LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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News Highlights

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INDIA EXPANDS RODTEP SCHEME TO BOLSTER INTERNATIONAL TRADE\

The Government of India has broadened the scope of its Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme, extending support to additional sectors crucial to the country's export economy. Announced by Union Minister of Commerce and Industry, and Textiles, Piyush Goyal in New Delhi, the expansion now includes Advance Authorisation (AA) holders, Export Oriented Units (EOU), and Special Economic Zones (SEZ) export units, which collectively account for approximately 25 per cent of India's exports.
Significant beneficiaries of this extension will include sectors like textiles and chemicals, among others. The government's goal with this initiative is to not only improve competitive standing internationally but also to stimulate job creation and contribute to the broader economic prosperity, the ministry of commerce and industry said in a press release.

The RoDTEP Scheme, launched in January 2021, aims to refund various embedded taxes and duties levied on exported products, promoting a level playing field in the international market. To date, the initiative has supported over 10,500 export items with a total allocation of ₹420 billion (approximately $5.08 billion). The current financial year sees a budget of ₹150.7 billion (approximately $1.82 billion) for the scheme, with a planned increase of 10 per cent in the following fiscal.

Given the backdrop of global economic uncertainties and supply chain challenges, the extension of RoDTEP to previously uncovered sectors is a strategic move to bolster the exporting community against international headwinds. The scheme is set to continue until September 30, 2024, focusing on enhancing the export competitiveness of India in key markets.

This effort aligns with the vision of fostering an Aatmanirbhar Bharat and is part of a larger strategy, including the negotiation of new free trade agreements (FTAs), aimed at propelling India towards a $1 trillion merchandise export target.

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India Exempts Certain Exporting Units From QCOs With Conditions

India has exempted advance authorisation holders and export-oriented units (EOUs) from mandatory quality control orders (QCOs) for imported goods used as raw materials for

manufacturing export items.
A gazette notification issued by the Directorate General of Foreign Trade (DGFT) last week said the exemption will be with pre-import conditions.

The unutilised imported material will be destroyed in the presence of jurisdictional goods and services tax and customs authorities, it noted.

Mandatory QCOs help curb the import of sub-standard products, prevent unfair trade practices and ensure the safety and well-being of consumers as well as the environment.

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Moody's Raises India's FY24 GDP Growth Forecast To Around 8% From 6.6%

Keeping in view strong domestic consumption and government capital expenditure, Moody's Ratings last week raised India's gross domestic product (GDP) growth forecast for fiscal 2023-24 (FY24) by about 140 basis points to around 8 per cent from 6.6 per cent in November last year.
The country's National Statistical Office (NSO) projected 8.4 per cent growth in the third quarter (Q3) of FY24. It also revised GDP estimates for Q1 and Q2 to 8.2 per cent and 8.1 per cent from 7.8 per cent and 7.6 per cent respectively.

India's real GDP growth was 7 per cent in FY23.

India will also benefit from increased global trade and investment opportunities when companies diversify away from China, Moody's noted.

"We expect India's inflation rate will decline to 5.5 per cent in [fiscal] 2023-24 from a peak of 6.7 per cent in fiscal 2022-23, and further disinflation will support monetary easing going forward," it said.

Banks' capitalisation will stay strong as their internal capital generation keeps pace with capital consumption, it said. They will also be able to raise capital easily if needed, given India's buoyant equity market.

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India Inks TEPA With EFTA To Boost Trade & Investment

India has taken a significant stride in bolstering its international trade and investment ties by signing the Trade and Economic Partnership Agreement (TEPA) with the European

Free Trade Association (EFTA) on March 10, 2024. The EFTA, comprising Switzerland, Iceland, Norway, and Liechtenstein, aims to promote free trade and economic integration to benefit its members. The Union Cabinet, under the leadership of the Prime Minister Narendra Modi, has greenlit the TEPA, marking a milestone in India's trade diplomacy. Spanning 14 chapters, the TEPA focuses on various critical areas including goods market access, rules of origin, trade facilitation, and investment promotion, alongside intellectual property rights and sustainable development. This comprehensive agreement will unlock new avenues for trade and investment, positioning EFTA as a crucial economic bloc for India within Europe, alongside the EU and the UK, the ministry of commerce and industry said in a press release.

A notable aspect of the agreement is EFTA's commitment to fostering investments in India, aiming to increase foreign direct investment by $100 billion within the next 15 years. This ambition is set to generate 1 million direct jobs in India, excluding foreign portfolio investments. This move marks a historic first in free trade agreements, establishing a legal framework for targeted investment and job creation.

Under the terms of TEPA, EFTA will open up 92.2 per cent of its tariff lines, covering 99.6 per cent of India’s exports, while India will offer 82.7 per cent of its tariff lines, encompassing 95.3 per cent of EFTA’s exports. India has also committed to opening 105 sub-sectors, securing reciprocal commitments from the EFTA states in various sectors.

The agreement underscores India’s dedication to sustainable development, transparency in trade procedures, and fostering an environment conducive to domestic manufacturing. It notably supports the ‘Make in India’ and ‘Atmanirbhar Bharat’ initiatives, encouraging manufacturing in key sectors like manufacturing and transport and logistics.

Moreover, TEPA paves the way for India's deeper integration into European markets. This strategic positioning could serve Indian companies looking to expand their reach into the EU market. Ultimately, TEPA is set to significantly influence India's economic landscape, driving direct employment and manufacturing growth over the next 15 years.

"TEPA is a modern and ambitious trade agreement. For the first time, India is signing FTA with four developed nations—an important economic bloc in Europe. For the first time in history of FTAs, binding commitment of $100 billion investment and 1 million direct jobs in the next 15 years has been given. The agreement will give a boost to Make in India and provide opportunities to young and talented workforce. The FTA will provide a window to Indian exporters to access large European and global markets," said *Piyush Goyal, minister of commerce and industry, and textiles*.

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JUTE MARK INDIA PORTAL WAS CREATED & LAUNCHED BY THE TEXTILES COMMITTEE

Recognizing the value of jute fiber and the need to promote jute and jute-diversified goods, the Indian government's Ministry of Textiles, through the National Jute Board (NJB), announced the "Jute Mark India" (JMI) program on July 9, 2022. Jute Mark India is being implemented nationwide by the Textiles Committee (TC), which is a department of the Indian government's Ministry of Textiles.

All users who have registered are eligible for Jute Mark India Labels. These labels will give jute products a collective identity and may be used to both popularize jute products and offer buyers and consumers with reassurance. Anyone who manufactures, crafts, or retails both traditional and unique jute items is eligible to register under this program. Any product that has at least 50% jute fiber by weight in the jute portion is eligible to have the Jute Mark India label applied to it. Jute Mark labels are made of taffeta cloth and measure one inch by two inches. They have a special QR code and the JMI logo. The QR code has embedded information about the registered user. All the registered entities will be eligible for using JMI labels on their products to indicate that the product in of jute origin from India.

To facilitate Jute mark India registration of all stake holders involved in production and manufacture of the jute and diversifies jute products, the Textile Committee has developed an portal traces-textile.gov.in and an mobile App. Now the stake holder can submit application and demand for labels from their comfort without man-day loss or wage loss. Moreover, the unique QR code printed on each label carry manufacturer information and therefore serves as market linkage to the artisans and other manufacturers.
The newly developed portal and the mobile Apps were launched by the Smt. Dharshana Jardhos. Smt. Rachna Shah, Secretary (Textiles), Smt. Prajakta L Verma, Joint secretary (Fibre), Sh. Rajiv Saxena, Joint Secretary, Ministry of Textile, Govt. of India and Sh. Prashant Kumar Singh, CEO, GeM were also present.

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Incomes of female self-help group members tripled during FY19-FY24, says SBI economist

Incomes of female members of India's self-help groups (SHGs) has more than tripled in the last five years, according to an analysis by Soumya Kanti Ghosh, State Bank of India's Group Chief Economic Adviser.

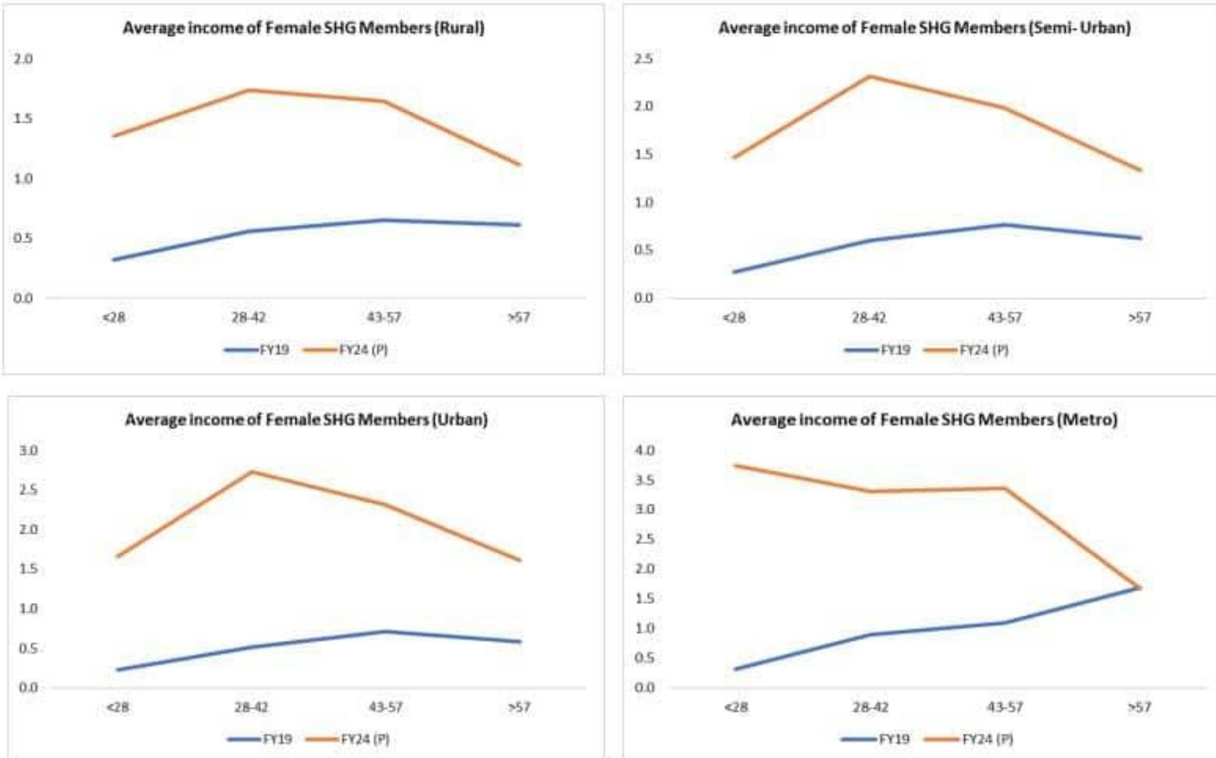
Writing in a report on March 11, Ghosh said that the Covid pandemic had created opportunities for SHGs to "exponentially" increase their activities. Taking 2018-19 as the base year, Ghosh found that the income credited in female SHG members' bank accounts is set to increase from Rs 100 to Rs 307 as per the data available for the first nine months of 2023-24.

The biggest income increase was seen in female SHG members in urban areas, who this year are set to earn Rs 462 if their income in 2018-19 is assumed to be Rs 100. And while rural SHG members have seen a smaller increase in their incomes, Ghosh noted that "65 percent of rural SHG members have moved into Upper Quantiles (in) FY24 when compared to FY19".

When these members are considered by age, the biggest income jump – 4.7 times – has been for those younger than 27 years.

"The jump in Rural Female LFPR is significantly correlated with the rise in Female SHG members' income…a 11 percent jump associated with 2.25 times jump in income in only 4 years," Ghosh added.

LFPR is the Labour Force Participation Rate. As per latest data from the Statistics Ministry's Periodic Labour Force Survey, the rural female LFPR rising from 21.7 percent in 2017-18 (July-June) to 34.6 percent in 2022-23.



*Average income in lakhs

Source: SBI Research

"Data shows southern states where the SHG movement first started alone do not have Lakhpati Didis. Females of Uttarakhand, Punjab, Gujarat, Odisha, Bihar too are benefiting from SHGs. SHG is now a mass movement… By FY27, most states in India will have Lakhpati Didis," Ghosh added.

The government's 'Lakhpati Didi' programme looks to boost economic empowerment and financial independence among women in rural areas. A Lakhpati Didi is an SHG member who earns an annual household income of at least Rs 1 lakh.

According to Ghosh, rural incomes post 2013-14 are more equal than before and that looking at real income growth before and after 2013-14 is a "misleading narrative".

"The distribution of wages during FY05-FY14 followed a non-normal distribution indicating prevalence of more extreme values further away from the mean thus accentuating wage inequality. The distribution of wages during FY15-FY23 clearly follows a normal distribution indicating cluster of values closeted around the mean reinforcing wage equality," Ghosh said.

Interestingly, the study also found that SHG members seem to favour transacting digitally, with expenditure via ATMs nearly constant from 2018-19 to 2022-23. Moreover, nearly 73 percent of rural SHG point-of-sale transactions are in metro regions, while 30.5 percent of rural ATM transactions are in urban and metro regions.

"Income from SHG gives the members purchasing power to spend in not just their own district but also in other districts of their own as well as other states. Distance travelled by SHG members can be to the nearest district to as far as within state from 20 km to 2,000 km," Ghosh added.

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Bangladesh, Sri Lanka, number of other countries want to start rupee trade with India: Piyush Goyal

Many developed and developing countries including Bangladesh, Sri Lanka, and nations of the Gulf region are keen to start trade in rupee with India as it would help cut transaction costs for businesses, Commerce and Industry Minister Piyush Goyal has said.

He expressed confidence that the development is going to be a "very game-changing" dimension to India's international trade.

"Bangladesh, Sri Lanka are already talking to us and they want us to start this immediately. Other countries in the Gulf region are looking at that. I think it'll take some time for people to see the benefits. And then we'll have more and more developed countries and countries in the Far East also joining the bandwagon. Singapore is already on board to some extent," he said.

The minister added that gradually countries are realising that undertaking trade in domestic currencies has several advantages.

The minister said that it is now picking up traction and a lot of countries have come forward for this arrangement and are talking to India for that as they would also like to initiate direct transactions between their local currency and the rupee.

"Gradually the conscience is setting in that rather than converting all the transactions into a third currency, both ways, adds significantly to transaction costs," Goyal told PTI in an interview.

Undertaking trade in other currencies leads to foreign exchange and transaction losses as there is a cost for conversion. The delays in the movement of money also pushed transactors' costs.

"We started with the UAE. The UAE was one of the first countries to accept this. It's now picking up traction. We get a lot of countries who come and talk to us that they would like to also initiate direct transactions between the local currency and the rupee.

"It's a process which takes time. It involves the central bankers of both nations to create the framework and then it evolves acceptance by importers and exporters," Goyal said, adding "when it will take off, it'll just fly".

The engagement is also beneficial as the Indian Rupee is mostly stable against most of the international currencies and according to experts, this is one of the reasons that different nations today want to have trade relations built on rupee trade.

The rupee trade is also helping many of the countries, which have dollar shortages.

India has started trade in the rupee with neighbouring countries, including Nepal and Bhutan. The rupee trade mechanism has been initiated to facilitate trade in national currency with Russia, while Sri Lanka has included the rupee in its list of designated foreign currencies.

India's first-ever payment in rupees for crude oil purchased was from the UAE and that is helping the world's third largest energy consumer to push for taking the local currency global, as it looks for similar deals with other suppliers.

Changes have been made in the FTP (Foreign Trade Policy) to allow international trade settlement in Indian Rupee with a view to making INR a global currency.

In July 2022, the Reserve Bank of India (RBI) decided to allow the settlement of India's international trade in rupee. Accordingly, authorised Indian banks are permitted to open and maintain special rupee Vostro accounts of the partner trading country's banks.

These accounts keep the foreign bank's holdings in the Indian counterpart in rupees. When an Indian trader wants to make a payment to a foreign trader in rupees, the amount will be credited to this Vostro account.

Similarly, in the reverse scenario, the amount to be paid to an Indian trader is deducted from the Vostro account, and credited to the person's regular account.

Several banks, including HDFC Bank and UCO Bank, have opened special Vostro accounts to facilitate overseas trade in the rupee and many countries have expressed interest to have this arrangement for the local currency trade.

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Number Theory: Textiles, an under-utilised engine of India's manufacturing push

Read more at : Number Theory: Textiles, an under-utilised engine of India's manufacturing push | Latest News India - Hindustan Times

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Govt extends Samarth scheme by 1 yr

Read more at : Govt extends Samarth scheme by 1 yr (bizzbuzz.news)

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The India-EFTA trade deal: A win-win

Read more at : The India-EFTA trade deal: A win-win | Mint (livemint.com)

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India-EU still diverge on key issues as EFTA deal goes through

Nearly two years after India and the 27-member bloc European Union (EU) relaunched trade negotiations, both countries continue to differ on "key outstanding issues" with the

next round of talks now scheduled only after India's general elections, a report on the seventh round of negotiations released by EU on Monday said.
This comes at a time when India and the four-nation European Free Trade Association (EFTA), an intergovernmental grouping of Iceland, Liechtenstein, Norway and Switzerland, signed a trade pact on March 10, days before the dates for general elections are expected to be announced triggering the model code of conduct (MCC).
To be sure, the proposed India-EU FTA is among the most comprehensive deals that is being negotiated and could accrue tangible market access gain for India in services and labour intensive sectors such as leather, textiles and engineering among others. However, the deal is also among the most complicated to close with differing positions of the 27 members during a global election year.
"Some progress was made on texts during this round, in particular on Intellectual Property Rights, but both side's respective positions still diverge on many key outstanding issues. The 8th round of EU-India FTA negotiations will be held in Brussels after the upcoming Indian elections, with precise dates still to be confirmed," the EU report said on the negotiations held between 19 and 23 February in New Delhi.

The report indicated that India and EU continue to different on Technical Barriers to Trade (TBT)
which is a major pain point for Indian exporters and has resulted in slow export growth during the last few years. TBT largely results from legal requirements that countries enact to ensure that products are safe, to protect the environment, and to inform consumers, or for reasons of "national security".
"Negotiators discussed the articles on technical regulations and conformity assessment as well as sectoral annexes (on cars and on pharmaceuticals), but only limited progress was made. Important differences exist between the two sides in their approach to TBTs, in particular in relation to the incorporation of the WTO's TBT agreement and the application of the FTA's dispute settlement to this chapter," the EU reports read.

The Indian Express has earlier reported that several export items to the EU have suffered due to technical barriers. Indian tea exports for instance have suffered from stiff maximum residue level (MRL) requirements in the EU. Tea exports to the EU dipped 6 per cent from $176.47 million in FY18 to $166.08 million in FY23. Moreover, India's agriculture exports to the EU have also declined in the last five years to $3.12 billion in FY23 from $3.36 billion in FY18.
Tea exporters have also expressed concern over Indian organic tea being put by the EU in the high risk category that triggers increased testing and certification requirements. Indian

rice exports to EU have also declined after EU in 2017 reduced the MRL limit for a fungicide used in rice cultivation
In the case of pharma exports, exporters complained that Indian pharmaceutical exports face market access barriers as registration of drugs is taking enormous time in the European Union because of the huge influence the multinational drug companies have. Moreover, in the case of electrical products, the EU imposes standards different from what is globally followed.

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EFTA to take all tariff cuts, before India reviews '$100-bn investment' after 18 years

India can exercise the option of withdrawing tariff concessions granted to the four-nation European Free Trade Association (EFTA) under the Trade and Economic Partnership Agreement (TEPA) in case of non-fulfillment of $100 billion investment obligation only after 18 years, and that too after a three-stage consultation process.

Though the investments have to flow in 15 years – $50 billion in the first 10 years and another $ 5 billion in next five – TEPA provides for a three-year grace period to EFTA, according to the agreement documents reviewed by FE.

The consultation procedure can be invoked by India if the investment target is not achieved in 15 years, but only after the grace period. Importantly, the suspension of concessions should follow the conclusion of the consultation process. The revocation of the duty reliefs has also to be "proportionate and temporary," as per the documents, where "proportionate" is not defined.The agreement indeed provides for a specially appointed sub-committee for a regular review of the progress on the investment front. The sub-committee will meet in every two years and may even invite private sector entities, international economic organisations, non-governmental organisations and other relevant stakeholders to assist.

No major tariff reduction for goods by the European side are built into the pact, as these countries – Switzerland, Norway, Iceland and Liechtenstein -already maintain very low tariffs. In India's case, the tariff reductions to be offered are more material. All duty cuts would be carried out over a period of 10 years with different timelines for each category of goods. Yet, much before the 15-year window for EFTA to meet the investment commitments, India would have provided all duty concessions that it had agreed to under the TEPA.

Most of the tariff lines from both sides are included in the pact, while a few “sensitive” items like dairy, soya, coal and sensitive agricultural products are excluded.

To facilitate investments India will have to ensure a favourable investment climate while taking into account the need to identify, assess and mitigate potential risks for security or public order.

Only on coal – except steam and coking coal, medicines, dyes, most textiles and apparels, iron and steel products tariffs would come down to zero immediately.

Tariffs on watches, clocks, cocoa bean and powder, malt products, tuna, trout and olive oil would be brought down to zero in seven years. On chocolate products, coffee, olives, avocado, apricot and caramel the duties will take 10 years to come down to zero.

On a 750 ml bottle of wine costing less than $ 5 there will be no concession. The bottle costing between $5 to $15 duty will come down to 100% from 150 % in the first year. In 10th year duties will be brought down to 50% and stay there. In wines priced more than $15, duty in the first year will be down to 75% from 150% and then at 25% in the 10th year.

No duty concession has been given on Swiss gold, which accounts for 80% of total imports from Switzerland . The bound duty rates have been brought down to 39% from 40% in TEPA but effective rates in India are 15% so no relief there too.

The meeting of the sub-committee on investment promotion and cooperation will be held in conjunction with the meeting of the joint committee, that too will meet every two years. The TEPA also has the provision of review two years after its entry into force.

The joint committee will be the apex body to supervise and administer the TEPA and to oversee its further development. The joint committee, that will have representatives of both sides, will have the powers to modify identified annexes, appendices and articles of the Agreement

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ICCB President, ASEAN Envoys Confer On Bangladesh, ASEAN Trade Boost

ASEAN ambassadors recently convened with ICC Bangladesh president Mahbubur Rahman to deliberate on enhancing bilateral trade and investment opportunities between Bangladesh and the Association of Southeast Asian Nations, or ASEAN.
The meeting, held at the ICC Bangladesh Secretariat in Dhaka, emphasised the significance of collaboration.

Rahman highlighted ASEAN's substantial market potential, with its 661 million populace and a GDP of $3.08 trillion, presenting vast opportunities for Bangladesh. However, he underscored the need to address the trade deficit, with Bangladesh's exports to ASEAN still below $1.0 billion annually compared to imports nearing $7.0 billion.

Sheela Pillai, chair of the ASEAN Dhaka Committee & Head of Mission, commended Rahman for organising the meeting and stressed the importance of diversifying Bangladesh's export portfolio to ASEAN nations.

Haznah Binte Md Hashim, high commissioner of Malaysia, highlighted the need to address taxation barriers to attract Malaysian investment into Bangladesh even as ICCB vice president Naser Ezaz Bijoy proposed Bangladesh as a pivotal development partner bridging South and ASEAN nations.

He urged the ambassadors to facilitate connectivity and foster business delegations' visits for trade and investment promotion.

The meeting also saw the attendance of Leo Tito L Ausan, ambassador of the Republic of the Philippines; Md Fazlul Hoque, ICCB executive board member; Panom Thongprayoon, minister counsellor at the Royal Thai Embassy; and ICCB officials Ataur Rahman, Ajay Bihari Saha, and Syeda Shahnewaz Lotika.

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CCPIT, BGMEA Mull Collaboration To Elevate Bangladesh RMG Sector

A delegation from the sub-council of textile industry, China Council for the Promotion of International Trade (CCPIT), headed by vice president and secretary general Zhang Tao, recently met with Faruque Hassan, the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), at the BGMEA complex in Bangladesh's capital Dhaka.
The CCPIT delegation comprised Wu Zhizhen, deputy director, and Jiao Jiao, assistant director from the sub-council of textile industry.

Additionally, Leo Zhuang, managing director of Liz Fashion, was also present at the meeting.

Discussions primarily centred on potential c

ollaborations to elevate Bangladesh apparel industry on the global platform, particularly through organising international exhibitions.

Focus was also on showcasing Bangladesh apparel industry's strengths, especially in manufacturing intricate and high-end fashion products.

Further deliberations included the role of the sub-council of textile industry, CCPIT, in facilitating investments in Bangladesh's non-cotton textile sector.

This is crucial as Bangladesh's apparel sector diversifies towards high-value garments, particularly those made from manmade fibres.

Faruque Hassan shed light on the remarkable transformation of Bangladesh garment factories, emphasising advancements in safety standards, modernisation, energy efficiency, and environmental sustainability.

It may be mentioned here, Bangladesh today boasts world's highest number of green garment factories, a testament to its commitment to sustainable practices.

Expressing optimism, Faruque Hassan highlighted the potential collaboration between BGMEA and the sub-council of textile industry, CCPIT, in showcasing Bangladesh apparel sector' evolving capabilities to a global audience.

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China Tops Bangladesh Raw Material Supply Amid Investor Surge: Reports

Chinese textile and garment entrepreneurs are increasingly becoming optimistic about Bangladesh's position as a key supplier of apparel items, evidenced by a steady influx of orders from international clothing retailers and brands.
The increasing demand for fabrics, yarns, chemicals, dyes, and machinery used in the Bangladesh textile and garment sector has led to China becoming Bangladesh's largest supplier.

This is as per media reports, which added simultaneously, rising production costs in China, coupled with a scarcity of skilled workers, have prompted Chinese investors to turn their attention to Bangladesh even if this trend is particularly pronounced in the textile and garment sector.

According to industry insiders, Bangladesh imports nearly $20 billion worth of goods, including fabrics, from China as Chinese fabric sellers continue to target export-oriented garment factories in Bangladesh, experiencing a surge in orders from global retailers and brands.

This growing reliance on China is attributed to local weavers able to meet only 40 per cent of the demand for woven fabrics, while the remaining 60 per cent sourced through imports, primarily from China and India.

Meanwhile, speaking to the media, senior vice-president of the Federation of Bangladesh Chambers of Commerce and Industry, Amin Helaly, emphasised the significant opportunity for Chinese investors even as he added Bangladesh annually imports of over $10 billion worth of fabrics from China.

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Chinese Exporters Face Higher Costs Due To Red Sea Crisis: Fitch

Chinese companies exporting goods to European markets face higher shipping costs resulting from the ongoing Red Sea crisis, as per Fitch Ratings. This supply-chain disruption has less overall impact on Chinese exporters than in the pandemic years of 2021-2022, because of reduced external demand for Chinese goods and growing container shipping capacity, which is likely to expand further this year.
Around 60 per cent of Chinese trade with Europe typically transits through the Suez Canal. Some vessels now face detours and heightened costs as they have to re-route via the Cape of Good Hope, lengthening the transit by 10 to 15 days. Shipping freight rates have increased, particularly for container shipping. Some smaller-volume goods have been shifted to rail, notably on the China-Europe railway line, where utilised capacity for goods transport from China to Europe has increased significantly from the pre-crisis level, as per the report.

China-flagged ships, however, may have been less affected by the crisis, with press reports suggesting some vessels from Chinese shipping lines still travel via the Suez Canal. Major Chinese seaport operators have not experienced significant congestions or loss of volume at their ports. In addition, bulk cargo ports are less affected than container ports.

Shipping costs are also significant for other major products Chinese companies sell to the European market, such as furniture, but Fitch Ratings expect exporters to pass through some additional expenses to customers, therefore mitigating the negative impact on profit margins.

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China's International Goods Trade Rises 8.7% In Early 2024

China has witnessed a notable 8.7 per cent increase in its goods trade during the initial two months of 2024, according to the latest figures released by the General Administration of Customs. Between January and February, China's international trade in goods achieved a new milestone, reaching 6.61 trillion yuan (approximately $930.96 billion).
The country's exports surged by 10.3 per cent to 3.75 trillion yuan (approximately $522 billion), with imports also showing a robust increase of 6.7 per cent to 2.86 trillion yuan (approximately $397.8 billion) compared to the same period last year.

This period marks the fifth consecutive month of year-on-year growth, continuing the positive trend observed in the last quarter of the previous year, according to Chinese media reports.

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US Envoy Advocates Sri Lanka's Thorough IMF Package Execution: Reports

Speaking at a National Chamber of Exporters event recently, US ambassador Julie Chung emphasised the significance of Sri Lanka's adherence to transparency and competitiveness principles, particularly in the aftermath of its worst economic crisis. Highlighting the 17th IMF package as potentially the final one, she underscored the pivotal role of business leaders in steering Sri Lanka towards a positive trajectory.

The US envoy also highlighted the United States' role as Sri Lanka's largest export market and outlined collaborative efforts aimed at enhancing regulatory transparency and market competitiveness.

Over the past two years, the US has provided substantial technical assistance, capacity-building programmes, and financial aid, including $270 million plus in assistance and significant financing for SMEs through the US International Development Finance Corporation (DFC).

While acknowledging the importance of foreign assistance in facilitating recovery and long-term investments, Chung stressed that it alone does not guarantee a brighter future. Instead, she highlighted the necessity for ongoing reforms to promote transparency and competitiveness, citing their role as foundational elements for sustained economic growth.

Chung also emphasised the infrastructural significance of projects like the West Container Terminal, facilitated by US financing, in enhancing Sri Lanka's export capabilities while cautioning without continued reforms, the country could face further economic challenges.

Chung highlighted the interconnectedness of the global economy and the importance of ethical trade practices while calling upon the island nation to embrace these principles to ensure a stable and prosperous future.

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Cotton Conference In Bremen To Address EU's Textile Regulations

The Bremen Cotton Exchange and Fibre Institute Bremen invite you to their 37th International Cotton Conference in Bremen from 20 to 22 March. Up to 400 visitors from 40 countries along the entire cotton supply chain are expected. Keynote speeches at the start of each conference day will get visitors tuned into a range of topics.

More pressing than ever, one of the key topics this year is the discussion on the impact of political guidelines from the European Union. Important questions in relation to this: What are the consequences of the 'Green Deal' for competitiveness in the industry? What is the impact of the planned supply chain act for more transparency and the resulting reporting requirements? They entail a great deal of bureaucracy for companies. How effective are these measures in the first place?

On Wednesday, 20 March, Veronica Bates Kassatly will touch on an EU topic being introduced to the industry – the ESPR, or Ecodesign Regulation for short. Bates Kassatly will also present the findings of a study sponsored by the Australian Cotton Research and Development Corporation (CDRC). The question is: does the Ecodesign for Sustainable Products Regulation (ESPR) align with the desired objectives in practice? And are the EU measures also in line with the Sustainability Goals of the United Nations Agenda 2030? We can expect an extremely critical analysis. The economist and former World Bank analyst is now, among other things, a journalist and author in the field of sustainable development.

From 2025 onwards, companies in the European Union will be required to provide standardized sustainability reports (ESRS) as part of the Corporate Sustainability

Reporting Directive (CSRD). There are also other national and international regulatory and sociopolitical developments in relation to supply chains, carbon emissions trading, circular economy and other aspects relating to environment, social affairs and governance. These have an impact on investment decisions and their financing. The question is: what can be done within companies to maintain a competitive position in times of major change, whilst fully utilising the potential for change and growth? These questions will be answered by two recognised experts from the headquarters of Commerzbank AG in Frankfurt. Manuel Hoechemer is an expert in the sale of raw materials and advises corporate customers in areas such as agriculture and energy, in particular carbon markets. Lennert van Mens is an expert for ESG & Sustainable Finance at Commerzbank AG and advises both the Commerzbank internally and its key accounts externally on strategic issues and the financing of sustainable growth.

Cotton economy – an expertise

Last but not least, the first session will be kicked off by Colin Iles, Executive Manager, Marketing Cotton & Sugar at the international raw materials group, Glencore/Viterra in Rotterdam. Iles will look at current and future challenges for the cotton textile industry from a global perspective. Shifts in the balance of political power, wars and current conflicts have a direct impact on the composition of the cotton on offer. They interrupt supply chains, e.g. in the area of freight, causing a significant increase to procurement costs. His lecture about developments on the global raw material markets will highlight the problems that will determine the market in the future.

Nicolas Rubio's lecture on Thursday, 21 March is expected to be particularly exciting. As Agricultural Counselor at the US Embassy in Berlin, Rubio advises US companies on how to set up business contacts in Germany and the EU. Due to his work for the Foreign Agricultural Service (FAS) of the US Department of Agriculture, he is keen to observe the current agricultural policies in the European Union. Expect him to analyse and assess the EU developments from an American perspective. His views on the Green Deal adopted by the EU are sure to be of interest.

'Decarbonisation' with the aim of achieving carbon neutrality has long been a buzzword for the development that has been observed for many years in various sectors of the export-oriented EU economy. This is also driven by the global climate debate with political pressure for change. Hubertus Lohner, member of the site management team for aircraft manufacturer Airbus Operations in Bremen and head of the ECOMAT research and technology centre, will present a positive example. His lecture will perfectly illustrate how research with certain material applications can contribute to decarbonisation in the mobility sector, in lightweight construction and, in this instance, in aircraft manufacturing. Natural fibres are being used more and more frequently in these applications. He will present the work of ECOMAT in Bremen as well as an overview of its further development. ECOMAT stands for the ‘Center for Eco-efficient Materials & Technologies’. Here, approximately 500 employees from the fields of industry and science jointly carry out interdisciplinary research under one roof.

Online access to the cotton conference

Delegates who will not be travelling to Bremen and have therefore opted to participate online may follow the conference on the tried and tested online platform. Here, all participants will have access to every conference session, break-out session, and poster presentation. Those attending the conference in person will also be able to watch the sessions online and use the variety of networking tools available.

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