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NATIONAL

BHARAT TEX: GLOBAL TEXTILE COMPANIES KEEN TO INVEST IN INDIA

The world's leading manufacturers in the textile value chain are deeply intrigued by India's success story and are eager to make significant investments in the country. During a session on Global Investment held as part of India's flagship textile event, Bharat Tex 2024, in New Delhi, global manufacturers expressed their anticipation for India to take proactive steps in developing the necessary ecosystem to attract investment.

Prashant Agarwal, moderator of the session and co-founder/joint managing director of Wazir Advisors, conveyed the enthusiasm of global manufacturers for investing in India. They expect the Indian government to go into mission mode for the development of the required ecosystem. There is a collective desire within the textile industry for robust training facilities at reputable universities to equip the workforce and for the emergence of innovative setups.

Agarwal highlighted the significance of India demonstrating its commitment to meeting industry needs, as this would pave the way for substantial investments over the next five years.

Rohit Kansal from the ministry of textiles elaborated on the expectations of global manufacturers and outlined the government's efforts to create a conducive environment for businesses.

Representatives from prominent global companies such as Reisuke Aratani from YKK, Benny Pua from United Texmac, Stefano Loro from Aquafil, Robert Aantoshak from Gherzi USA, Gianluca Tanzi from Chargeurs PCC, and Sivakumar Narayann from Uster participated in the session.

Aratani stressed the importance of government support for the production of sustainable products, while Pua highlighted the dependency of raw material recycling on buyer acceptance and the crucial role of price dynamics in its success. Loro mentioned that Aquafil currently boasts 40 per cent recycled products in its portfolio.

India Raises Overuse Of Unilateral Trade Protectionist Measures At WTO

India asserted that developing countries seek appropriate policy space to find solutions to their concerns, some of which have been unaddressed for a long time, a release from the Indian commerce ministry said.

It expressed concerns on the concerted attempt to club long standing development issues like policy space for industrial development with the new issues of trade and industrial policy.

Developing countries need flexibility in the existing WTO agreements to overcome the constraints faced by them in their industrialisation, it noted.

The Indian delegation was led by commerce secretary Sunil Barthwal on the opening day.

In the second session on trade and inclusion, India highlighted the need for avoiding fragmentation of the multilateral trading system and the importance of remaining focused rather than mix non-trade issues with the WTO agenda.

Bringing issues like gender and micro, small and medium enterprises (MSMEs) in the realm of WTO discussions was not practical because these issues are already being discussed in other relevant international organisations already, India noted.

The country stressed that issues like inclusion are better addressed through contextual and targeted national measure and they did not fall in the domain of international trade relations.

India also stressed that non-trade issues have the potential to encourage trade distortive subsidies and non-trade barriers.

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CMAI seeks industry status for retail sector

The Clothing Manufacturers of India (CMAI) has urged the Centre to confer industry status



to the retail sector and also simplify single brand retail FDI policy. These were among the recommendations put forth in a CEO roundtable held with Textile Ministry officials at the ongoing Bharat Tex 2024 conference and exhibition.

The roundtable was attended by senior leaders from Aditya Birla Fashion and Retail, Bestsellers, BIBA Fashion, TCNS Clothing, Pepe Jeans and Shoppers Stop among others.

The apparel industry is pushing industry status for the retail sector for better access to organised financing among other benefits. “Retail is currently a state subject and every state has its own set of rules. So companies have to follow multiple sets of rules across various states. If the “industry” status is accorded to the retail sector, it will ensure there will be one set of rules formulated by the Centre,” said Rahul Mehta, Chief Mentor, CMAI. He said the industry body will frame a white paper based on these discussions and recommendations.

International brands are also seeking simplification of single brand FDI policy. Some of these international retailers have multiple brands but find the single brand FDI regulation to be complex. Hence, they have sought for some easing of regulations to enable them to launch multiple brands in India too, industry players added.

This comes at a time when India’s apparel and textile industry is poised to touch the \$350 billion mark by 2030. Mehta said that the government is putting strong focus on facilitating development and growth of the domestic textile and apparel sector besides promoting exports.

The apparel sector has been witnessing sluggish growth over the past few quarters after witnessing a strong wave of pent-up demand post-Covid.

The apparel industry is also seeking a retail expansion fund on the lines of the government’s technology upgradation fund scheme (TUF) scheme to enable expansion in smaller towns and rural markets that requires capex investments, Mehta added.

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India is consensus builder at WTO, but certain

nations breaking that: Piyush Goyal

India is a consensus builder in the World Trade Organisation (WTO) by playing a key role in the process but some countries are breaking that, Commerce and Industry Minister Piyush Goyal said on Wednesday.

He is here for the 13th ministerial conference (MC) of the WTO. The meeting started on February 26 to discuss issues such as agriculture and fisheries subsidies, dispute settlement and moratorium on customs duty levy on e-commerce trade.

The minister's remarks came amid allegations by certain developed nations that India is blocking deals at the WTO.

"Our stand is consistent... we have to see who are blocking the issues and who is responsible for not letting things of the WTO smoothly... It is proved that India in fact is a consensus builder and we are playing a key role in making consensus ...and certain countries are breaking that consensus on certain issues," Goyal told reporters here.

He also said that India stands on strong principles of fair play, justice at the WTO and wants to ensure that all decisions taken at the multi-lateral body are in the best interests of India's farmers and fisher-folk.

He added that the "first and foremost" issue that the WTO MC13 should address is generating trust that the WTO can deliver, and whatever decisions are taken at the WTO will be adhered to in letter and spirit.

"And if somebody breaks the rules of the WTO, they can be taken to task through the dispute resolution mechanism," he said, adding, "India has strongly demanded restoration of the appellate body (AB) so that any complaint any nation has of unfair trade practices, or rules of the WTO not being met, can be taken up at the dispute resolution process."

There are two main ways to settle a dispute once a complaint has been filed in the WTO. The countries find a mutually agreed solution, particularly during the phase of bilateral consultations; and through adjudication, which includes ruling by a panel and if not satisfied, by challenging that ruling at the appellate body.



The appellate body is the apex institution for adjudicating disputes.

The smooth functioning of the WTO's dispute settlement mechanism hit a roadblock when the US blocked appointments of members in the appellate body (AB). Though the AB stopped functioning on December 10, 2019, the panels are still working.

Since December 2019, over 20 appeals have been filed in the AB.

"We strongly demand that those who are blocking various decisions at the WTO should start addressing the concerns of the developing countries like India," the minister said, adding that the concerns and interest like finding permanent solutions to the public stock holding of food amongst others are also given due importance and addressed speedily.

He added that the issues which are outside the perspective or mandate of the WTO should not be brought into the WTO and their respective bodies should look after it.

Developed nations are pushing issues such as environment, labour and gender equality.

On fisheries subsidies agreement, he said that the actions of the past should be addressed by their subsequent actions before any multilateral decisions are taken.

"Therefore, those nations who do deep sea fishing and are responsible for overfishing or depletion of fish stocks should be held responsible for their actions," Goyal said.

When asked about possible outcomes tomorrow, he said, "I am sure there will be outcomes." There will be fair, balanced and equity in the outcomes, he said, adding that India will fully protect the interests of farmers, poor people and fishermen.

On the proposal of China-led grouping in investment facilitation for development (IFD), he said investment is not part of the WTO mandate.

South Africa, India and other countries have opposed inclusion of IFD and "today in writing we have given to the WTO Secretariat that this issue cannot be brought into the agenda," he said.

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Textile manufacturers, traders, powerloom weavers in T.N. go on one-day strike against I-T Act amendment

Textile manufacturers, textile shops, traders and powerloom weavers in the districts of Erode, Salem and Namakkal shut their business for a day on Wednesday, February 28, 2024, opposing the recent amendment to Section 43B(h) of the Income Tax Act that reportedly affects payment for goods supplied by Micro, Medium and Small Enterprises (MSMEs).

According to the weavers, the section was introduced in the Finance Act 2023 to ensure payment towards goods supplied by MSMEs within 45 days. If the buyer fails to pay these dues, the outstanding amount will be disallowed as an expenditure. Urging the Central government to withdraw the amendment, the Erode Cloth Merchants Association called for one-day strike on Wednesday. As many as 20 textile-related associations, powerloom weavers in Erode, Chennimalai, Tiruchengodu and Vennandur, as well as textile manufacturers and sellers in Edappadi, along with Gani Market traders associations and sizing mill owners associations extended their support to the strike.

Textile associations have pointed out that some corporate buyers who source fabrics from weavers make payments only twice a year. These buyers may now move to larger suppliers and may not be willing to buy from micro and small-scale weavers, thereby impacting business.

Over 50,000 powerlooms stopped production while 4,200 textile shops downed shutters urging the government to implement the amendment after a year as it affected their business directly.

Most of the streets in Erode city where textile shops are located including Kongalamman Kovil Street, Ramasamy Street, NMS Compound and Eswaran Kovil Street, wore a deserted look due to the closure. Daily wage earners, loadmen, vehicle drivers, bullock cart owners were also affected due to the strike.

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Red Sea crisis: Indian companies take steps to offset supply chain impact

Read more at: [Red Sea crisis: Indian companies take steps to offset supply chain impact - The Economic Times](#)

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India's economic growth expected to slip below 7% in Oct-Dec quarter

India's economic growth probably slipped below 7% for the first time in the current fiscal year in the October-December period, hit by a tepid manufacturing sector and weakness in consumption.

The South Asian nation is expected to grow at 6.6% in the three months that ended on Dec. 31, a Reuters poll showed, slowing from growth of 7.6% in the previous quarter and 7.8% in the July quarter. India's fiscal year starts from April 1.

At 1200 GMT on Thursday, India will release the gross domestic product (GDP) data for the quarter, along with the revised estimate for the full year, which ends on March 31.

"Some moderation is expected in October-December GDP growth, with softer growth in manufacturing sector," said Gaura Sen Gupta, an economist at IDFC First Bank.

Consumption growth in the quarter was "mixed", with retailers reporting a slowdown in sales growth, Sen Gupta said.

Earlier this month, market researcher NielsenIQ said sales volume growth in the Indian consumer goods sector in the December quarter slowed sequentially.

Retailers have been struggling, mainly in the rural areas, where the recovery from the COVID-19 pandemic has been slow, impaired by the high cost of living and weak wage growth, despite India's world-beating growth rate.

Companies like Hindustan Unilever (HLL.NS), opens new tab and Britannia Industries (BRIT.NS), opens new tab posted weak quarterly profits, because of subdued



rural demand and increased competition.

FASTEST-GROWING ECONOMY

Despite slower growth, India is likely to retain its position as one of the world's fastest-growing economies with estimated growth of 7.3% estimated in the current fiscal year, the government's first advance estimate shows, amid a faltering China and a eurozone narrowly escaping a technical recession.

The Indian government will revise its full-year growth estimate on Thursday. Economists say India will keep its status as one of the fastest growing economies in the foreseeable future, helped by Prime Minister Narendra Modi's reforms.

"On a long-term basis, India is likely to deliver minimum 6% to 6.5% real GDP growth and 10% to 11% nominal GDP growth, significantly higher than comparable emerging market countries over the next two decades," said Kaushik Das, an economist at Deutsche Bank. Modi sharply raised government spending on infrastructure over the last few years and has unveiled incentives for the manufacturing of phones, electronics, drones and semiconductors to help India compete with likes of Vietnam and Thailand.

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PMI, GST mopup point to India's resilient economy in Q4

Read more at: [Indian economy: PMI, GST mopup point to India's resilient economy in Q4 - The Economic Times \(indiatimes.com\)](#)

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US, European GDP Growth Paths Diverge Markedly In 2023

The divergence in GDP growth between the US and Europe was striking in 2023, as highlighted in Fitch Ratings' latest '20/20 Vision' chart pack. GDP growth in the US rose to 2.5 per cent in 2023 from 1.9 per cent in 2022 while in the eurozone it decelerated to 0.5 per cent from 3.4 per cent in 2022, and in the UK it slowed to 0.1 per cent in from 4.3 per cent in the previous year.

Excluding the COVID-19 pandemic recession and recovery in 2020 and 2021, the gap between US and eurozone growth in 2023 was the widest since the eurozone sovereign debt crisis in 2013.

Official fourth quarter (Q4) of fiscal 2023 (FY23) GDP outturns showed ongoing US economic strength in stark contrast to stagnation in Europe. The UK and Germany posted quarterly contractions as weak domestic and foreign demand took their toll, and growth in the Eurozone as a whole was zero in Q4FY23.

The report says that the US economic growth surpassed expectations in Q4FY23 and grew by 0.8 per cent q-o-q (3.3 per cent q-o-q annualised), with private consumption being the main driver of the expansion. High-frequency indicators suggest the buoyancy of activity has carried over into Q1FY24. Consumer confidence rose in January to its highest level since December 2021 and sentiment indicators' in the manufacturing sector also have increased in recent months. US equities have rallied strongly, with the S&P 500 index reaching its highest-ever levels.

UK GDP declined by 0.3 per cent q-o-q in Q4FY23, with private and public consumption and exports weighing on growth. Germany's economy also contracted by 0.3 per cent q-o-q, as exports shrank on a quarterly basis for the fifth consecutive period. Despite that, eurozone GDP was flat, as Italy grew by 0.2 per cent q-o-q and Spain by 0.6 per cent q-o-q.

Fitch's bi-monthly '20/20 Vision' chart pack covers the 20 major economies (the Fitch20) that are the focus of the Fitch Economics team's global macro analysis, and plots five years of high-frequency economic data for 20 variables, with consistent coverage across each country.

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ADB Urges Asian Nations To Adapt More Liberal Trade Regimes

Given the lacklustre growth forecast for the world economy this year, Asian economies must try to reinvigorate trade growth momentum through more liberal and freer trade regimes while forging economic cooperation with trade partners both within and outside the region, according to the Asian Development Bank's (ADB) Asian Economic Integration Report 2024.

Asia's global value chain (GVC) integration has turned more regional recently, especially in forward linkages. On the other hand, there are few signs of reshoring in the region, the report noted.

There is little evidence of increased sourcing of intermediates domestically or an increasing share of domestic value-added serving domestic demand in the continent.

Asia's trade policy landscape is evolving rapidly, embracing broad, modern trade and digital agreements, although trade restrictions persist, the report observed.

To maximise the potential for industrial development, Asian economies should adopt market-friendly foreign direct investment (FDI) policies that enforce investment protection, support technology transfer and innovation, and target high productivity sectors, particularly in technology-rela

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11 organizations recognized for transforming textile sector

The recipients organizations are the Bangladesh Garments Manufacturers and Exporters Association, the Bangladesh Knitwear Manufacturers and Exporters Association, the Bangladesh Textile Mills Association, the Bangladesh Specialized Textile Mills and Powerloom Industries Association, the Bangladesh Cotton Association, the Bangladesh Garment Buying House Association, the Bangladesh Terry Towel and Linen Manufacturers and Exporters Association, the Bangladesh Textile University, the Bangladesh Garment



Accessories and Packaging Manufacturers and Exporters Association, the Bangladesh Embroidery Manufacturers & Exporters Association, and Bangladesh Tanti Samiti.

President Mohammed Shahabuddin inaugurated the event as the chief guest. Jahangir Kabir Nanak, Minister for textiles and jute, was present there and said, "The textile sector is an integral part of the country's economy, society and culture and it is also playing an important role in the country's socio-economic development, poverty alleviation, women's empowerment and employment generation."

"In addition to keeping the development of the sector dynamic in coordination with the stakeholders, the Department of Textiles is providing all the services of the sponsoring authorities at the fastest possible time through one-stop service," he added.

Secretary to the Ministry of Textiles and Jute Abdur Rouf, Director General of the Department of Textiles Md Nuruzzaman and senior officials of the ministry attended among others.

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