LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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NATIONAL

TEXTILE INDUSTRY NEEDS TO SUPPORT EACH ELEMENT OF ITS VALUE CHAIN FOR LONG-RUN BENEFIT: GOYAL

Union Minister Piyush Goyal on Thursday said unless the textile industry values the domestic manufacturers, the sector will suffer in the long run. Goyal was addressing the annual export award of Man-made and Technical Textiles Export Promotion Council here.

Read more at: https://www.ndtvprofit.com/nation/textile-industry-needs-to-support-each-element-of-its-value-chain-for-long-run-benefit-goyal

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PLI schemes for new sectors not being considered at present: DPIIT Secretary

Read more at : Centre not planning any new PLI schemes: DPIIT secretary - The Economic Times (indiatimes.com)

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Textile walkathon showcasing fashion, trends to be held on January 6

A textile walkathon will be held in Coimbatore on January 6 as a part of the Coimbatore Vizha.

P. Alli Rani, director of Sardar Vallabhbhai Patel International School of Textiles and Management, told presspersons on Thursday, January 4, 2024 that about 250 women will take part in the walkathon. Called “Texcitement”, the event on Race Course road, beginning at 8.30 a.m., will have mini floats too. The floats will also be related to textiles.

“Coimbatore is known all over the country for textiles. We wanted to have an event involving textiles at the Coimbatore Vizha. We (the Institute) submitted a proposal to the District Collector, and the organisers and they approved it,” she said.

The Institute will have its students displaying textile products related to sustainability, recycling, natural dyes, handlooms, etc., at the two-km walkathon. Even the Bhavani Jamukalam (carpet) will get a new look at the walkathon, Ms. Alli Rani said.

“We have reached out to about 20 colleges that offer fashion design courses in the city, women self-help groups, and other organisations. Our women students will take part in the walkathon. Any woman who wants to display a new fashion design, trend, or textile product can participate in the walkathon,” she said.

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Ind-Ra revises India’s FY24 growth estimates to 6.7% from 6.2%

Read more at : Ind-Ra revises India’s FY24 growth estimates to 6.7% from 6.2% - BusinessToday

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India indeed a global power, rapidly transforming to become...' Chinese daily

Read more at : Global Times praises PM Modi, says India is transforming rapidly - India Today

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Schemes unveiled in FY24 Budget making headway

Expectations are muted over big big-ticket announcements or high-budget schemes being announced in the interim Budget on February 1, but the run-up to the Parliament elections could still feature some such.

FE has reviewed the schemes and government programmes rolled out in FY24 budget, and found that while these did not entail huge additional burden on the exchequer, at least some have reached the implementation phase already.

Health, agriculture, urban infrastructure received special attention in the last Budget, as the government strove to reach the unaddressed areas of those sectors with a view to sparking off a big impact.

One scheme with a small outlay that could have a far-reaching impact on farm incomes which large parts of population depend on, is Atmanirbhar Clean Plant Programme to boost availability of disease-free, quality planting material for high value horticultural crops. The outlay for this was just Rs 2,200 crore for seven years. Under the scheme, ten centres will be established across India for fruit crops like apple, almonds, walnuts, grapes, citrus, lichi mango and pomegranate.

The clean plant centres will provide services of disease diagnostic, therapeutics, multiplying of plants and generation of mother plants. They will also maintain foundation plants free from diseases so that nurseries can propagate disease-free planting materials from them. Six locations for the centres have already been identified and all of them are government-owned and within Indian Council of Agricultural Research premises.

Another scheme unveiled in the last budget was Agriculture Accelerator Fund up to encourage agri startups by young entrepreneurs in rural areas. The Fund aims at bringing innovative and affordable solutions for challenges faced by farmers. It will also bring in modern technologies to transform agricultural practices, increase productivity and profitability.

The programme is an extension of the Innovation and Agri-Entrepreneurship Development programme under the Rashtriya Krishi Vikas Yojana (RKVY) of the Department of Agriculture and Farmers’ Welfare.

In the health sector the last year's budget announced the Sickle Cell Anaemia Elimination Mission. It aims to eliminate the disease in affected tribal areas by 2047 through awareness creation, universal screening of 70 million people in the age group of 0-40 years, and counselling through collaborative efforts of central ministries and state governments. The disease not only causes anaemia but also pain crisis, reduced growth and affects many organs like lungs, heart, kidney, eyes, bones and the brain

The programme was formally launched by the Prime Minister Narendra Modi from Madhya Pradesh on July 1, 2023. Till November-end, a total of 6.46 milion people in the 17 states have been screened.

The last budget also launched a Rs 5,000 crire programme to promote research and innovation in pharmaceuticals through centers of excellence. The scheme was named Promotion of Research and Innovation in Pharma MedTech Sector (PRIP) and notified in August.

The objective of the scheme is to transform the Indian pharmaceuticals sector from cost based to innovation-based growth by strengthening the research infrastructure in the country.

In the first of the two components of the scheme, seven centres of excellence in pre-identified areas will be set up at National Institute of Pharmaceutical Education and Research with a financial outlay of Rs 700 crore.

The second component of the scheme has a higher outlay of Rs 4,250 crore and seeks to promote research in the pharmaceutical sector, especially in six priority areas like new chemical entities, complex generics including biosimilars, medical devices, stem cell therapy, orphan drugs and antimicrobial resistance. For this financial assistance will be provided for the industries, MSME, SME, startups working with government institutes and for both in- house and academic research.

The Indian pharmaceutical industry is the third largest in the world by volume with a current market size of around $50 billion. The industry could potentially grow to $ 120-130 billion over the next decade and one of the key drivers for this growth to be expansion of the industry's presence in the innovation space.

Another scheme announced in the budget was Pradhan Mantri PVTG Development Mission to improve socio-economic conditions of the particularly vulnerable tribal groups (PVTGs) with a total outlay of Rs 15,000 crore for the next five years.

This would equip PVTG families and habitations with basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, road and telecom connectivity, and sustainable livelihood opportunities.

Around 22,544 villages having about 28 lakh PVTG population have been identified for saturating basic services under the scheme.

The FY24 Budget announced a Urban Infrastructure Development Fund through use of priority sector lending shortfall. This is managed by the National Housing Bank and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. For the fund the government will make available Rs 10,000 crore annually.

Under the scheme, states will be encouraged to leverage resources from the grants of the 15th Finance Commission, as well as existing schemes, to adopt appropriate user charges while accessing the UIDF.

The works that will be covered by it are the setting up of new or rehabilitation of existing water supply networks, construction and improvement of drains, sewerage network and sewage treatment plants.

As many as 459 tier-2 cities with population of 50,000 to less than a lakh and 580 tier-3 cities with population of one lakh to less than a million as per 2011 census are being covered under UDIF as of now.

To boost soil productivity the budget had announced the PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth. It seeks to incentivize states and union territories to promote alternative fertilizers and balanced use of chemical fertilizers. The approval of the Cabinet Committee on Economic Affairs was granted in June.

Under the scheme, 50% of the fertilizer subsidy saved by a State/UT in a particular financial year by way of reduction in consumption of chemical fertilizers (urea, DAP, NPK, MOP) compared to previous 3 years' average consumption will be passed on to that state as Grant.

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GLOBAL

Weakening demand, inflation, and geopolitics - major causes for prolonged recession in the global textile value chain - ITMF Chief

Dr. K. V. Srinivasan, the newly elected President of the 119-year-old International Textile Manufacturers Federation (ITMF), Zurich, Switzerland, which represents the entire textile value chain across the world, has stated that the global textile industry has been facing unprecedented challenges. The textile industry across the globe has had a prolonged slowdown from the second half of 2022 after witnessing a pent-up demand immediately after COVID lock down in almost all the textile manufacturing countries including East Asia, Southeast Asia, South Asia, Africa, Europe, North and Central America and South America. The retailers located in countries like the US and the EU, major export markets, have built high- cost inventory during 2021-22 and continue to struggle to clear the stocks due to weakening demand from retailers/brands that are still sitting on too much merchandise in their warehouses .Of course, inflation caused by disruption of the supply chains following the lockdowns caused by the COVID-pandemic as well as geopolitical issues, especially prolonged Ukraine-Russia war, also had a toll on demand.
He pointed out that ITMF's latest Global Textile Industry Survey conducted in November 2023 and released in December 2023 revealed that weakening demand, inflation, geopolitical issues, raw material price volatility, steep increase in energy charges, shortage of labour and rising interest rates had been reported as the major root causes for the slowdown of the global textile industry. Weakening demand has been highlighted by 76% of survey respondents as the major cause for the poor performance of the industry.
Dr. Srinivasan has stated that around 44% of the respondents have reported some sort of cancellations of orders during the last four months, albeit only 5% reported major cancellations of 30% and more. Furthermore, he has stated that the survey also aimed at identifying the possibility of revival before May 2024. The survey revealed also that 44% of survey participants expect that in six months' time the business situation will be more favourable, while 16% expect it to be less favourable. The balance of +28 percentage points (pp) in November is higher than the +20 pp in September.

ITMF President has stated that the textiles and clothing industry in India is the worst affected due to the added challenges on the raw material front (both cotton and manmade fibre) and steep increase in power cost in most of the textile manufacturing States. He has stated that urgent policy measure is required to ensure smooth supply of raw material at an internationally competitive rate by removing 11% import duty on cotton, addressing Quality Control Order (QCO) issues and price issues pertaining to PTA, MEG, Polyester & Viscose and ensure a level playing field. He has stated that Indian Government could have commenced the enforcement of Quality Control Orders from the finished goods as done for technical textiles rather than raw materials that had severe impact on the MMF value chain. He has opined that the Government could have avoided these two shortsighted policies when the industry has been facing an unforeseen crisis that had aggravated the global competitiveness and performance of the industry.

As a representative of the international Body, Dr. Srinivasan has suggested to the Central and State Governments in India to stall the shortsighted policies relating to raw materials, power, labour, and new investments until the industry revives. He has opined that one year moratorium for payment of loans, conversion of short-term loans into long term loans and extending additional working capital are some of the financial relief measures urgently required to prevent the textile units becoming NPAs and avoid closures throwing several lakhs of people out of jobs. Dr. Srinivasan has stated that appropriate policy measures with holistic approach is essential to enhance the global competitiveness and take advantage of China+1 policy.

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Brazil Hits Record Cotton Production In 2022-23 As Global Supply Rises

Brazil's cotton production reached a historic high in the 2022-23 season, driven by expanded cultivation and productivity. Despite a rise in global supply, sluggish demand, hampered by unfavourable economic conditions, led to bloated inventories and reduced cotton prices worldwide, according to a report from the Center for Advanced Studies on Applied Economics (CEPEA).

From January to May in Brazil, despite it being the offseason, prices significantly dropped, influenced by expectations of a good crop and weak demand. With the higher surplus, exports were expected to perform well in 2022-23. However, early 2023 saw a slow pace in anticipated trades, as prices were not deemed attractive by sellers.

Between May and June, monthly average prices were stable, but they hit the year's lowest level in July. In subsequent months, monthly averages fluctuated less, supported by exports that helped reduce the domestic surplus. Logistical issues and rising transportation costs were also noted in 2023, along with discrepancies in product quality, which limited trading, CEPEA said in its latest fortnightly report on the Brazilian cotton market.

In 2023, the CEPEA/ESALQ Index for cotton dropped by 24.4 per cent, closing at BRL 4.0230 per pound on December 26. Between December 29, 2022, and December 26, 2023, the export parity decreased by 19.4 per cent, influenced by an 11.5 per cent decrease in the Cotlook A Index and an 8.6 per cent devaluation of the dollar against the Real.

For the 2022-23 crop in Brazil, according to CONAB (Brazil's National Company for Food Supply), the area increased by 4 per cent compared to the previous season, totalling 1.664 million hectares. Productivity was estimated at 1,907 kilos per hectare, up 19.5 per cent from the season before and a record high. Production for 2022-23 was projected at 3.173 million metric tons, i.e., approximately 14.57 million running bales (standard US bale weight of 480 pounds), an increase of 24.2 per cent against the previous season and the highest in history.

According to the USDA, the global production for 2022-23 increased by 1.8 per cent compared to 2021-22, totalling 25.395 million tons, sustained by higher supply in China, India, and Brazil. The United States and Pakistan, however, registered significant decreases during the same period.

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BGMEA sends letter to British envoy regarding Guardians' defaming article

The report published in the British newspaper Guardian about women workers in Bangladesh garment sector, tried to smear the honor of millions of women workers. Exporters' body BGMEA has termed the report as false and distorted. The Guardian has published such sensational reports without evidence several times before.

BGMEA President Faruque Hassan said these things in a letter sent to British High Commissioner Sarah Cooke appointed in Dhaka on December 3. Referring to the negative impact of the Guardian's report, he requested the High Commissioner to raise the matter with the editor of the newspaper.

BGMEA's letter also said that the report tried to portray Bangladesh's garment sector as a sector of oppression. The real truth is not revealed. The real truth is that the garment industry is playing an important role as a platform for the empowerment of millions of women in Bangladesh and their economic independence. Through this, these women are supporting their families and educating their children.

A copy of the letter has been sent to the Prime Minister's Office, Ministry of Foreign Affairs, Ministry of Commerce, Ministry of Labor, High Commission of Bangladesh in the UK and other related departments.

Recently a report was published in the Guardian quoting a Bangladeshi female garment worker. It is said that women garment workers are forced to work as sex workers at night due to rising cost of living due to inflation. When the report came to notice, BGMEA protested immediately. The organization termed the news as fake and deliberate. On 02 January, a protest rally was organized by seven federations of garment sector workers unions.

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