LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

9th January 2024

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NATIONAL

TIRUPPUR DISTRICT ATTRACTS INVESTMENTS IN GARMENT, COIR-MAKING. RENEWABLE ENERGY SECTORS

Most of the investments to a total of ₹6,603 crore accruing to Tiruppur district from the Global Investors Meet 2024 pertain to garments, food-processing, coir-making and renewable (solar) energy generation, according to the Industries Department.

The investments to be made over the next four years are expected to generate close to 22,000 jobs. The investments have exceeded the target of ₹6,551 crore set by the Department. After the logo for GIM 2024 was unveiled during August, 2023, the Industries Department has signed Memorandums of Understanding with 439 investors in Tiruppur district, said M. Ramalingam, General Manager, District Industries Centre, Tiruppur.

A chunk of the investments was from existing players who were scaling up their activities by establishing additional production lines, Mr. Ramalingam said.

For the benefit of students and industry representatives, the virtual proceedings were beamed live in several locations including colleges, schools and industrial training institutes, on Sunday.

The event was streamed at Chikkanna Government College, Tiruppur; L.R.G. Government Girls College, Tiruppur; Government Arts and Science College, Palladam; Park College, Tiruppur; and ITIs in Tiruppur, Dharapuram and Udumalpet.

As for schools, the event was watched by students in four government and government-aided schools in Tiruppur, two schools each in Udumalpet, Palladam, Avinashi, Mulanur, Uthukuli and Dharapuram; and one school each in Nathakadaiyur, Kangeyam, Vellakoil, Madathukulam, Karatholuvu, Gudimangalam, Ramachandrapuram, Pethampatti, Pongalur, Koduvai and Kunnathur.

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TN attracts record ₹6.64-lakh crore investments at Global Investors Meet

Tamil Nadu's Chief Minister MK Stalin on January 8 said that the Global Investment Meet (GIM) has brought investments worth Rs 6.64 lakh crore, which is poised to generate 26.9 lakh jobs in the state.

"We have attracted an unprecedented Rs 6,64,180 crore in investments. A total of 26,90,657 jobs are expected to be generated from these investments that includes direct employment for 14,54,712 persons, " said Stalin.

He promised investors the state's co-operation and has offered single window clearances for these investments.

"Over the last 2 years I have laid the foundation stones for 44 projects and inaugurated 27 industries. Due to these efforts 74,757 women and youth would be provided employment...I can confidently say that this Global Investor Meet will be a watershed in Tamil Nadu's industrial growth," the Chief Minister noted.

The CM also directed the officers to put in all the efforts to make Tamil the frontrunner in attracting global investments.

"The objective of this investors meet was to showcase Tamil Nadu on the global stage as the best state for fostering investments. I am happy and proud to inform this august gathering that due to our tireless efforts and your participation during this Global Investors' Meet we have attracted an unprecedented Rs.6,64,180 crore of investments," Stalin said.

The State's Industries Department will be going to Davos to showcase TN's development, said the Minster of Industries in Tamil Nadu

"The State Industries Department will be going to Davos in the next few days to showcase TN's strength. The CM will travel with us to Spain on Jan 28 & plans are on for visits to countries like Australia and US," said TRB Rajaa, minister of industries of Tamil Nadu.

"These two days of GIM have not only been about investment numbers but also about high-quality jobs distributed across the state. Along with advanced sectors like EVs semiconductors, quantum computing, battery cell manufacturing, the govt is also looking at mass-jobs creators such as non leather footwear."

The total proposed investment figures at the end of the two-day summit well surpassed the state government's target of attracting Rs 5 lakh crore in investments.

The CM also said that a total of 26,90,657 jobs are expected to be generated from the proposed investments that includes direct employment for 14,54,712 persons and indirect employment for 12,35,945 persons.

During the course of the summit, the CM unveiled Semiconductor and Advanced Electronics Policy and public private partnership policy as well as his government's road map to make Tamil Nadu a $1-trillion economy by 2030.

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FTA with EFTA: Trade deficit, Swiss decision to end import duties limit India's gains

Large trade deficit with Switzerland and its decision to remove import duties on almost all industrial goods for all countries starting January 1 would limit gains for India under the proposed trade agreement with EFTA bloc, a report said on Monday.

The report by economic think tank GTRI said the trade agreement in the current format will not help Indian exports and will result in higher imports and wider trade deficit.

India and the European Free Trade Association (EFTA) are negotiating a free trade agreement, officially dubbed as Trade and Economic Partnership Agreement (TEPA) with a view to boosting economic ties.

FTA (free trade agreement) negotiations were initiated in January 2008.

EFTA members are Iceland, Liechtenstein, Norway, and Switzerland.

"The Indian side faces challenges in achieving a balanced outcome in the agreement with EFTA. There are concerns due to the large trade deficit in favour of EFTA, Switzerland's new policy of allowing tariff-free entry for all industrial goods from any country, and limited gains for India in services," the Global Trade Research Initiative (GTRI) said.

It added that these factors raise questions about the fair distribution of benefits to India from the FTA with EFTA.

The report added that India must navigate these negotiations with a focus on balancing trade, protecting domestic interests, and securing a fair and beneficial agreement.

Switzerland's decision to eliminate import duties on all industrial goods for all countries starting January 1, 2024 changes the dynamics of the negotiations.

This tariff removal does not extend to fishery and agricultural products.

"This decision by Switzerland has profound implications for India's gains from the ongoing India-EFTA free trade agreement," GTRI Co-Founder Ajay Srivastava said.

He said that industrial goods, which accounted for 98 per cent of India's USD 1.3 billion merchandise exports to Switzerland in FY2023, are directly impacted.

Additionally, exporting agricultural produce to Switzerland remains challenging due to the complex web of tariffs, quality standards, and approval requirements, he said.

" EFTA, including Switzerland, has shown no inclination to make agriculture tariffs zero on most basic agricultural produce. Consequently, with zero industrial tariffs and the difficulty in exporting agricultural produce to Switzerland, India's prospective gains in merchandise exports are effectively nullified," Srivastava said.

The report also said that gold, accounting for 80 per cent of India's imports from Switzerland, is a critical factor.

If the agreement does not include gold, it may not meet a WTO (World Trade Organization) provision for FTAs to have duty cuts on substantial trade.

Switzerland has large historical accumulations of gold and it primarily refines imported gold. Such gold cannot meet the Rules of Origin conditions of minimum value addition of even 5 per cent.

It also said that Switzerland may insist upon replacing value addition or tariff transformation conditions with specific process like refining condition and due to this India should tread cautiously.

In 2022-23, India's imports from Switzerland stood at USD 15.79 billion, in stark contrast to its exports of USD 1.34 billion, leading to a substantial trade deficit of USD 14.45 billion.

Overall gains in merchandise trade will be negative, as India will have to cut tariffs on substantial imports from Switzerland, it said.

Further, it said EFTA countries' request for TRIPS (Trade Related Aspects of Intellectual Property Rights) plus protection for strengthening of Intellectual Property Rights (IPRs), especially patents and copyrights in India will conflict with India's domestic regulations.

In the services sector, the report said that the agreement aims to open up sectors like IT, finance, tourism, and education, allowing Indian and EFTA service providers to operate in each other's markets with fewer restrictions.

"However, the potential gains in services are limited, as countries typically agree to bind existing levels of policy commitments, implying a continuation of the status quo. Switzerland's stance on India's request for priority visas for Indian professionals could prove to be another sticking point," it said.

India's main imports from Switzerland include gold (USD 12.6 billion), machinery (USD 409 million), pharmaceuticals (USD 309 million), coking and steam coal (USD 380 million), optical instruments and orthopaedic appliances (USD 296 million), watches (USD 211.4 million), soybean oil (USD 202 million), chocolates USD 7 million).

EFTA would request India to eliminate tariffs on all the above items.

In 2022-23, India's imports from EFTA were significantly higher than its exports, leading to a trade deficit of USD 14.8 billion.

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How Red Sea attacks put India's trade at risk

Read more at : How Red Sea attacks put India’s trade at risk | Mint (livemint.com)

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PM, UAE Prez to lead Vibrant Guj roadshow today

Prime Minister Narendra Modi and UAE President Sheikh Mohamed bin Zayed Al Nahyan will lead a road show on Tuesday from outside the Sardar Vallabhbhai Patel International Airport here a day ahead of the inauguration of Vibrant Gujarat Global Summit, officials said. The 3-km-long roadshow will start in the evening after the PM receives the UAE President at the airport, said Deputy Commissioner of Police (Traffic-East), Ahmedabad city, Safin Hasan.

Read more at:
https://economictimes.indiatimes.com//news/india/pm-modi-uae-president-to-lead-roadshow-on-january-9-ahead-of-vibrant-gujarat-summit/articleshow/106643718.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

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Another round of rerating? 5 stocks from textile sector with upside potential of up to 34%.

Read more at : textile stocks to buy: Another round of re-rating? 5 stocks from textile sector with upside potential of up to 34% - The Economic Times

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GLOBAL

Germany's Manufacturing Sector Sees Modest Rise In November 2023

Germany's manufacturing sector witnessed a slight improvement in November 2023, according to a recent update from the Federal Statistical Office (Destatis). Real new orders in manufacturing, adjusted for price changes, seasonal, and calendar effects, increased marginally by 0.3 per cent compared to the previous month, according to provisional figures.
However, a broader perspective reveals a less optimistic scenario. When comparing the three-month period from September to November 2023 with the preceding three months, new orders in manufacturing exhibited a 4.5 per cent decline, as per Destatis.

Orders excluding large-scale projects fell by 0.6 per cent in November 2023 compared to October. In a revised assessment of October's figures, Destatis reported a 3.8 per cent decrease in new orders, slightly more than the initially estimated 3.7 per cent drop.

Breaking down by sectors, November saw a rise in the consumer goods sector by 1.1 per cent. Conversely, the intermediate goods sector experienced a 0.4 per cent decline.

Domestic orders in November fared better, showing a 1.4 per cent increase. In contrast, foreign orders declined by 0.4 per cent, with orders from the euro area decreasing by 1.9 per cent and those from other parts of the world rising by 0.6 per cent.

The manufacturing turnover also reflected a downturn. Real turnover in the sector, adjusted for seasonal and calendar effects, fell by 0.7 per cent in November compared to October. When adjusted for the calendar effect alone, November 2023's turnover was 4.9 per cent lower than in November 2022. October 2023 saw a revised decrease of 0.2 per cent from September, a slightly better outcome than the initially estimated 0.5 per cent decline.

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Bangladesh has the potential to become a leading polyester yarn producer

In the year 2020, the global market value of Polyester fiber was $81.1 billion! And it is assumed that by 2032, with a growth of 7.1%, the international polyester market size will be more than 161.3 billion dollars.

Bangladesh market size of polyester yarn:

Bangladesh is the 2nd largest garment exporters in the world with cotton-based products. Almost 75% of exported garments of Bangladesh are cotton based while 77% of the garments products around the world are polyester based.

In 2022, local spinners imported 1.10 lakh tonnes of PSF (Polyester Staple Fiber) at a cost of about Tk 1,243 crore, and the year before, some 1.34 lakh tonnes of PSF (Polyester Staple Fiber) were imported for around Tk 1,280 crore. Demand of polyester will rise day by day as the world is moving towards man-made textile fiber.

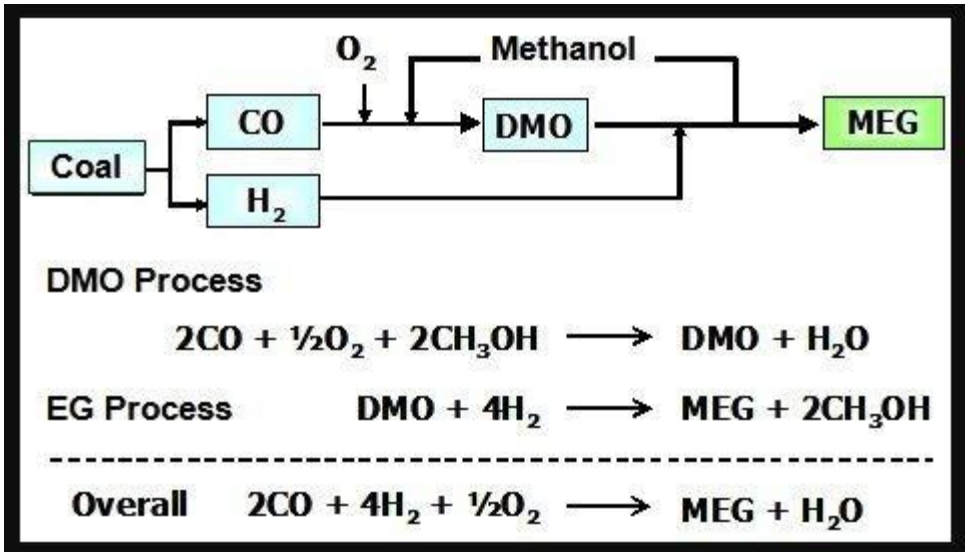

Figure 1: DMO Process of MEG manufacturing.

Currently, there are some polyester spinning mills operating in Bangladesh. They are producing POY, FDY and DTY. Some of the renowned spinning mills are:

- Kader Synthetics
- Bengal Synthetics
- Modern Poly
- Infinia Group
- Super Synthetics Ltd
- Noman Group

Md. Shihab Nur, Pricing and Sourcing Manager, Stanely and Stella S.A Bangladesh said, “Bangladesh apparel manufacturers are getting many orders for polyester-based products. So, if we can pick the area and make more garments of outerwear, athlete wear, sportswear then Bangladesh will be able to sustain in the market with competitive price.”

Md. Hasan Kajmir Mahmud, Director, South West Composite Ltd. said, “Bangladesh is mainly sourcing polyester yarn from China. There is always a price difference (from 50 to 70 cents) if the yarn is collected from Bangladesh. Bangladeshi polyester yarn price is higher because of its raw material and manufacturing process.

Md. Hasan Kajmir Mahmud said, “The main raw material of polyester yarn is crude oil. From crude oil PTA (Pure Terephthalic Acid) and Ethylene Glycol are produced and form

PET (Polyethylene terephthalate) chips by polymerization. This PET is melted and undergoes extrusion process through spinneret. Then we get our fiber filament. Raw materials bearing cost from China and importing price is higher."

Md. Hasan Kajmir Mahmud also said that Bangladesh is importing Polyester Staple Fiber(PSF), PTA (Pure Terephthalic Acid), MEG(Monoethylene Glycol) to produce polyester fibers. So, we have to pay extra and we lose our price competitiveness.

If we can produce polyester and other man-made fiber from crude oil, PTA and Ethylene Glycol, then the price will be the same as China and we can offer more polyester-based products at lower prices, he added.

Bangladesh has a bright future for polyester manufacturing as MEG (Monoethylene Glycol) can also be produced from Coal by DMO process.

Basics of polyester yarn manufacturing

Let's dig into some basic ideas of polyester yarn. We have discussed that PET chips are made from PTA (Pure Terephthalic Acid) and MEG (Mono Ethylene Glycol). These PET chips then come to spinning mill or may be manufactured in the spinning mill which are set for Melt Spinning.

Melt Spinning: In melt spinning, the fiber-forming substance is melted for extrusion through the spinneret and then directly solidified by cooling.

Melting point of PET chips is 258 Degree Celcius where the extruder plate or heat plate produce 285-290 degree Celcius. Though the extruder plate produce higher temperature it can't melt all the chips as this is continuous and quick process. So, some chemicals are used to make an event temperature in that area.

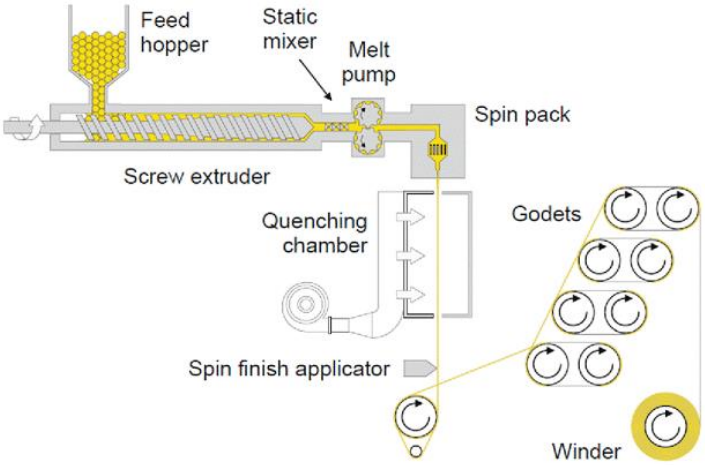

Figure 2: Melt Spinning process.

Spinneret: For PET chips or Polyester Yarn, Polyester filament is produced by spinneret. Spinneret has a certain number of holes in its plate. Like 24, 36, 48, 76, 96, 144, 254 etc.

Number of filaments and changing denier of polyester yarn

From the given image of a spinneret, it can produce 48 filaments as it has 48 fine holes. These 48 filaments make a single yarn. Whenever these filaments are extruded by high pressure from the spinneret, a take-up roller is there to collect those filaments and passes for the drawing process.

If you take polyester yarn and try to untwist it, you may see a lot of thin filaments and all those filaments make a single yarn. If extrusion pressure is high and more liquid is delivered in filament shape produced in a definite time then more thick filaments will produce and thickness of these filaments will change the thickness of the main yarn along with its weight. So, same filaments will carry more weight and will be treated as more Denier.

(No of Pound per 9000 Meter yarn = Denier, More Denier means More Coarsier).

So, for buyer requirement number of filaments can be changed by changing spinneret plate.

Bright, dull and semi dull concept

From the spinneret image we saw those holes are likely rounded in shape. Some spinneret have different shape, like triangle, star, cross-angle, oval, diamond, rectangle etc. By the reflectance properties of these filaments, yarn appearance is sometimes bright, some are dull and some are semi-dull.

Another way of making more deviation in color and quality is to add TiO2, Titanium Oxide in the PET chips solution. If you want some slight changes in the brightness of the yarn then you can change the drawing tension and time. This will change the color brightness of the polyester yarn.

Drawing and texturing

These filaments passes through the rollers and particular finishing oil is applied on the yarn so that the filaments can stick together. By some roller type mechanism drawing of polyester yarn is conducted. Drawing refers to make the crystalline domain of the yarn more oriented so that it can gain more strength. The undrawn yarn is stretched to about five times of original length on appropriate device.

The stretching usually is carried out at elevated temperature. It is normal to draw at high temperature as it gives a more uniform product than cold drawing. If high tenacity yarn is required, the filament are drawn to a higher degree than in the tenacity of regular yarn. Drawing can be adjusted to produce bright, dull and semi dull yarn and also Partially Oriented Yarn (POY) and Fully Drawn Yarn (FDY). In the market we usually find the FDY, POY and DTY (Draw Textured Yarn).

POY yarn comes with some orientation in yarn and that undergoes another mechanical drawing and twisting stage. This output is called DTY (Draw Textured Yarn).

DTY: DTY is a type of polyester filament yarns produced by processing POY through a texturing process. This process disperses, curls, and entangles the filaments composing the POY yarn, which gives DTY a fluffy appearance and gives it the properties of both natural fiber and synthetic fiber.

There are three types of intermingling in DTY: non-intermingled (NIM), slight-intermingled (SIM), and high-intermingled (HIM). NIM has no knots, SIM has low network fastness, and HIM is difficult to spread.

The number of knots per meter varies for each type of intermingle. NIM has 0-10 knots per meter, SIM has 40-50 knots per meter, and HIM has 100-120 knots per meter.

DTY is typically used to produce fabrics and textiles for high-end apparel, high-end sportswear, high-end sports shoes, high-end sports bags, home furnishings, and zipper tapes. DTY is a finished product from POY, simultaneously twisted & drawn.

Here different types of intermingling is done. It is widely used in knitting and weaving. DTY is available in semi-dull, Full Dull, and bright DTY finishes.

FDY: FDY also known as FOY is a type of highly drawn polyester filament yarns that can be used to produce high-strength fabrics and textiles. The fabrics and textiles made from bright FDY have a bright luster.

FDY is typically used to produce fabrics and textiles for high-end undergarments, high-end sportswear and sports shoes, and home furnishings.

FOY/ FDY is produced by a process similar to POY manufacturing except that the yarn is produced at even higher spinning speeds coupled with intermediate drawing integrated in the process itself. FDY can be used directly in weaving and knitting, especially for warp weaving.

PSF (Polyester staple fiber): Polyester staple fiber is a short curly fiber suitable for mixing with cotton or other fibers such as rayon, acrylic, nylon, wool, ramie, etc. PSF is produced by the same way of partially or fully drawn yarn. But here these filaments are cut according

to short staple length for blending and yarn making purpose. Crimp is also applied to make it like natural fibers.

In spinning yarns for weaving and knitting. It is also an essential component for non-woven products and filling. Through spinning, weaving, knitting, and various non-woven processes, staple fiber can be transformed into the varietal textile and non-textile products commonly used in our daily life.

Conclusion

Bangladesh is heading towards value added products to earn the price benefits and stand as a proper brand for manufacturing. A lot of difficulties is there and polyester manufacturing is always challenging. More factories are coming with new investments and ideas to meet up the demand. To sustain in the market -- ensuring good profit -- investors should follow such a manufacturing process that will make them competitive.

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Aware™ enables traceability of recycled polyester yarn from source to garment

Textile traceability is the ability to track and verify the origin, history, and quality of a textile product throughout its entire supply chain. Traceability is essential for ensuring sustainability, transparency, and accountability in the textile industry, as well as for meeting the increasing consumer demand for ethical and environmental-friendly products.

However, textile traceability is not an easy task, as the textile supply chain is complex, fragmented, and often opaque. There are many challenges and limitations in the current methods of traceability, such as the use of labels, certificates, audits, and databases, which are prone to errors, fraud, and manipulation.

To overcome these challenges, a new solution has emerged that combines physical and digital technologies to create a reliable and secure traceability system. Aware™, A Dutch

startup based in Amsterdam has developed, developed a textile traceability solution that unites a physical tracer with public blockchain technology after two years of severe testing and close collaboration with Avient Corporation Shanghai and Zhejiang Haili Environmental Technology Co.

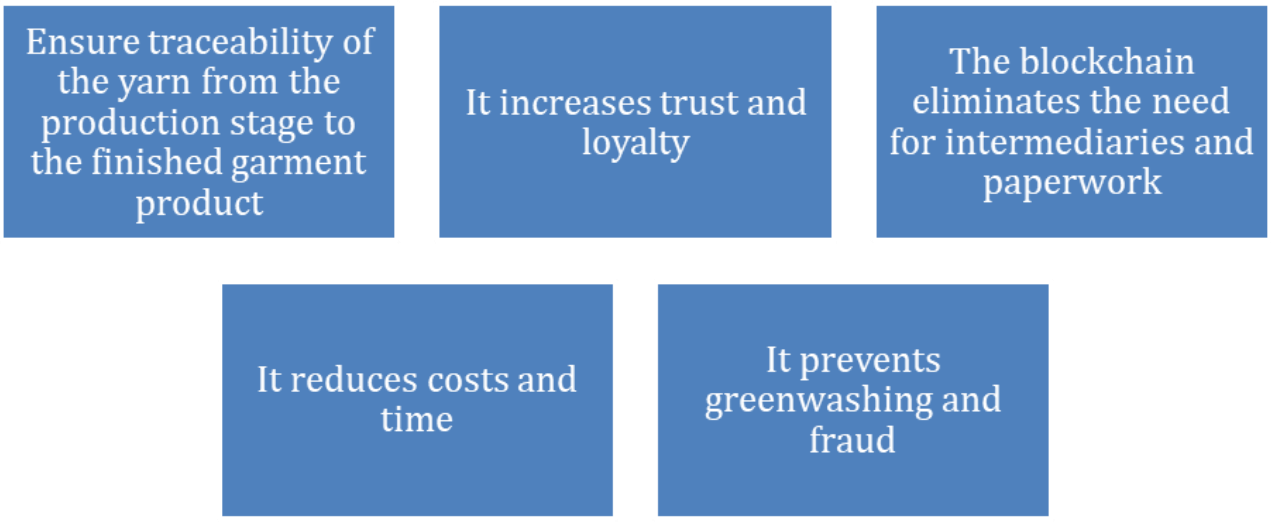
The physical tracer is a patented material that is embedded into any type of raw material at the source, such as cotton, wool, or polyester. The tracer can be detected and authenticated by a scanner at any point in the supply chain, from the fiber to the fabric to the garment.

The public blockchain technology is a decentralized and transparent platform that records and verifies the production data of each supplier at each step of the supply chain. The blockchain creates a digital twin and a virtual flow of the material that follows the physical flow forward. The blockchain also generates a Digital Product Passport (DPP) for each product, which contains the relevant information about its origin, history, and impact.

Aware™ has recently announced that it has successfully integrated its tracer into recycled polyester filament yarn, which is a type of yarn made from recycled plastic bottles. Recycled polyester is a sustainable alternative to virgin polyester, as it reduces the use of crude oil, energy, and water and prevents plastic waste from ending up in landfills or oceans.

By integrating its tracer into recycled polyester filament yarn, Aware™ has ensured the traceability of the yarn from the production stage to the finished garment product. This means that the yarn can be verified and authenticated at any point in the supply chain, and the production data can be logged and validated on the blockchain. This also means that consumers can access the DPP of the product and learn about its sustainability credentials and impact.

Aware™ claims that its solution is the most reliable and secure traceability system on the market.



Aware™ is not only a traceability solution but also a platform for collaboration and innovation. Aware™ aims to create a network of trusted partners, including brands, suppliers, certifiers, and consumers, who share the same vision and values of sustainability and transparency. It also aims to foster a culture of innovation, creativity, and diversity and encourage the development of new products and solutions that can solve real-world problems and minimize the collective impact of the textile industry.

Aware™ is the solution for a new era, as it makes data public to track and validate the end-to-end impact of sustainable textiles from origin to consumer. Aware™ is the unlock for minimizing our collective impact.

At the 25th anniversary of the Avantex Paris, the international innovation trade show for advanced and sustainable fashion, Dutch climate tech startup Aware™ got awarded with the Avantex Fashion Pitch Grand Prize 2023 award.

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