LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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News Highlights

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Madhya Pradesh CM Pushes For Completion Of $59.8 Mn Mega Textile Park

http://www.fibre2fashion.com/news/textile-news/madhya-pradesh-cm-pushes-for-completion-of-59-8-mn-mega-textile-park-296275-newsdetails.htm?amp=true

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Indian Industry Should Work In Hub And Spoke Model: Textiles Minister

Union Minister for Textiles Giriraj Singh has called for the adoption of the 'hub and spoke' model to enhance domestic manufacturing, encouraged industry collaboration and underscored the importance of establishing Indian brands. The ministry is also poised to revive the Scheme for Integrated Textile Parks (SITP) to create internationally standardised parks.

“Today, India is one of the fastest growing economies in the world with a GDP growth rate of 7.2 per cent and is expected to be 3rd largest economy by 2027-28.” The convergence of a positive domestic outlook with a growth-oriented political establishment has provided a conducive ecosystem for business in India. Several measures have been taken by the Government of India to enhance the infrastructure sector and ease of doing business, he said while inaugurating the 71st edition of the India International Garment Fair (IIGF) at Yashobhoomi Convention Centre today.

Further, the minister stated that the Indian apparel and textiles market is currently valued at $165 billion and aims to reach $350 billion, a target set with industry consent. Prime Minister Narendra Modi has created a roadmap to promote technical fibres and geo textiles, providing significant opportunities for growth, the Ministry of Textiles said in a press release.

He mentioned that his challenge is not Bangladesh, but rather aiming to surpass China in the future. He noted that water and raw material costs in Bangladesh are rising. Additionally, Singh suggested the creation of small clusters for smaller players in India to boost RMG exports.

Addressing the India International Garment Fair, Singh emphasised that revamping textile parks and promoting green textiles will be the ministry’s focus.

Union Minister emphasised in his inaugural address that the IIGF offers a unique marketing platform for micro, small, and medium exporters, showcasing India's latest trends and diverse offerings to the world. Singh further stated that developing world-class manufacturing facilities is essential for realising the Prime Minister's vision of 'Make in India' with 'Zero Effect; Zero Defect' at every level of the value chain.

The fair is being organised by the Apparel Export Promotion Council (AEPC) through the International Garment Fair Association (IGFA), in association with three major garment Associations of India namely, Clothing Manufacturers Association of India (CMAI), Garment Exporters & Manufactures Association (GEMA) and Garment Exporters Association of Rajasthan (GEAR). More than 600 buyers from 50 countries are participating in the event. The 71st edition will also host two fashion shows each day, from 25 to 27 June.

During his address, Sudhir Sekhri, chairman of AEPC, underlined that the global headwinds had negatively affected Indian apparel exports. However, despite these adverse scenarios, the Indian apparel export industry was able to hold its own and mitigate the damage to a significant extent.

Mithileshwar Thakur, secretary general, mentioned that there is a greater opportunity for Indian apparel exporters to expand their footprint across developed countries in the coming years. He urged the Indian apparel industry to seize this opportunity and start aspiring for greater achievements.

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RBI appointments on bank boards: What it means for the sector and stakeholders, experts weigh in

The Reserve Bank of India's (RBI) recent appointment of Arun Kumar Singh, a retired chief general manager of the RBI, as an additional director on the Board of Bandhan Bank has raised questions among investors.

Investors are debating whether these RBI appointments on bank boards are temporary measures to enhance bank operations or if they indicate deeper issues, such as increased non-performing assets (NPAs) and financial stress within these banks.

Abizer Diwanji, Partner and National Leader for Financial Services at EY India, along with HR Khan, former deputy governor of the Reserve Bank of India (RBI), provided insights to CNBC-TV18 about the implications of the RBI's additional appointments on bank boards for the sector and its stakeholders.

Khan pointed out the RBI's extensive regulatory authority over the banking sector. He said the regulator appoints additional directors for a specified period to safeguard banking policy, public interest, the company's interest, or the interests of other stakeholders, particularly depositors.

Diwanji believes RBI takes necessary measures as and when needed.

"Depending on where RBI feels the need for incremental involvement, not necessarily supervision, they would take steps. So, as we have seen, they have barred specific operations, they have barred customer acquisitions, etc., depending on what they believe the issues are," he noted.

The goal in case of Bandhan Bank may be to ensure stable leadership during a transition period, such as the recent exit of Bandhan Bank's CEO on June 9.

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India exploring renewed negotiations with New Zealand, South Africa for new FTA deals

With a view to strengthen its economic ties and enhance its trade relationship with New Zealand and South Africa, India plans to soon start new free trade agreement (FTA) discussions with these nations, two officials aware of the matter told *Mint*.
The strategic move is part of India's broader effort to diversify its trade partnerships and reduce its dependency on traditional markets.

The scope of India's trade ties with New Zealand and South Africa, which is a key constituent of the South African Customs Union (SACU), is huge as India already shares robust trade relationships with both the countries.

A comprehensive FTA with these countries would further help India diversify its trade relationships and strengthen its position in the global economic order.

Ready for trade

“New Zealand has reached out to us for FTA talks. We are taking it with priority," said one of the officials cited above, requesting to remain anonymous.

“The geopolitical landscape has shifted, with most developed economies now keen on forging trade alliances with India, recognizing it as one of the fastest-growing major economies,” the official added.

India is the world's fifth-largest economy in terms of nominal GDP and the third largest by purchasing power parity (PPP).

“We are [also] exploring the possibility of initiating trade negotiations with South Africa, a key member of the South African Customs Union (SACU), to broaden our trade portfolio," noted the official.

The commerce ministry also held a stakeholder consultation last week to discuss the way forward for holding discussions on new FTA deals.

New Zealand's trade is primarily centered around agricultural products, education services, and technology.

The country exports dairy products, wool, and fruits to India, while India exports pharmaceuticals, textiles, and information technology services to New Zealand.

Meanwhile, the trade relationship between India and African nations has been growing steadily, with India serving as a major importer of raw materials and exporter of manufactured goods to the region.

Queries emailed to commerce secretary Sunil Barthwal, spokespersons of commerce ministry, New Zealand High Commission and South African government remained unanswered till press time.

A mix of options

"Until 2015, India was negotiating a comprehensive FTA with New Zealand, but the talks were paused. Both countries then shifted focus to negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement. Now that India has exited RCEP, negotiations with New Zealand can potentially resume," said Ajay Srivastava, founder of Global Trade Research Initiative (GTRI).

"Two issues that dampen India's enthusiasm [for an FTA with New Zealand] are the modest trade volumes and New Zealand's request for tariff cuts on agricultural and dairy products," Srivastava added.

India has already signed FTAs with several countries, such as Japan, South Korea, Australia, and the European Free Trade Association (EFTA) countries in the past few years. These deals have facilitated increased trade flows, investment, and economic cooperation between the signatory countries.

New Delhi is also negotiating FTAs with Oman, and economic blocs Asean and the European Union, among others.

"As negotiations are underway with countries like the UK, the US, the European Union, Peru, etc., it is expected that by the end of this year, India may be able to complete or be near to completing an FTA with major economies except China," GTRI's Srivastava said.

Experts emphasize the importance of direct engagement with South Africa to facilitate effective bilateral trade discussions.

"As a crucial member of the Southern African Customs Union (SACU), direct negotiations with South Africa are essential for advancing towards a comprehensive trade agreement. Although initial talks with SACU began in 2005, progress has been inconsistent," said Abhash Kumar, assistant professor-economics at University of Delhi.

Therefore, prioritizing direct engagement with South Africa is essential to overcoming historical challenges and achieving substantial advancements in trade relations, he added.

SACU comprises five member countries—Botswana, Lesotho, Namibia, South Africa, and Eswatini (formerly known as Swaziland).

Trade tally

According to data from the commerce ministry, India's exports to New Zealand dipped by 1.73% to $538.33 million, while imports from New Zealand dropped by 29.89% to $335.14 million in FY2023-24. Consequently, the total bilateral trade between the two countries decreased by 14.82% from the previous fiscal to $873.47 million.

In contrast, exports to South Africa grew by a moderate 2.7% to $8.71 billion in FY2023-24 from the previous year, while imports saw an uptick of 8% to reach $10.54 billion.

The total trade volume between the two countries for the year amounted to $19.25 billion, reflecting a 2.3% increase from the previous fiscal year.

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India's remittance growth may slow down 50% in 2024 on lower inflow from Gulf: World Bank

India-bound remittance growth is likely to halve in 2024 at 3.7 percent from 7.5 percent a year back because of reduced inflows from the Gulf, the World Bank has said.

India received a robust $120 billion in 2023, thanks to strong labour markets in the US and Europe. Declining oil prices and lower production have taken toll on the outflow from the Gulf Cooperation Council (GCC) countries, according to a report by the World Bank. The multilateral lending agency has estimated a modest $124 billion inflow for 2024 and $129 billion for 2025.

Remittance growth refers to the increase in the total amount of money sent by individuals working abroad (migrants) to their home countries. This growth is typically measured in terms of percentage change over a specific period, such as annually or quarterly. Remittances are often crucial for recipient countries as they contribute to their economies through increased household incomes and foreign exchange reserves.

India maintained its position as the top recipient of remittances globally, ahead of countries like Mexico ($66 billion), China ($50 billion), the Philippines ($39 billion), and Pakistan ($27 billion). The country also leads in terms of the number of emigrants, with 18.7 million Indians living abroad.

Efforts by India to enhance the remittance processes, such as linking its Unified Payments Interface with countries like the United Arab Emirates (UAE) and Singapore, are expected to reduce transaction costs and accelerate remittances. The UAE, accounting for 18 percent of India's remittances and the second-largest source after the US, has benefited from a free trade agreement signed in February 2023. This agreement facilitates transactions in local currencies and promotes cooperation in payment and messaging systems between India and the UAE.

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Economic growth momentum stays the course to reach 7.5% in FY25: NCAER

The Indian economy kept up its growth momentum in the first quarter of the current fiscal, the National Council of Applied Economic Research (NCAER) said in a report on June 26.

“High-frequency indicators reveal that the domestic economy continues to remain resilient,” the NCAER said in its monthly economic review, pointing to an acceleration in industrial production and buoyant GST collections.

The country's private sector activity eased in May but is likely to have picked up again in June, preliminary results of the Purchasing Managers’ Index released last week showed.

The HSBC Flash India Composite Output Index remained above the 50 mark, rising to 60.9 in June compared with 60.5 a month back.

“Bank credit growth remained above 20 percent despite some deceleration in personal credit growth, and expectations of ‘above normal’ monsoon despite deficient rainfall in June held out strongly for the farm sector,” the NCAER said.

The economy is likely to perform better than expected. Fitch Ratings has revised India’s FY25 growth forecast upward to 7.2 percent from 7 percent estimated earlier. It follows a similar revision by the Reserve Bank of India.

GDP growth during 2024-25 may turn out to be higher than 7 percent and even closer to 7.5 percent. "This outlook is underpinned by the buoyancy in economic activity witnessed in the first quarter; a keen policy focus on investment, growth, and macroeconomic stability; and the expectations of normal monsoon," said Poonam Gupta, director-general of NCAER.

The NCAER expects rates to be eased later in the year, providing a fillip to growth. The Monetary Policy Committee held the policy rate at 6.5 percent for the eighth consecutive time at this month's review meeting.

Inflation declined to 4.75 percent in May—the lowest level in eight months—but food inflation remained sticky at over 8 percent.

“A broader policy framework may be needed to address it, including building climate-resilient food supply as also a gentle shift towards packaged and preserved food supply to bridge the periodical supply and demand gap that has become routine,” Gupta said.

Experts have been penciling a 25bps rate cut in October as inflation declines further in the coming months owing to a high base.

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Hit during Covid, textile corp may be closed down by govt

The government is considering various options including closure of state-run National Textiles Corporation Ltd (NTC) along with its 23 mills as commercial production in these units has been suspended since Covid, at least three officials with direct knowledge of the matter said.

“NTC has a land bank of around 3,661 acres in prime locations, hence any such action would require proper planning,” one of them said.

“The ministry of textiles is expected to prepare an action plan on this matter soon after consulting the NITI Aayog and the Department of Public Enterprises (DPE),” he said.
Email queries sent to the government’s spokespersons, senior textiles ministry officials and the CMD of NTC on this matter elicited no response.
“This is a work in progress as per the new PSE [public sector enterprise] policy, which stipulates that a final decision will be taken by the competent authority,” a second official said. Although the new government at the centre is “by-and-large” expected to maintain the policy continuity, the matter could be placed before the cabinet after a review, he added.
The government on February 4, 2021 notified the new PSE policy , which asked DPE to identify central public sector enterprises (CPSEs) for closure or privatisation in non-

strategic sectors as per the recommendation of the administrative ministry, he said. NTC is a non-strategic enterprise, he added.
According to a third person, production activities in the 23 mills of NTC were on until Covid-19 pandemic hit the country in March 2020. Work was suspended in these mills due the nationwide lockdown. After the lockdown was lifted, work at 14 mills were restored with the available raw materials from January 2021. Then the second wave of Covid-19 pandemic hit again, leading to the closure of all NTC mills in April 2021. After that operations could not be restored to the normal level because of unavailability of working capital and other financial issues. According to available data, the company had been posting net loss of over ₹300 crore annually since 2018-19 till 2022-23.
"The mills are sick because they are facing technical obsolescence, excess manpower, financial crunch and poor productivity," he said. The 23 NTC mills are located in the states of Tamil Nadu (seven mills) Maharashtra (five), Kerala (four), Madhya Pradesh (two) and one each in Andhra Pradesh, Gujarat, Karnataka, Kerala, and Puducherry.
According to the textile ministry's annual report for 2022-23, NTC's provisional net worth (the value of the company after deducting liabilities) was ₹920.10 crore.

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Five-yr extension expected for export credit scheme

https://m.economictimes.com/news/economy/foreign-trade/five-yr-extension-expected-for-export-credit-scheme/articleshow/111294435.cms

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CCI should sell cotton only to MSME mills: textile association

The South India Spinners Association has urged the Cotton Corporation of India (CCI) to prioritise selling of cotton to textile mills in the Micro, Small, and Medium-scale Enterprises (MSME) sector from July 1.

Association secretary S. Jagadesh Chandran said in a press release that the textile sector is at a critical juncture grappling with financial stress. Several mills in Tamil Nadu have ceased operations due to financial crisis, high operational costs, and market volatility. These challenges are compounded by a notable decline in export for yarn and textiles, as well as increased pressure from imports, he claimed.

The CCI should sell its stock of 24 lakh bales only to the MSME spinning mills for three months as sale to traders leads to speculative practices. “We request you to stop selling to traders and instead retain these stocks for exclusive sale to mills,” he said.

Four months ago, when cotton prices suddenly increased from ₹58,000 to ₹63,000 a candy, the industry requested the Ministry of Textiles and the CCI to not sell cotton to traders. The ministry, too, advised the CCI to not sell cotton to traders and the CCI stopped doing so. Cotton price immediately dropped down to ₹57,000 a candy and remained stable for four months, he said.

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UAE-India CEPA, Indian Chamber Of Commerce To Boost UAE-Odisha Ties

The UAE-India CEPA Council (UICC), in collaboration with the Indian Chamber of Commerce (ICC), convened a business roundtable involving close to 30 Odisha-based businesses to discuss opportunities to leverage the benefits of the UAE-India Comprehensive Economic Partnership Agreement (CEPA).

The UAE delegation was led by H.E. Abdulnasser Alshaali Ph.D., the Ambassador of the UAE to India, with participants including Ahmed Aljneibi, Director of the UICC, Mohammad Haseeb, Strategic Country Manager - India, Ras Al Khaimah Economic Zone (RAKEZ), and Mr. Yogpal Singh, Director, Corporate Affairs, DP World.

H.E. Dr Alshaali said, “Odisha has played a critical role in supporting the UAE-India bilateral partnership. Its highly developed minerals and industrial sector and strong human capital are of key interest to UAE investors. We are confident that today’s event will serve to ensure businesses in Odisha take advantage of a range of economic, trade, and investment opportunities that have been offered through the signing of the CEPA.”

Aljneibi highlighted the rapid growth in Odisha’s total trade with the UAE. “In the 2023-2024 fiscal year, trade between the UAE and Odisha reached USD 2.63 billion, with Odisha constituting the UAE’s eighth-largest trading partner among India’s 28 states and eight union territories. It is essential that we undertake all efforts to continue to build upon this constructive trading relationship and seek out new avenues for mutually beneficial growth. The UICC, in partnership with the ICC, is committed to supporting businesses in Odisha to achieve their international trade and investment ambitions.”

Odisha is India's largest producer of steel, stainless steel, ferroalloys, alumina, and aluminium. The state holds a significant share of India's reserves of nickel, bauxite, iron-ore, and coal. Over recent years, constructive steps have been undertaken to develop deeper investment and trade collaboration between the UAE and India.

In June 2022, several memoranda of understanding, valued at USD 2.76 billion, were signed between the Government of Odisha and UAE companies. Most notably, the Lulu Group committed to exploring opportunities to establish hypermarkets, shopping malls, and agriculture and seafood processing hubs in the state.

Underlining the key role of the CEPA in strengthening economic ties between the UAE and India, trade between the two countries stood at 83.64 billion for the 2023-2024 fiscal year. The importance of the CEPA is exemplified by the substantial trade growth in specific sectors such as gems and jewellery, drugs and pharmaceuticals, and fruits and vegetables, which saw rises of 64 percent, 39 percent, and 35 percent, respectively, over the 2023-24 fiscal year. The UAE is India's second-largest export destination, third-largest trading partner, and fourth-largest investor.

The UICC, established in early 2024, has played a pivotal role in harnessing the opportunities created by the signing of the CEPA. The impacts of the CEPA have been profound, catalysing billions of dollars in investments and fostering a heightened level of business confidence that spans multiple industries. The CEPA has not only facilitated easier market access and reduced barriers to trade but has also encouraged a dynamic exchange of goods and investments, leading to a diversified economic partnership between the UAE and India.

The UICC is dedicated to fostering open dialogue, facilitating tangible cooperation, and accelerating trade ties between UAE and Indian businesses to cultivate mutual growth and prosperity.

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PLI scheme to be expanded to garment sector: Textiles Minister

Union Textiles Minister Giriraj Singh on Tuesday announced that the Rs 10,000 crore PLI scheme will be expanded to the garment sector to boost domestic manufacturing and exports.In his inaugural address at the India International Garment Fair (IIGF) here, Giriraj Singh said that the ministry is poised to revive the Scheme for Integrated Textile Parks (SITP) to create internationally standardised parks.

He emphasised that the government will focus on revamping textile parks and promoting green textiles.

Singh also said that there were plans to make small clusters for smaller players in India to boost the exports of ready-made garments.

The PLI scheme has been a huge success in the electronics sector with India's production of electronic goods such as smartphones shooting up and even emerging as a major item in the export basket.

The minister urged industry to adopt the 'hub and spoke' model to enhance domestic manufacturing of textiles and underscored the importance of establishing Indian brands.

"Developing world class manufacturing facilities is a must for realising the Prime Minister's vision of 'Make in India' with 'Zero Effect; Zero Defect' at each level of the value chain," he added.

The minister said that the International Garment Fair, being held at the Yashobhoomi Convention Centre here, offers a unique marketing platform for micro, small, and medium exporters, showcasing India's latest trends and diverse offerings to the rest of the world.

"Today, India is one of the fastest growing economies in the world with a GDP growth rate of 7.2 per cent and is expected to be the third largest economy by 2027-28," he observed.

The convergence of a positive domestic outlook with a growth-orient$ed political establishment has provided a conducive ecosystem for business in India.

Several measures have been taken by the government of India to enhance the infrastructure sector and ease of doing business, he added.

Further, the Minister stated that, the Indian Apparel and textiles market is of the size of $165 billion which has to touch $350 billion; a target, which has been fixed after consulting the industry.

"I request you to take it to 50 billion by 2030. The Prime Minister made a roadmap to promote technical fibre and Geo textiles, which is providing huge options for growth. I have said that my challenge is not Bangladesh. I would like you to take it ahead of China in time to come," the minister remarked.

Sudhir Sekhri, Chairman AEPC during his address underlined, "the global headwinds negatively affected Indian apparel exports. But despite these adverse scenarios, the Indian apparel export industry was able to hold its own and contain the damage to quite an extent"

Mithileshwar Thakur, Secretary General said that there is a greater chance for Indian apparel exporters to expand its footprint across developed countries in coming years.

The Indian apparel industry must in-cash this opportunity and start dreaming big.

Knowledge sessions are also being organised on the sidelines on the June 25 and 26, covering various topics like Navigating Global Trade.

"More than 600 buyers from 50 countries are participating in the event. The 71st Edition will also host two fashion shows each day, from 25th to 27th June'2024, showcasing the best of the collections exhibited during the show.

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GDP growth may be close to 7.5% in FY25: NCAER

Underpinned by the buoyancy in economic activity witnessed in the first quarter, a keen policy focus on investment and the expectations of a normal monsoon, India's economy may grow by close to 7.5% in 2024-25, the National Council of Applied Economic Research (NCAER) said on Wednesday.

Recently, the Reserve Bank of India (RBI) raised its projections for India's Gross Domestic Product (GDP) growth to 7.2% from 7% in FY25. Growth projections have been upgraded by various other agencies as well with the median projection at 6.9%. "GDP growth during 2024-25 may turn out to be higher than 7% and even closer to 7.5%," NCAER director general Poonam Gupta said.

High-frequency indicators showed that the domestic economy continues to remain resilient. The Purchasing Managers' Index (PMI) for both manufacturing and services kept the expansionary momentum despite slowing down a bit in May.

Growth in the Index of Industrial Production (IIP) for core industries accelerated in April 2024; Goods and Services Tax (GST) collections remained buoyant year-on-year; bank credit growth remained above 20% despite some deceleration in personal credit growth; and expectations of 'above normal' monsoon despite deficient rainfall in June held out strongly for the farm sector, Gupta said. With inflation seemingly having peaked, monetary policy is unlikely to be tightened any further, she said. "If anything, it may be eased during the year," Gupta said.

Retail inflation eased to a 12-month low of 4.7% in May, though food inflation remained elevated. Gupta said that taming food prices remains a challenge.

"A broader policy framework may be needed to address it, including building climate-resilient food supply as also a gentle shift toward packaged and preserved food supply to bridge the periodical supply and demand gap that has become routine," she added.

NCAER said global environment seems benign as well in the absence of any known global risks so far.

The central government contained its fiscal deficit at 5.6% of GDP for FY24, as compared to the revised estimate of 5.8% and the budget estimate of 5.9%.

Recently, S&P Global Ratings has revised India's credit outlook from stable to positive while maintaining the long-term sovereign credit rating at the lowest investment grade of BBB-, indicating that an upgrade in the credit rating could occur if India's fiscal deficit narrows, and if the central bank effectively controls inflation over time.

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Bangladesh, China aim for 'game-changing' economic partnership

Through a possible Free Trade Agreement (FTA), Bangladesh and China aim to advance their bilateral economic relationship. Experts believe this might be a game-changer for both nations.

On 8th-11th July, Bangladeshi Prime Minister Sheikh Hasina is anticipated to travel to China in an important move to strengthen the relationship. Her visit is intended to reduce the nearly US $ 17 billion trade imbalance that favours China and encourage greater Chinese investment in Bangladesh.

Experts noted that China and Bangladesh might work to negotiate an FTA as a catalyst for each nation's economic development, based on the concepts of win-win and mutual benefit.

The pact, which aims to increase bilateral commerce and investment as well as the creation of jobs, may come to an end before Bangladesh leaves the group of least developed nations (LDCs) in 2026.

The visit of Prime Minister Sheikh Hasina to Beijing, according to Chinese Ambassador to Bangladesh Yao Wen, will be a "game-changer," according to a recent programme.

"In terms of trade, China has maintained its position as Bangladesh's largest trading partner for 13 consecutive years, with bilateral goods trade reaching US $ 24 billion in 2023. In terms of investment, China's foreign direct investment (FDI) stock in Bangladesh reached US $ 3.2 billion by 2023, making China the second-largest investing country in Bangladesh," he stated.

The China-Bangladesh FTA covers areas such as trade in goods, trade in services, investment, e-commerce and high-tech industry cooperation, providing a basic framework and solid guarantee for future bilateral economic and trade cooperation.

Data from Bangladesh Bank and the Export Promotion Bureau (EPB) show that, in the fiscal year 2022–2023, bilateral commerce between Bangladesh and China totaled US $

18.5 billion. Bangladesh received US $ 17.83 billion in imports and US $ 677.36 million in exports worth of goods from China. Thus, there was a US $ 17.15 billion trade deficit.

Bangladesh's imports totaled US $ 19.35 billion compared to US $ 683.43 million in exports in FY '22, US $ 12.93 billion compared to US $ 680.66 million in FY '21, US $ 11.49 billion compared to US $ 600.11 million in FY '20, and US $ 13.85 billion compared to US $ 831.20 million in exports in FY '19.

Bangladesh exports primarily single-strand jute and textile bast fibres, T-shirts, pants made of cotton, breeches, jerseys, pullovers and acid oils from refining as well as live eels to China.

On the other hand, Bangladesh imports many items, including textiles and textile articles, machinery and mechanical appliances, electrical equipment, parts thereof, and parts and accessories of such articles, medical instruments and apparatus, and products of the chemical or allied industries, from China.

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Cotton Prices Gained Amid Delay In Arrival Of Shipments From Us, Brazil

Cotton prices, represented by Cottoncandy, rose by 1.1% to settle at 58,890 amid disruptions in shipments from major producers like the US and Brazil, boosting demand for Indian cotton from mills in neighboring countries. This uptick in prices was also supported by a firm trend in cottonseed prices, despite the ongoing sowing for the kharif 2024 season in southern states like Karnataka, Telangana, and Andhra Pradesh, which have started receiving monsoon rains. In India, the cotton acreage outlook for 2024 is mixed. While Telangana anticipates an increase in cotton planting due to shifts from other crops like chillies, North India faces challenges with decreased acreage attributed to pest issues and rising labor costs.

Internationally, the US cotton projections for the 2024/25 season show higher beginning and ending stocks, with unchanged production, domestic use, and exports. The season average upland farm price is forecasted lower at 70 cents per pound due to declines in new-crop cotton futures. Global balance sheets for cotton in 2024/25 reflect increased beginning stocks, production, and consumption, with stable world trade. Ending stocks are projected higher at 83.5 million bales.

Technically, the cotton market saw short covering as open interest dropped by -0.28% to 361 contracts, while prices surged by 640 rupees. Support levels for Cottoncandy are identified at 58,360, with potential downside testing at 57,830. Resistance is expected at 59,210, and a breakthrough above this level could lead to further gains toward 59,530. Investors and traders will continue to monitor these factors closely for potential impacts on future price trends in the cotton market.

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