LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

19th AUGUST 2024

News Highlights

NATIONAL

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Home

In need of a booster dose

In several of his speeches at election rallies prior to the general election, Prime Minister Narendra Modi underlined a key economic prospect—that India would become the third largest economy in the world quite early in his third term. Modi, who had won the election twice before for the Bharatiya Janata Party (BJP) on the promise of a stronger economy and business-friendly policies, felt that glossy figures regarding India's economy still resonated with the masses. The election, however, proved that Indian voters were concerned about a host of pressing issues, not least of which were the dearth of jobs and high prices. The BJP subsequently won fewer Lok Sabha seats than it expected to, making it dependent on allies to form the government. But that hasn't stopped Modi from showcasing India's strides on the economic front, or even saying the country is on track to becoming a developed nation. "When India celebrates 100 years of Independence (in 2047), we will do so as a developed country," he told industry honchos in Delhi in a post-budget interaction on July 30. "Today, India is the fifth largest economy in the world. The day isn't far when India will become the third largest in the world."

Home

India's GDP sees sharp growth trajectory; a look at the progress from 1947 to 2023

IMF Deputy Managing Director Gita Gopinath recently noted that India's economic performance exceeded expectations for FY24 and is projected to become the world's third-largest economy by 2027. Her comments follow the IMF's update to its 'World Economic Outlook' report, which raised India's growth forecast for the financial year 2024-25 to 7%, up from 6.8%. This revision is attributed to strengthening private consumption, especially in rural areas.

Since gaining independence in 1947, India has undergone a remarkable economic transformation, with its Gross Domestic Product (GDP) evolving from a modest figure to the fifth largest economy in the world, after US, China, Germany and Japan. On the 78th Independence Day, Prime Minister Narendra Modi, addressing the nation from the ramparts of the Red Fort, said that the government is committed to “big reforms” that will accelerate growth and progress.

President Droupadi Murmu in her speech on the eve of Independence Day said that with its current trajectory, India is poised to be one of the top three economies soon. “From 2021 to 2024, India has been among the fastest-growing major economies, with an average growth rate of 8% annually. This has not only put more money in the hands of people, it has also drastically reduced the number of people living below the poverty line,” she said.

In the last quarter of FY24, India’s GDP grew by 8.2% to Rs 47.24 lakh crore, according to data from the Ministry of Statistics and Programme Implementation and the National Statistical Office.

From Independence to agricultural revolution

India’s economic trajectory since independence has been a complex tapestry of challenges and triumphs. Immediately post-1947, the nation grappled with the aftermath of partition, widespread poverty, and a low agricultural productivity. These factors, coupled with a centrally planned economy, constrained GDP growth.

The 1950s and 60s witnessed a focus on heavy industries and import substitution, but the results were mixed. While the foundation for industrialization was laid, growth remained sluggish. The Green Revolution in the 1960s did boost agricultural output, but overall economic performance was lacklustre.

India’s GDP growth was 3.7% in 1961, and five years later, it nosedived to -2.6%, rising again two years later in 1967 with a growth rate of 7.8%, according to the World Bank.

In 1975, India’s GDP growth rate was 9.1%, and three years later in 1979, India’s GDP fell to -5.2%. A year later, it rose to 6.7%.

It again dipped to 4% in 1987 and rose to a massive 9.6% in 1988.

Liberalisation and Growth: 1991-2000

The early 1990s marked a turning point for India's economy. The liberalisation reforms initiated in 1991 led to a more open market economy, deregulation, and an increase in foreign investment.

In 1991, India's GDP was 1.1% and a year later it rose to 5.5%. In 1999, the growth rate was 8.8%.

India's economic growth accelerated in the early 2000s. The country emerged as a major player in the global economy, with robust growth in IT services, telecommunications, and manufacturing. During this period, India became one of the world's fastest-growing major economies.

In 2000, the growth rate was 3.8%, and in 2003, it was 7.9%, in 2006 it was 8.1%.

The 2008 recession

The global financial crisis of 2008 significantly impacted India's economy, but the country remained resilient, avoiding a negative growth. GDP growth stood at 3.1% during the crisis. By 2010, growth rebounded to 8.5%, and it was 7.4% in 2014.

India's growth story in last 10 years

India's GDP growth rate was 8% in 2015 and 8.3% in 2016. However, growth declined over the next four years, culminating in a significant slowdown due to the COVID-19 pandemic in 2020, which saw a contraction of -5.8%. The economy rebounded strongly with a growth rate of 9.7% in 2021, and the GDP growth rate was 7.6% in 2023.

Home

A new frontier for disputes under GST

Emboldened with “One Nation, One Tax”, establishing the goods and services tax (GST) regime marks a climatic transformation in India’s taxation landscape, earmarking the most significant indirect tax reform in history. Having a revitalised impact on the Indian economy and an accelerated fiscal consolidation, the introduction of GST has fostered a more unified and robust economic environment.

Since its inception, GST has triggered a wave of litigation; yet the government has adeptly navigated these proactively through extensive democratic deliberations with the GST Council. Indeed, collaborative efforts have facilitated resolving some of the trickiest issues, often through administrative circulars and legislative amendments. While other litigious issues in GST have been addressed with relative efficacy, related-party transactions (RPTs) have been an area that continue to remain unsettled for years on end.

RPT under the GST law has a wide coverage since it is considered as deemed supply, even if no consideration is attached to it. Thereby, any transaction with a related party is within the scanner of the GST law. To aggravate the situation, the definition of related party is widely worded to cover relationships which are based on control, employment status, control by third person, and family relations. This again gives another wide coverage to the scope of RPT.

Interestingly, the erstwhile service tax law did not recognise RPT for the purpose of levying service tax. Thus, taxpayers never faced service tax levy on RPT. It is also widely known that the erstwhile service tax law formed the basis of the GST law, which has borrowed most of the concepts from it.

The absence of provisions on RPTs under the erstwhile service tax law could be one of the key reasons for the far from ideal RPT provisions under the GST law. This situation exacerbates further, since service is intangible in nature and is difficult to envisage a transaction between related parties in the absence of any concrete documentation.

However, comparing with transfer pricing (TP) provisions under the income tax law, RPT is well-defined with a complete valuation framework. It is also supplemented with a range of domestic and international jurisprudence as well as rich soft law. This augurs well for taxpayers, as the availability of a settled principle leads to effective implementation and certainty. Thus, identifying service-related transactions within the domain of TP provisions is simple, given its framework.

The lack of clear RPT provisions under the GST law has wide ramifications, as it results in any transaction potentially being classified as an RPT with GST implications on it. Complexities in this context arise, especially on the valuation front, since some transactions may not go through the rigours of open market value.

Amidst the tax authorities deeming every transaction between related parties as "supply", the apprehension within the industry has become quite palpable. The industry was notably taken aback by the imposition of GST on corporate guarantees offered without consideration. After an era of uncertainty, this has finally attained certainty after the Central Board of Indirect Taxes and Customs clarified that the valuation will be 1% of the guaranteed amount or the guaranteed fees.

However, unlike tangible corporate guarantees, valuing transactions involving intangible assets like trademarks, patents, and copyrights between related parties is an even more complex challenge. Tax authorities have scrutinised transactions concerning the use of logos or brand names owned by a holding company but used by subsidiaries without payment.

A case in point is the recent news about Mahindra & Mahindra being served a GST notice for the use of the "Mahindra" brand name by various group companies despite there being no agreement or consideration for the practice. Such transactions are very common for business conglomerates.
This development comes against the backdrop of the pre-show cause notice issued to information technology giant Infosys on transactions with its overseas offices. These demand notices have opened a Pandora's box and have serious repercussions. Numerous multinationals may face scrutiny and potential GST demand in the coming days. The absence of any methodology in the current GST framework in determining open market value would result in disputes, which is not desirable.

Given the widened ambit of the GST framework and its encompassing definition of supply, many transactions have the potential to fall within its scope. Without definitive direction, taxpayers, especially MNCs, will continue to face uncertainty in ensuring compliance and accurately determining GST liabilities on RPT.

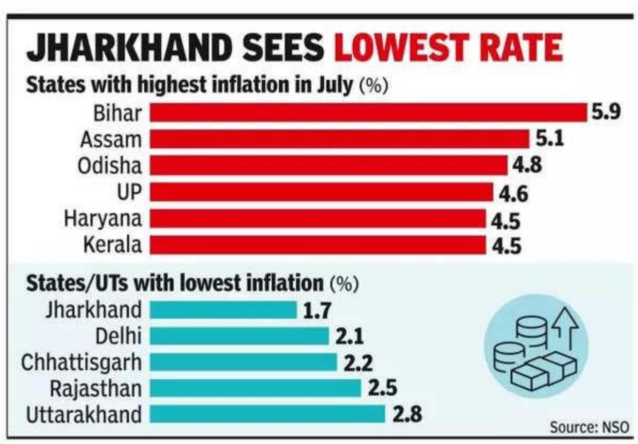
Clear guidelines to determine the open market value of services, including rules for benchmarking the transactions between related parties, are regardless the need of the hour. Addressing these ambiguities will naturally foster a predictable tax environment for the country, leading to a holistic good and simple tax regime.

With assistance from Lopamudra Mahapatra, associate, BMR Legal.

Home

At 5.9%, Bihar records highest inflation in July

Bihar recorded the highest inflation rate at 5.9% among states and Union territories in July, followed by Assam at 5.1%, while Jharkhand had the lowest rate at 1.7% during the month, latest retail inflation data showed.
Odisha, which had been witnessing stubborn price pressures, posted a rate of 4.8%, while Uttar Pradesh had 4.6%. Haryana and Kerala both recorded 4.5% inflation rates.
Out of the 22 states and Union territories for which data is published, 20 of them had an inflation below 5%.
This is below the Reserve Bank of India's upper tolerance band and a major relief from the inflationary pressures witnessed during past few months.
Latest data released by the National Statistical Office on Monday showed retail inflation softened to a near 5-year low in July, led by a moderation in vegetables, fruits and spices, and the impact of a statistical high-base effect.



Retail inflation, as measured by the consumer price index, slowed to a 59-month low of 3.5%, lower than the 5.1% in June and below the 7.4% recorded in July last year. Rural

inflation was at 4.1%, while urban was at nearly 3%. The food price index was at 5.4%, lower than the 9.4% in June.
States have been witnessing a variation in their inflation rates and also the rural-urban rates.
The Economic Survey for 2023-24 has said the rural consumption basket has a much higher weightage of food items (47.3%) than the urban (29.6%). "Hence, in the last two years, states that witnessed elevated food prices also experienced higher rural inflation. It is also found that the inter-state variation calculated through standard deviation is higher in rural than urban inflation. Besides, states with higher overall inflation also tend to exhibit a wider rural-to-urban inflation gap," according to the survey.
Experts expect RBI to cut interest rates, but it would depend on trajectory of food prices. "With comfort on growth in the backdrop, we continue to expect the MPC to maintain its anti-inflation posture until there is clarity on food inflation risks. A pivot towards easing is likely in the third quarter of FY25. We foresee 75 basis points of cumulative monetary easing in this cycle, out of which, 50 basis points could be delivered in the second half of FY25," economic think tank QuantEco said in a note.

Home

Commerce dept mulls options for key export schemes

Read more at:
https://m.economictimes.com/news/economy/foreign-trade/commerce-dept-mulls-options-for-key-export-schemes/articleshow/112611257.cms

Home

Investment proposals of ₹5.2L cr received: Govt

The state govt on Saturday said it has received investment proposals worth Rs 5.21 lakh crore in the run-up to the 'Rising Rajasthan' investors' summit, scheduled to be held from December 9-11, 2024. The proposals would generate around 1.55 lakh direct employment opportunities, it said.
The investment commitments, which have come within two weeks of the announcement of dates for the summit, amount to over 33% of Rajasthan's present economy, estimated to be Rs 15.28 lakh crore (at current prices) in 2023-24, a govt statement said.

The project proposals span sectors like solar manufacturing, cement, petrochemicals, iron and steel, healthcare, tourism, textiles and apparel, renewable energy, and green hydrogen, among others.

Industries minister Rajyavardhan Rathore said, “We are very excited with the tremendous response and support we have received from the investors so far. This is the result of the tremendous efforts of the Department of Industry for the last six to seven months to make Rajasthan an attractive destination for investment.”

Ajitabh Sharma, principal secretary (industries), said, “The tremendous enthusiasm of the investors shows the investor confidence in Rajasthan.”

Home

Sustainability standards to shape future of global trade; must take seriously: Welspun Living CEO & MD

Read more at:
https://indianexpress.com/article/business/sustainability-standards-to-shape-future-of-global-trade-must-take-seriously-welspun-living-ceo-md-9521257/

Home

Domestic exporters keep fingers crossed amid Mpox outbreak in Africa

Indian exporters are keeping their fingers crossed amid the outbreak of Monkeypox in Africa, as the continent is a crucial region for domestic exports.

According to exporters, though the spread of the disease is contained in certain countries, it would be a challenge, if it spreads to more nations.

"As of now, the spread is not rampant, but looking into the infection, the exporters are definitely concerned, hoping it will not spread," Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said.

Another exporter said that so far, there is no lockdown-like situation in the continent, and therefore, no payment delays are happening.

"But, we are keeping our fingers crossed," he said.

Think tank GTRI said the direct impact of the MPox outbreak on global trade has been relatively limited so far, though the situation warrants close monitoring.

Unlike the Covid-19 pandemic, which led to strict travel bans, the current MPox situation has not necessitated such drastic measures, Globe Trade Research Initiative (GTRI) founder Ajay Srivastava said.

However, "India must remain vigilant to the evolving situation. India should take precautionary measures to mitigate any potential disruptions in trade and ensure that its public health responses are well-coordinated to prevent the virus from impacting its economy," Srivastava said.

Currently, there are no reported cases of Monkeypox in India, even though cautionary measures will be put in place to prevent and control the spread of the disease, the Union Health Ministry said on Saturday.

In view of the World Health Organization (WHO) again declaring Monkeypox a public health emergency of international concern on August 14, a detailed review of the situation and the preparedness was taken last week by Union Health Minister JP Nadda at the meeting with the senior officials of his ministry.

In 2022, the WHO first declared the outbreak a public health emergency of international concern.

It was decided that as a matter of abundant caution, certain measures like sensitising the health units at all airports, seaports and ground crossings; readying the testing laboratories (32); gearing up health facilities for detecting, isolating and managing any case are put in place.

The WHO's declaration of 2022 was revoked in May 2023. Since 2022, it has globally reported 99,176 cases and 208 deaths due to Monkeypox from 116 countries.

The bilateral trade of India with Africa grew by 9.26 per cent in 2022-23 to about $100 billion. The exports stood at $51 billion, while imports were $47 billion.

Both sides are looking at taking the trade to $200 billion by 2030. India's exports to Africa are dominated by crude oil and pharmaceutical products, accounting for nearly 40 per cent of the total exports into African markets.

Primarily, Africa exports raw materials like crude oil and minerals, gold, copper, and cashew nuts to India and imports refined petroleum, pharmaceutical products, vehicles, and telecom equipment.

Home

Two major export promotion schemes likely to get extension

Two important export promotion measures–the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme and the Interest Equalisation Scheme (IES)--are likely to be extended to help exporters retain their competitiveness in a choppy global market, sources said.

The RoDTEP scheme, under which all embedded input duties and taxes paid during manufacture of an exported product are reimbursed, is valid only till September 30, 2024. But it is now set to be extended for all 10,000 plus product lines that are currently covered under it.

“The extension of RoDTEP is likely to be at least for the fiscal year 2024-25 and may even be beyond it depending on funds,” an official tracking the matter told *businessline*. Certain iron and steel items not covered under RoDTEP are likely to continue to be excluded.

A meeting of the Quarterly Monitoring Committee for RoDTEP and the RoSCTL schemes headed by the Finance Secretary will take place soon where a call will be taken on RoDTEP extension and its duration, the official added.

“Our review suggests that if exports continue to grow slow, we can manage with available funds of Rs 16,075 crore for 2024-25. However, if there is substantial growth in exports we will need to ask for more funds. But we foresee some savings under RoSCTL,” the source said.

The RoSCTL or Rebate of State & Central Taxes and Levies scheme is for exports of made-up articles & garments, and is similar to RoDTEP scheme.

"Textile exports are almost flat this year so the10 per cent enhancement in outlay they got in the budget, of about Rs 800 crore, should be available for RoDTEP. But the decision has to be taken by the Finance Secretary-led committee," the source explained.

An early decision is also likely on extension of the interest equalisation scheme as it already lapsed for the 410 beneficiary sectors (non-MSME) on June 30 2024. Only a two-month extension was given to the MSME sector which will lapse this month-end. Under the scheme, loans are extended at a subsidised rate determined by the government to beneficiary exporters.

"A final note seeking extension of the interest subvention scheme, for all beneficiaries covered under the lapsed scheme, will be soon presented before the Expenditure Finance Committee and then to the Union Cabinet. The Commerce Department wants a five-year extension but a final decision will be taken by the EFC and the Cabinet.

Goods exports in the April-July 2024-25 period grew 4.15 per cent (year-on-year) to $144.12 billion while in July exports dipped 1.4 per cent to $33.98 billion affected by geo-political turmoil and increased protectionism.

Home

Govt pushes for extension of key export-boosting Rodtep and IES schemes

With exporters grappling with tepid external demand and other disruption to trade, the Department of Commerce is pushing for an extension of two export-boosting schemes — Remission of Duties and Taxes on Exported Products (Rodtep) and Interest Equalisation Scheme (IES) — beyond their expiry date.

While the IES is valid till August 31, the Rodtep scheme will end after September 30. A meeting between officials of the Department of Commerce and the Ministry of Finance regarding the schemes is expected to take place soon, a person aware of the matter said. While Rs 16,575 crore for FY25 .

Home

Bangladesh crisis slows down garment transshipment from Delhi

The recent political upheaval in Bangladesh temporarily halted the transshipment of ready-made garments via Delhi but after days of the logjam, the situation has eased.

Consignments that were stuck at the India-Bangladesh border are now en route to Delhi and the airport operator has chalked out plans for quick processing of goods for their re-export.

Cargo hub

Delhi Airport positioned itself as a leading transshipment cargo hub in the region after handling the first consignment of Bangladesh-origin cargo last February. In FY24, Delhi airport handled 13,000 tonnes of cargo from Bangladesh. The major export markets for Bangladesh-manufactured garments include France, the Netherlands, Spain, and the UK

The peak season for garment exports runs from August to December and then from February to March every year. Delhi Airport registered a 25 per cent growth in ready-made garment exports in the first quarter of FY25. These included exports from both India and Bangladesh. The increase was driven by a shift of some trade from sea to air due to the Red Sea crisis and an increase in Indian exports due to a shift of orders from Bangladesh.

However, volumes of Bangladesh-origin exports handled by Delhi airport decreased by 30 per cent in the April-June quarter compared to the January-March period. This was due to the lean season and ongoing situation in Bangladesh, Delhi International Airport Ltd (DIAL) spokesperson said.

"We are continuously in touch with our partners in Bangladesh and evaluating the situation. We are in touch with the Land Port Authority of India, Petrapole, West Bengal to help trade with streamlining of the supply chain disruptions," DIAL said.

The airport said it has chalked out plans for the swift processing of cargo upon its arrival in Delhi by road. Additionally, to manage increased volumes, the airport has installed two additional X-ray machines and opened extra truck docks.

Market impact

Garment production units in Bangladesh were shut down amid political protests in the country. A the *Financial Times* report on August 15 noted that global fashion brands shifted their orders from Bangladesh to other countries in South-east Asia fearing delivery delays ahead of winter retail season.

The Union Textile Ministry has also held discussions with Indian exporters about capitalising on business opportunities as brands seek to reduce their exposure to Bangladesh.

The recent protests have also disrupted air cargo movements from Bangladesh, leading to increasing processing times and rates. However, the situation is now improving.

"While we experienced some disruptions we've resolved them, and our operations are now running smoothly," said Tarun Patwary, country manager (Bangladesh) of global freight forwarder Kuehne+Nagel.

Home

Mpox in Africa: Exporters keep fingers crossed

Read more at: https://www.deccanherald.com/world/mpox-in-africa-exporters-keep-fingers-crossed-3154810

Home

10 major areas set for agreement in India-Australia trade negotiations

India and Australia are set to embark on the tenth round of negotiations for their Comprehensive Economic Cooperation Agreement (CECA) from August 19-22, 2024, in Sydney. This critical round marks a significant step in expanding the scope of their bilateral trade relations building on the existing Economic Cooperation and Trade Agreement (ECTA) that came into force in December 2022. With discussions already completed on four of the 19 policy areas, the upcoming talks aim to finalise more than 10 chapters, with a particular focus on enhancing market access in goods and services. Both nations are also keen to introduce new sectors, such as competition policy, MSMEs and critical minerals into the agreement signalling a deepening of their economic partnership.

Here are 10 key points from the reports on the ongoing negotiations for the India-Australia CECA:

1. Tenth round of negotiations: The tenth round of negotiations for the CECA between India and Australia is set to take place from August 19-22, 2024, in Sydney. This will be the first physical meeting since January.
2. Progress on chapters: Discussions on 4 out of 19 policy areas have been completed with significant progress on several others. The aim is to close negotiations on more than 10 chapters in this round.
3. Market access in goods and services: The upcoming negotiations will focus heavily on market access in goods and services building on the provisions of the existing Economic Cooperation and Trade Agreement (ECTA).
4. Inclusion of new areas: CECA aims to include new areas such as competition policy, MSMEs, innovation, agriculture technology, critical minerals and sports reflecting mutual interests of both countries.
5. Rules of origin and digital trade: Significant progress has been made in rules of origin and digital trade with visible convergence in areas like competition, innovation, labour, gender and environment.
6. Non-tariff barriers and market access: India is pushing for the removal of non-tariff barriers hindering the export of agricultural products to Australia. Additionally, India seeks to address pharmaceutical pricing controls particularly for generics.
7. ECTA as a foundation: The CECA builds on the ECTA, an interim pact implemented in December 2022, which provided zero-duty access to 98.3 per cent of tariff lines accounting for 96.4 per cent of India's exports to Australia.

8. Bilateral trade volume: The trade between India and Australia reached nearly $24 billion in 2023-24 with India exporting $7.9 billion worth of goods and importing $16.1 billion.
9. Stagnant trade growth: Despite the ECTA coming into force, there hasn't been a substantial increase in the exchange of goods with trade figures hovering around $25 billion since 2021-22.
10. Zero-duty access under ECTA: ECTA currently allows duty-free access to Indian exporters in over 6,000 sectors including textiles, furniture, jewellery, leather and machinery with further discussions expected to expand this under CECA.

Home

GLOBAL

S Korea unveils Textile and Fashion Industry Competitiveness Strategy

South Korea recently unveiled its Textile and Fashion Industry Competitiveness Strategy aimed at effectively responding to the rapid growth of the industrial textile market, the accelerating demand for eco-friendly transition led by advanced countries and the diffusion of digital transformation across all areas, including product planning, production and logistics.
Trade, industry and energy minister Dukgeun Ahn made the announcement while meeting representatives from domestic textile and fashion companies and experts at the Textile Centre in Seoul to discuss industry issues and future directions.

His ministry is focused on leveraging the strategy to nurture advanced industrial textiles, facilitate the eco-friendly transition of the textile and fashion value chain, diffuse the application of artificial intelligence (AI) and digital technology, and bolster the textile and fashion industrial base, an official release said.

The objective is to help the domestic industry overcome production contractions as latecomer countries are gaining ground and by 2030, expand the current 2-3-per cent global market share of industrial and eco-friendly textiles to 10 per cent and raise the level of digital transformation from the 35 per cent now to 60 per cent to develop Korea into a textile and fashion powerhouse.

The ministry plans to prioritise the development of key technologies in advanced industrial textiles to world-class level by 2030, including high-performance aramids, high-strength carbon fibres, extreme-condition resistant marine fibres, import-dependent advanced eco-friendly textiles and next-generation electronic communication textiles.

An Industrial Textile Alliance will be launched this year to uncover promising products and technologies, while a Tech Textile Product Certification Evaluation Support Centre will be set up next year to assist the credibility verification on industrial textile quality and performance.

Meanwhile, a KRW-2.9 trillion policy funding will be used this year for supporting the technical consulting and facility investment efforts of apparel companies that incorporate industrial textiles in their product portfolio.

The ministry will assist the eco-friendly transition of the textile and fashion industry value chain, for which the ministry aims to secure technologies on fibre-to-fibre textile recycling, plant-based vegan leather and such biomass fibres, and biodegradable (at least 90 per cent) fibre manufacturing by 2030.

Not only that, KRW 31 billion will be injected into developing technologies for waterless dyeing, wastewater reduction and improving energy efficiency to support green and low-carbon transition of textile production processes, and also go towards providing waste heat recovery facility to more than 200 small and medium enterprises by 2026.

The ministry plans to establish and distribute the 'Carbon Emissions Measurement Standardisation Model' by 2026 and introduce the K-Eco Design Guidelines in 2025 (to be enforced in 2027) to promote the recycling and use of eco-friendly materials in textile and apparel manufacturing.

By 2026, the ministry intends to develop an AI system for harnessing data and AI in new product planning that would shorten the design period by over 80 per cent, while also laying the initial groundwork this year for a connected micro factory that would enable high-speed production based on business collaborations.

Automation facilities will be supplied to over 250 companies by 2028 for processes that are repetitive and in severe lack of manpower. Two more Meta Fashion Playgrounds will be added to the current one to expand the space for experiencing and creating to support the growth of the meta fashion market.

The ministry will also continue to strengthen the textile and fashion industry base. By 2028, 1,000 professional master's and doctoral graduates in eco-friendly and digital will be trained to meet the rising demand for talent in such high-tech areas across the textile and fashion industry.

In addition, it plans to engage in cross-ministerial consultations on measures for obtaining globally recognised sustainability certifications for overseas market penetration, participating in more international exhibitions, and expanding the use of quality homegrown textiles in public sectors.

Home

USITC recommends remedies post probe into fine denier PSF imports

The US International Trade Commission (USITC) recently announced remedy recommendations in its global safeguard investigation regarding imports of fine denier polyester staple fibre (PSF) that it will forward to President Joe Biden.
The president will make the final decision concerning whether to provide relief to the US industry and the type and amount of relief.

The recommendations include a four-year period of relief, a tariff-rate quota to be imposed on imports of fine denier polyester staple fibre from all countries covered by their affirmative injury determination, and a quantitative restriction to be set at zero in the first year of relief—increasing by a million pounds in each subsequent year over the duration of the safeguard—to be imposed on imports of fine denier polyester staple fibre entered as a temporary import under bond (TIB).

The action follows the Commission’s July 9 determination that fine denier polyester staple fibre is being imported into the United States in such increased quantities as to be a substantial cause of serious injury to the domestic industry producing an article like or directly competitive with the imported article.

The Commission will forward its report, which will contain its injury determination, remedy recommendations, certain additional findings, and the basis for them, to the president by August 26, an USITC release said.

Home

ILO Turkiye, EkoDoku launch initiative to boost eco-friendly textiles

Partnering with EkoDoku Women Sustainable Living Cooperative, the International Labour Organisation (ILO) office for Turkiye recently launched an initiative to promote eco-friendly textiles and raise awareness about the detrimental effects of fast fashion in the country. EkoDoku, with branches in Ankara and Iskenderun, promotes circularity and sustainability in the textile industry.

Following field visits by ILO officers, and with ILO’s technical and financial support, EkoDoku will produce a collection using nature-based fabrics and techniques.

The initiative, financed by the US government, not only promotes sustainable textiles, but also aims to create formal job opportunities, an ILO release said.

On August 3, an ‘Eco Dyeing and Printing Workshop’ marked the kick-off of the initiative, offering training to cooperative members in natural dyeing techniques using pigments from various plants. Participants also learned woodblock printing, natural patterning and batik dyeing on linen and hemp fabrics.

The ILO is expanding the implementation of Nature-Based Solutions (NbS) at EkoDoku to tackle issues related to decent work like informal employment, low wages and low productivity. The pilot project aims to stimulate green job creation and inclusiveness for all, including Syrians under temporary protection, international protection applicants and status holders and host communities.

The ‘HarmonyUnity’ collection, supported by the ILO, seeks to promote sustainable living by highlighting global harmony and unity.

Nature-based solutions are essential for green jobs, fostering sustainable, resilient and inclusive employment opportunities that support environmental protection, economic diversification, and social equity.

According to the Decent Work in Nature-based Solutions 2022 Report, nearly 75 million people are currently employed in NbS, and achieving goals in mitigation, biodiversity and land restoration could generate an estimated 20 million additional jobs.

Recognising cooperatives as critical pathways to formalisation, the ILO Office in the country is addressing challenges faced by textile workers, many of whom are women.

By ensuring decent employment and income, and improving access to essential services and social protection, cooperatives offer a vital route for transitioning workers into the formal economy, the ILO release added.

Home