, spending was not happening, and liquidity had tightened. Now we see a better balance in liquidity conditions. The call rate is our operating target. It reflects the monetary policy stance and the stance is one of continuing to withdraw accommodation.

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RBI Monetary Policy Highlights: Shaktikanta Das delivers 'hawkish' pause; retains FY25 GDP growth, inflation forecast

The Reserve Bank of India today left its inflation forecast for this fiscal year unchanged at 4.5%, even amid caution on food price trajectory that may hurt core inflation and intensifying geopolitical tensions which poses threat to any comfort on crude prices easing to multi-month lows.

The central bank now sees inflation for Q2, Q3 and Q4 of this fiscal year at 4.4%, 4.7% and 4.3%, respectively. In the June policy, the monetary authority had pegged the inflation readings at 3.8%, 4.6% and 4.5% respectively. Inflation stood at 4.9% in the first quarter.

The RBI today also gave its inflation forecast for the first quarter of the next fiscal year, pegging it at 4.4%.

RBI MPC Rate Decision

RBI Governor and MPC Chair Shaktikanta Das said the Monetary Policy Committee may look through high food inflation if it is transitory but in an environment of persisting high food inflation, as we are experienceing now, the MPC can not afford to do so. "It has to remain vigilant to prevent spillovers or second round effects from persisting food inflation and preserve the gains made so far in monetary policy credibility," Das said.

"We have decided to focus on inflation and support price stability to ensure growth," Das said while announcing the policy decisions. Inflation is moderating, but the pace is slow, he said.

The Reserve Bank of India's (RBI) Monetary Policy Committee in four-to-two majority decided to keep the repo rate - key lending rate- unchanged at 6.5% for the ninth time in a row. The rate-setting panel, again with four-to-two majority, also left the policy stance unchanged with focus on withdrawal of accommodation.

The decision comes as the Monetary Policy Committee meets a final time before the exit of its external members, marking the first of several key policymaker changes in the coming months. This reshuffle could alter the recent split within the panel, where two of the six members voted for a rate cut, arguing that high inflation-adjusted real rates could harm the economy's growth prospects.

The decision to leave rates unchanged also comes amid near-certain speculations that the Federal Reserve may cut rates in September as weak jobs data sparked debate about the world’s largest economy facing threats of recession.

Nonetheless, RBI’s decision should be based on the bountiful rains the swathes of India’s farm land received in recent weeks and other domestic factors if we are to believe that Governor Shaktikanta Das is sticking to his stance of not towing the developed world in monetary policy making.

RBI Governor: Inflation on declining trend, but...

While India's growth remains strong, inflation is on a declining trajectory, Das said, adding that core inflation moderated to historic lows in May and June.

However, while fuel group remained in disinflation, the expected moderation in headline inflation in 2Q of this FY on account of favourable base may reverse in the coming quarters, the governor said. In the third quarter, India has a substantial advantage that may pull down the inflation number but the base effect will wear out going ahead, he added.

Continuing food price shocks slowed the process of disiflation in the first quarter of 2024-25. There is also a significant difference between overall inflation and core inflation. This raises the question of how much attention the MPC should give to food inflation, Das added.

"While core inflation is benign, the stubborn food inflation poses the risk of second round effects and there requires constant vigil. Thus, policymakers are in no rush to lower their guard as of now. Trajectory of domestic food inflation and evolving path of the Fed rate are the key monitorables in the near-term," said Kapil Gupta, Executive Director- Research, Nuvama Institutional Equities.

RBI Inflation Target

The RBI has an inflation target of 4% (with a leeway of 2 percentage points on either side). The country's retail inflation was closest to the 4%-mark last in January 2021 at 4.06%.

Das had earlier referred to inflation pain as the ‘elephant in the room’, which he had said had left for the jungle.

However, inflation remains a major concern for the world’s most-populous country. Economists to policymakers have indicated the threats of price pains that continue to singe the budget of households in a country where experts have flagged a K-shaped recovery and growing income inequality.

India's retail inflation rate in June accelerated for the first time in five months to 5.08 per cent from 12-month low of 4.75 per cent in the previous month due to increase in food prices.

MPC Meet: Food prices remain a wory

Food inflation which accounts for around half the overall CPI basket, increased to 9.55 per cent in June from 8.69 per cent in May and 4.55 per cent in June 2023. Vegetable prices jumped 27.33 per cent. Food prices have been increasing by over 8% year-on-year since

November 2023.

India's inflation index is heavily influenced by food prices, as a significant portion of the population spends most of their income on food.

Experts had earlier indicated that a higher food inflation number could keep overall inflation from declining significantly.

Prices of key vegetables such as onion, tomato and potato have risen and a Crisil analysis recently showed the cost of a veg thali in India rose 11% sequentially in July.

Concerns persist regarding the impact of weather variations on inflation and economic stability.

The RBI in its latest annual report had said that the increasing incidence of climate shocks imparts considerable uncertainty to the food inflation and overall inflation outlook.

While India received higher than normal rainfall for several regions in July 2024, the India Meteorological Department also forecast above average rainfall for the second part of monsoon.

However, several major foodgrain-producing states remain in significant deficit. As La Niña takes precedence, excessive rainfall could lead to crop losses and negatively impact food prices, according to an SBI Research report.

"A degree of relief in food inflation is expected from the pick-up in the south-west monsoon and healthy progress in sowing. Buffer stocks of cereals continue to be above the norms," Das said today.

“Despite an above-normal monsoon so far (6.4% above the Long Period Average as of 4th August), the overall risk of food inflation remains high due to highly uneven rainfall in the first half of the monsoon season,” CareEdge had said ahead of the monetary policy decision.

Food inflation has remained above 6% for the past year, averaging 8%. Further supply-side shocks could keep inflation high, destabilising expectations, it said. Adequate rainfall in deficit regions is crucial for sowing activities. Hence, monitoring the timing and distribution of the monsoon is essential.

In addition to the risks to food inflation, recent telecom tariff hikes by major mobile service providers, ranging from 10-25%, will exert upward pressure on core inflation.

However, crude oil prices hit an 8-month low recently amid U.S. recession fears and Middle East geopolitical tensions.

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India's July inflation 'dipped' below RBI target, high base effect at play

India's consumer price inflation likely eased in July to below the Reserve Bank of India's 4.0 per cent 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 per cent, 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 per cent last month, down sharply from 5.08 per cent in June.

Forecasts for the data, due Aug. 12 at 1200 GMT, ranged widely from 2.85 per cent to 5.30 per cent, 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."

While the expected slowdown in price rises would give the RBI some relief, several economists surveyed said the fall was probably temporary as a weak rupee and still-high food prices would keep inflation elevated in the near term.

A separate Reuters poll showed inflation easing to 4.0 per cent this quarter before averaging 4.7 per cent-4.8 per cent in coming quarters, suggesting the RBI would not change its policy stance over just one month's data.

The RBI will keep interest rates steady for a ninth straight meeting on Aug. 8, and only a slim majority of economists in a separate Reuters poll expected the first rate cut next quarter.

"The MPC (Monetary Policy Committee) will likely look through this sub-4 per cent print as it focuses on the inflation outlook...to assess whether inflation is moving durably towards the target," said Shreya Sodhani, regional economist at Barclays.

"We expect the MPC to remain on hold in the upcoming meeting. We maintain our forecast of an RBI rate cut in December, but note the risk of a delay if inflation does not progress in line with the RBI's expectations."

Core inflation, which excludes volatile items like food and energy, was forecast to be 3.20 per cent in July, according to the median estimate from a smaller sample of 17 economists.

The Indian statistics agency does not publish core inflation data.

Wholesale price index-based inflation likely eased to an annual 2.39 per cent last month, from 3.36 per cent in June, the survey showed.

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RBI Monetary Policy: RBI leaves inflation projection for FY25 unchanged at 4.5%

Read more at : https://m.economictimes.com/news/economy/indicators/rbi-monetary-policy-rbi-leaves-inflation-projection-for-fy25-unchanged-at-4-5/articleshow/112363482.cms

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Bangladeshi Turmoil May Give India's RMG Exports $250M Monthly Boost

Approximately 10% of Bangladesh's **ready-made garment (RMG) exports** might be redirected if the country continues to experience **political and social turbulence**, a Thursday report by **CareEdge Ratings,** a knowledge-based analytical group revealed.

This shift could open up export opportunities valued at $200-250 million per month for India's RMG industry in the short term, with potential growth to $300-350 million in the medium term.

The potential shift has a historical precedent: after a decline in China's global ready-made garment (RMG) export share beginning in 2015, countries such as Bangladesh and Vietnam captured a significant portion of the market.

"The socio-political uncertainties prevailing in Bangladesh may result in global RMG brands and retailers with a significant presence in Bangladesh diversifying their sourcing for meeting their delivery schedules, especially if the crisis persists for more than a quarter," the report stated.

India is poised to benefit from this transition, potentially capturing 6-8% of Bangladesh's monthly export orders in the near term and about 10% in the medium term, the statement noted.

The report further emphasised that given its current capacities, India could boost its RMG exports by 20-25%.

Meanwhile, India's exports of ready-made garments increased in FY22 and FY23 following a decline during the pandemic, according to data from the commerce ministry.

However, these exports fell in FY24 as global brands and retailers reduced excess inventories and postponed orders due to high inflation and rising interest rates in Europe and the US.

Bangladesh's ready-made garment (RMG) exports in FY24 were 3.2 times greater than those of India, based on figures from the Bangladesh Garment Manufacturers and Exporters Association.

However, this disparity decreased to about 2.5 times in Q1FY25, suggesting that India was capturing a greater market share at the expense of Bangladesh.

The CareEdge report stressed that this transition was not only due to the socio-political upheaval in Bangladesh but was also buttressed by various initiatives aimed at bolstering the competitiveness of India’s RMG exports.

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BGMEA Faction In Bangladesh Demands Dissolution Of Board Of Directors

A faction of members of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday demanded the dissolution of the current board of directors, saying it lacks confidence in the board due to the controversial roles of its members during the recent student movement for job quota reforms.
In a memorandum to the current board, the faction, led by former BGMEA vice president Faisal Samad, alleged that S M Mannan Kochi, president of the current board, had opened fire on protesting students on August 4.

The faction called for the appointment of an interim, honest, efficient and non-political board, domestic media outlets reported.

"…An attempt of a hostile takeover of the current BGMEA board was made by a group of members from the FORUM Panel and unidentified individuals during the most vulnerable period of the country when the economy was going through a massive reformation with unstable law and order," BGMEA said in a statement soon after.

"Preparators were seen to engage in violent behavior, including toppling the security gate, getting into fist fights and unlawfully demanding the takeover of the current board," the statement claimed.

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Bangladesh's Garment Industry Resumes Operations Amid Political Unrest

Despite the recent political unrest in Bangladesh, the country's vital readymade garment (RMG) industry is gradually resuming operations, with factory owners expressing cautious optimism about the future. Key stakeholders in the industry have shared their perspectives on the current situation and its potential impact on garment production and international trade.
Ahammed Ali Babu, director of marketing & merchandising at Blue Planet Group, confirmed that garment factories under their management have resumed operations as of today. "All is now under control and hope will continue smoothly," *Babu told Fibre2Fashion*, signalling confidence in the stability of the situation.

Similarly, SiATEX (BD) Limited, another significant player in the industry, has reported a return to normalcy. "Please note here, everything is under control, and all garment factories are open and working!" said *Anupam Dutta*.

However, the political scenario's impact on the industry cannot be ignored. *Raihan Mahmud, owner of Tex Garment Zone*, a major player in the apparel sector of Bangladesh, highlighted concerns despite resuming operations. "Yesterday we found worker attendance at 80 per cent after remaining closed from August 5 to 6," *Mahmud told F2F*. He expressed concerns about the long-term implications if the unrest continues, noting that buyers are currently understanding but have requested extra efforts to ensure timely deliveries.

Mahmud further stated, “If the situation continues, long term order placements might be uncertain, and they may shift orders to Pakistan, India and China. We hope interim government will be established today and they will make sure enough security for all factories and restructure the administration.”

As the political situation evolves, the resilience of Bangladesh’s garment industry will be put to the test, with its ability to maintain production and meet international demands hanging in the balance.

The RMG industry is vital for the country as it accounts for 80-85 per cent of its foreign exchange earnings.

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Mozambique Cabinet Approves Resolutions On AfCFTA Agreement

Mozambique’s cabinet recently approved two resolutions on the country’s tariff offer for the implementation of the agreement creating the African Continental Free Trade Area (AfCFTA) and the national strategy for its implementation.
The resolutions will allow Mozambique to access the AfCFTA Adjustment Fund.

The fund aims at assisting parties in implementing the AfCFTA agreement and limiting possible negative impacts, a government communiqué said.

It will also allow Mozambique to start using the Pan-African Payment and Settlement System (PAPSS), which will be made available jointly by the African Export-Import Bank (Afreximbank) and the AfCFTA secretariat to be used by African companies in intra-African commercial transactions, domestic media outlets reported.

Mozambique will be part of the Guided Intra-African Trade Initiative for Goods, which aims at creating opportunities in the continent through economic operators from countries that have already submitted their tariff offers and are carrying out commercial transactions.

Despite the progress made, it would take time to fully implement intra-African trade, AfCFTA secretary general Wamkele Mene said a few weeks back.

Launched in 2018 and approved a year later, the African free trade agreement came into force at the beginning of 2021 and covers a market with more than 1.3 billion consumers.

The treaty eliminates customs duties on 97 per cent of goods traded between African countries, liberalises trade in services and improves regulatory and trade infrastructures.

Forty seven of the 54 members of the African Union have ratified the agreement. The seven countries yet to ratify are Benin, Liberia, Libya, Madagascar, Somalia, South Sudan and Sudan. Eritrea doesn't agree with the creation of the AfCFTA.

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Nigeria To Revive Textile Industry, Vice President Tells ICAC Mission

Nigeria plans to revive its textile industry to boost job creation, vice president Kashim Shettima recently told a visiting delegation from the International Cotton Advisory Committee (ICAC).
He assured the delegation about the government's conscious efforts to harness opportunities in the cotton value chain, including ensuring that the country regains its ICAC membership.

The delegation was led by ICAC executive director Eric Trachtenberg, who said ICAC would tap into the potential of Nigerians.

"You have low-cost labour, you have market access to AGOA, and to the economic partnership agreements with the European Union, you have a lot of really talented people and very forward-leaning government officials," he was quoted as saying by domestic media outlets.

At the meeting, comptroller general of the Nigerian Customs Service Adewale Adeniyi promised to tackle smuggling and support the revival of the textile industry.

Governor Babajide Sanwo-Olu of Lagos state, also a meeting participant, stressed on the need for Nigerians to patronise domestic cotton instead of imported ones.

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ASEAN On Track To Turn World's 4th Largest Economy By 2030: AEC

The Association of Southeast Asian Nations (ASEAN) is on track to turn the world's fourth-largest economy by 2030 from the fifth now, with the bloc's gross domestic product (GDP) rising by 51 per cent to $3.8 trillion in 2023 compared to $2.5 trillion in 2015, according to ASEAN Economic Community (AEC) deputy secretary general Satvinder Singh.
The projection was reinforced by regional trade, which rose to $3.5 trillion in 2023 from $2.3 trillion in 2015, he told a conference in Kuala Lumpur.

The 'Vision 2024: Age of ASEAN" conference was jointly organised by Malaysia's ministry of investment, trade and industry (MITI), the ASEAN Business Advisory Council and the Boston Consulting Group.

ASEAN is one of the few regions in the world where the bloc's trade is almost as large as its GDP, he noted. The biggest component of trade is not its trade with China or the United States, but intra-Asian trade worth around $800 trillion.

In the Global South, ASEAN is the largest recipient of foreign direct investment (FDI), totalling about $230 billion now, he was cited as saying by regional media reports.

Global supply chain of companies with low carbon footprints and high-value activities is more likely to be in ASEAN countries in future, he said.

But a marginal rise in ageing workers and a fall in the number of young workers in the bloc is a concern, he added.

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