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INDIA'S BUSINESS CONFIDENCE HITS A DECADE HIGH IN FEBRUARY: SURVEY

During February, India's business sentiment exhibited a significant recovery, with output expectations reaching their highest point since October 2014 and showing the most substantial improvement among the 12 nations with comparable data, according to the HSBC India Business Outlook survey by S&P Global. Private sector companies also forecast stronger profitability growth and upgraded their hiring plans. Output charge inflation looks set to remain elevated, mainly reflecting an upward revision to labour cost pressures as projections for non-staff expenses were at their lowest since mid-2021. The net balance of companies predicting activity growth over the coming year doubled in February, up from 17 per cent last October to 34 per cent. The headline figure was at its highest mark since October 2014, with confidence outpacing both the emerging market and global averages (20 per cent and 28 per cent respectively).

Sentiment improved to broadly the same magnitude across both monitored sectors, with the output net balances for manufacturing rising from 20 per cent to 36 per cent, as per the survey.

In their positive outlook for output, survey participants identified several key growth opportunities during February, including demand strength and marketing efforts. Besides, newly gained customers and quotations pending approval, alongside diversified offerings and capacity expansion, boosted confidence.

Spurred by expectations that favourable demand conditions will fuel new business intakes, profitability projections brightened in February. Up from the two-year low recorded in October, the net balance of panellists forecasting higher profits increased to 25 per cent. This was the joint-highest reading in nine years, matching that seen in late-2016, and nearly double the global average (13 per cent). Manufacturing companies (28 per cent) were slightly more upbeat towards profits.

With confidence in the outlook for business activity strengthening, sentiment surrounding future job creation improved during February. The net balance of firms planning to recruit additional staff rose from 4 per cent in October to 12 per cent. Indian companies were more upbeat towards job creation than emerging markets combined (5 per cent).

With regards to hiring plans, the uptick in manufacturing was mild (up from 9 per cent to 10 per cent).



There was little change in confidence regarding investment spending over the course of the coming 12 months. The net balance of firms reporting a desire to invest in capital slipped from 11 per cent to 9 per cent, while the respective reading for research and development fell from 2 per cent to 1 per cent.

Manufacturers in India were more likely to report plans to invest in both capital and R&D than, although sentiment levels fell from October at goods producers.

Granular data pointed to diverging trends for inflation expectations among private sector companies in India. Reduced pressure on supply chains and a subsequent improvement in raw material availability tamed non-staff cost inflation expectations. The respective net balance was down to 4 per cent in February, its lowest since mid-2021 and also by far the lowest reading seen worldwide.

Conversely, partly due to robust hiring plans, staff cost inflation looks set to intensify in the year ahead. The proportion of firms predicting an increase outstripped that of a fall by 20 per cent. In this regard, expectations were at their highest since October 2022. Although above the emerging markets reading (14 per cent), the net balance was below the global average (35 per cent).

The latest results indicated that Indian companies remained focused on protecting their margins, with additional cost burdens expected to be passed on to customers amid buoyant demand conditions. At 16 per cent in February, the output charges net balance was above October's reading but below both its long-run average and the global aggregate.

Looking at the sector breakdown there were broad-based downward revisions to non-staff costs at manufacturers, and widespread increases in expectations for outlays on salaries and wages. Finally, the net balance of manufacturers intending to hike their charges matched that seen in October.

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NIFT Gandhinagar conference focuses on sustainable fashion discourse

Rooted in the ethos of Mission LiFE, NIFT Gandhinagar's 3rd International Conference on "Intertwining Sustainability with Mission LiFE: Fashion, Entrepreneurship and Cultural Integration in Harmony" has been inaugurated today. The two-day conference aims to magnify the role of entrepreneurship, particularly in the realm of fashion and business studies, as a potent force in shaping a sustainable future.



Pradyumna Vyas, president-elect of the World Design Organisation, and one of the keynote speakers at the conference's inauguration, emphasised the importance of placing humanity at the core of design education and advocated for the integration of traditions into designing labs. He emphasised design education, which can bring nature to the forefront as a progress model.

Vyas also spoke about how Indian traditions are rooted in sustainable practices and embody a philosophy of co-existence. He further mentioned that the traditions consistently advocate for the recycling and reuse of resources, highlighting the value of handloom and handicrafts in achieving a zero-waste model.

Vyas further suggested that NIFT should set up a natural fibre research centre, as various types of fibres are available in abundance in India. He called on design students to come up with new ideas and advise the industry on how to adopt sustainable practices. He said that psychological pressure forces consumers to buy fashionable products. The boom in fashion products has compelled one to think about sustainability, as the linear economy promotes the piling of waste after the use of a product.

Mona Khandhar, IAS Principal Secretary of Gujarat's Revenue Department, stated that there are challenges related to environmental protection and climate change, making sustainability a contemporary issue. She emphasised the importance of the theme of the 3rd International Conference, highlighting that while the Western world prioritises a profit-driven progress model, Indian values and ethos are more focused on creativity and innovation.

Khandhar noted that while artificial intelligence and other modern technologies have enhanced productivity and provided comfort for human beings, they cannot compete with human intelligence. She stressed that creativity and innovation are paramount. Khandhar also expressed the importance of bringing forth cultural values and ethos, which can offer sustainable approaches.

Ronak Chiripal, director of Chiripal Group, emphasised the crucial importance of sustainability in today's world. He highlighted that his company is prioritising the reuse and recycling of available resources, with a notable achievement of reusing 90 per cent of water. Additionally, the company has made substantial investments in solar energy. Chiripal pointed out that in the current global scenario, the entire world needs to think about sustainability.

Chandrima Chatterjee, secretary general of the Confederation of Indian Textile Industry (CITI), emphasised the need to find a middle path in sustainability. She stressed that India must develop itself as a responsible resourcing destination. The Indian industry is



encountering several challenges in adopting sustainable practices in their business activities, and it needs to find feasible solutions for these issues. Chatterjee underscored the importance of integrating the global value chain with sustainability.

Captain Yogendra Yadav, recipient of the highest Gallantry Award - Param Vir Chakra and Kargil hero, was also a keynote speaker at the inaugural session of the conference. He encouraged the audience to approach their goals with passion, believing that this would yield better results in their efforts towards preserving nature. Drawing from his experiences at the war front and the values of his rural life, he compared the critical issue of sustainability in the textile industry to the challenges he faced and the lessons he learned in combat.

Prof Sameer Sood, director of NIFT Gandhinagar, expressed that the third edition of the International Conference will introduce new ideas and approaches towards sustainability. He emphasised the importance of working towards producing healthy fabrics and garments.

NIFT is also organising discussions on various topics, along with a cultural fashion show. The Conference will feature three panel discussions on 'Brand Bharat: Sustainability, Scale, and Skill', 'Viksit Bharat @ 2047', and 'Ubharta Bharat: Udyamita se Udyog tak'.

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India plans economic data improvements, long-delayed population census

India's government is planning a number of steps to improve the quality of its economic data, including kicking off a long-delayed population census, according to people familiar with the matter.

The Statistics Ministry has made a number of proposals that have been discussed by Prime Minister Narendra Modi's office in the past month, the people said, asking not to be identified as the discussions are private.

These include reviving its survey of businesses, last released in 2014, and publishing the household consumption survey on an annual basis, the people said. It also plans to introduce a uniform base year for key indicators and update the basket of goods for calculating inflation, they said.

Separately, the government is also considering a new population census once elections are completed, the people said. The census is usually conducted once a decade, and was last published in 2011, with the most recent survey delayed because of the pandemic. Economists have frequently called for an overhaul of India's statistics, while Modi's own economic advisory council has raised concerns about the quality of the data. With India's economy expanding rapidly and global investor interest growing, official figures are coming under more scrutiny. Relying on outdated surveys also raises the risk of policy errors. India's Statistics Ministry and the Prime Minister's Office didn't respond to requests for further information.

The census would include training and deploying more than 300,000 government staff to enumerate citizens in the world's most populous nation, the people said. The survey exercise would likely last about 12 months, one of the people said.

The business survey being revived will help officials better understand the economy's shift away from farming to other industries, the people said.

The survey is expected to help the government tailor its policies to boost manufacturing, which has been steadily declining as a share of gross domestic product over the years.



The World Bank estimates the ratio was about 13 per cent in 2022, while the government's goal was to raise it to 25 per cent by 2025.

The government will also appoint an advisory panel that will make recommendations to the Statistics Ministry regarding changes to the base year in key economic data and revising the weights of categories, the people said. The plans will be put into effect after elections due by May, the people said.

Industrial production and GDP data are currently calculated using a 2011-12 base year, while consumer inflation uses 2012.

Statistics agencies usually adjust base years every few years to better reflect changing spending patterns and economic trends over time.

The consumer price basket will also be revised to reflect consumer spending changes in India, such as less expenditure on food and a higher contribution for digital items like mobile tariffs, the people said.

A recent survey of household consumption showed the proportion of spending on food has dropped in urban and rural households over the past decade.

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Indo-Pacific Economic Framework deal in final stage, signing likely soon

With the legal vetting of clean economy (pillar III) and fair economy (pillar IV) pillars of the US-led Indo-Pacific Economic Framework (IPEF) completed, the Union government will shortly announce the timeline for signing the much-awaited deal, two persons aware of the matter said.

Legal scrubbing is a process under which participating countries of the IPEF review proposals through a legal perspective and for language consistency.

A joint ministerial virtual meeting of all the member countries is to be held shortly; wherein the member nations will review progress under Pillar II (supply chain resilience agreement), and the status under Pillars III and IV, the first person said.

Additionally, there will be announcements about hosting investors' forums under Pillar III in the coming months, the person mentioned above said.

India in November signed a supply chain resilience agreement (Pillar II) with the US and 12 other members of the IPEF for Prosperity to reduce its dependence on China. It has so far stayed away from the trade pillar of the framework.

All participating countries are working on a common work programme, and some, such as Singapore, are interested in working in special areas like the regional hydrogen initiative, carbon markets, and sustainable aviation fuel, the second person said.



Mint on 28 December 2023 reported that legal scrubbing of both the pillars had started and the deal is expected to be signed in 2024.

"Both the pillars are very important for the country. The clean economy (Pillar-III of the IPEF) is aimed at cooperation on research, development and commercialisation of clean energy and climate-friendly technologies," the second person said.

Under the fair economy deal (Pillar-IV), India will strengthen implementation of effective anti-corruption and tax measures to boost trade and investment among IPEF economies, the first person added.

As things stand, India is yet to sign the trade pillar (Pillar-I) that is aimed at strengthening economic engagement among partner countries, excluding China. New Delhi is seeking more clarity to assess if it will be in the interest of the country.

IPEF was launched in Tokyo by the US and other Indo-Pacific countries on 23 May 2022. The group includes USA, Australia, India, Brunei Darussalam, Fiji, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand and Vietnam.

Queries emailed to the commerce secretary, spokespersons of the ministry of finance and commerce, spokespeople of the US and Singapore were not immediately answered.

"The Indo-Pacific Economic Framework presents a significant opportunity for India to bolster its commitment to renewable energy and sustainable practices. By collaborating with partner nations, we can accelerate the transition towards achieving net zero emission by 2070 and generating about 50% of power from non-fossil fuels by 2030," said Sanjay Kumar, Partner, Deloitte Touche Tohmatsu India LLP.

"The clean economy pillar will facilitate collaboration on research, development, and commercialization of clean technologies among member nations," he said.

Simultaneously, the fair economy pillar will reinforce effective anti-corruption and tax measures, boosting trade and investment within the Indo-Pacific region – a boon for India's \$670 billion export sector, he added.

"By actively participating in IPEF, India can cement its role as a responsible global partner while enhancing economic resilience and promoting an inclusive, competitive, and sustainable growth trajectory," Kumar said.

Once the deal is legally approved, the commerce ministry will move a Cabinet note in consultation with other ministries involved in the process, such as the ministries of finance and power.

India in November 2023 signed a supply chain resilience agreement (Pillar II) with the US and 12 other members.

The development was seen as a major breakthrough for India and other participating countries. Once the deal is finalized, it will help reduce India's dependency on China and mitigate risks of economic disruptions from supply chain shocks.

Fitch raises India's FY25 growth forecast to 7%

Read more at : [Fitch raises India's FY25 growth forecast to 7% - The Economic Times](#)

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Bonds worth Rs 185 cr, Torrent Group on top among Gujarat firms

Power, Pharma and textiles sector companies in Gujarat saw huge spending on electoral bonds from Gujarat, the highest being the Torrent Group that bought a total of Rs 185 crore worth of electoral bonds, going by the data released Thursday by the Election Commission of India.

The other top corporates from Gujarat that bought electoral bonds include the Welspun Group that spent Rs 50 crore, Vadodara based Sun Pharma that bought bonds worth Rs 31 crore and Nirma Group that bought worth Rs 16 crore.

Torrent Power promoted by the Rs 37,000-crore Torrent Group based out of Ahmedabad, is the top purchaser of electoral bonds from Gujarat, buying bonds worth Rs 107 crore while Torrent Pharmaceuticals Ltd, has bought bonds worth Rs 78 crore since 2019. Torrent Power has Principal Secretary, Energy and Petrochemicals Mamta Verma on board as a non-executive director.

Founded by the late Uttam Mehta, Torrent Group has his elder son Sudhir Mehta as Chairman Emeritus of the Torrent Power Ltd which is into power generation, distribution and transmission in Gujarat, Maharashtra and Uttar Pradesh.

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GLOBAL**VF Corporation urged to bolster ties with Bangladeshi suppliers**

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) emphasised the need for US company VF Corporation to bolster its partnership with Bangladeshi



suppliers, aiming to elevate their capabilities in crafting and producing sought-after apparel items.

BGMEA president Faruque Hassan conveyed this message during a meeting with Sean Cady, vice president for Global Sustainability, Responsibility, and Trade at VF Corporation, held at the BGMEA office in capital Dhaka recently.

Highlighting BGMEA's Sustainability Strategic Vision 2030, Hassan delineated a roadmap for sustainable industry expansion, emphasising positive environmental and social impacts.

Moreover, he urged VF Corporation to expand its garment sourcing from Bangladesh, particularly focusing on high-value products.

In addition to sourcing, BGMEA proposed collaboration between VF Corporation and BGMEA University of Fashion and Technology. This collaboration aims to enhance the knowledge and skills of students in areas such as fashion design, product development, and related fields.

The meeting underscored BGMEA's commitment to fostering sustainable growth within the garment industry while leveraging partnerships with global corporations like VF Corporation. By encouraging increased sourcing and collaborative educational initiatives, BGMEA seeks to advance Bangladesh's position as a hub for high-quality apparel production.

This strategic approach aligns with BGMEA's long-term vision for sustainable industry development, promoting economic growth, environmental stewardship, and social responsibility.

Through proactive engagement with industry stakeholders, BGMEA strives to propel Bangladesh's garment sector to greater heights, driving innovation and excellence in design and manufacturing.

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BGMEA leader highlights Bangladesh apparel industry progress at USITC

During a recent public hearing held by the US International Trade Commission (USITC), Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Faruque Hassan represented the country's readymade garment (RMG) sector. Media reports maintained this citing a press release issued in this direction, according to which, the hearing was part of a new fact-finding investigation conducted by the USITC to



assess the export competitiveness of apparel industries in Bangladesh, Cambodia, India, Indonesia, and Pakistan.

The virtual conference, held in the commerce ministry's conference room, saw the presence of BGMEA vice-president Miran Ali, director Asif Ashraf, and Abdullah Hil Rakib, alongside chair of the BGMEA Standing Committee on Labour and ILO Affairs ANM Saifuddin.

Led by USITC chairman David S Johanson, the public hearing included discussions on various aspects of the RMG sector.

Faruque Hassan presented an overview highlighting the sector's advancements in workplace safety, environmental sustainability, workers' rights, and recent labour law reforms.

He also shed light on the current apparel trade with the USA, emphasising Bangladesh's resilience amid global challenges and its strong performance in the US market.

Representing the government of Bangladesh, Commerce Ministry senior secretary Tapan Kanti Ghosh highlighted governmental efforts to bolster workers' rights, particularly through labour law amendments.

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Latest PMI signals fastest global expansion since Jun 2023: S&P Global

The global economic expansion accelerated for a fourth straight month in February as both manufacturing output and services activity grew at faster rates, accompanied by rising selling price inflation, according to S&P Global.

Manufacturing output rose for a second straight month in February, with a renewed rise in goods new orders driving the latest expansion in production.

A revival in consumer demand, an easing of the recent destocking trend and further inventory building were observed as key reasons for the improvement in manufacturing sector conditions. This was while the impact from the Red Sea disruptions remained limited upon supply chains in February, thereby enabling the growth in production to accelerate.

The J.P.Morgan Global purchasing managers' index (PMI) composite output index, produced by S&P Global, rose to 52.1 in February, up from 51.8 in January.



The headline PMI continued to sit below the survey's long-run average of 53.2 and is consistent with an annualised quarterly global GDP growth of approximately 2 per cent, which remains well below the pre-pandemic ten-year average of 3 per cent.

The latest PMI reading signalled the fastest global expansion since June 2023, further helping to allay concerns of a global recession, S&P Global said in a release.

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Dhaka signs \$24.7-mn grant agreement with ILO to advance 'decent work'

Bangladesh's economic relations division (ERD) recently signed a grant agreement worth \$24.70 million with the International Labour Organisation (ILO) to advance 'decent work' in the country. The European Union, Denmark, the Netherlands and Sweden are resource partners for the project.

The agreement titled will help implement a three-year project of the country's ministry of labour and employment.

According to ILO, 'decent work' sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for all, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

The objective of the project is to ensure that more workers enjoy decent work through improved policies and laws; labour market institutions are accountable, gender responsive and inclusive; and sustainable business practices contribute to industry competitiveness, a domestic news agency reported.

Bangladesh became an active member of ILO in June 1972.

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Concentrated initiative is required to set up eco-friendly garment factories



Bangladesh has long been one of the top garment exporters in the world. Garments made in Bangladesh are exported to USA and European countries, especially Germany, UK, Poland, Spain and several other countries.

Although this industry contributes significantly to the economy of Bangladesh, it has also created environmental concerns. For this, a concerted initiative is needed to set up environment-friendly garment factories. Cutting, sewing, processing of garments in factories are responsible for air, water and soil pollution.

According to the United Nations Framework Convention on Climate Change (UNFCCC), the garment sector is responsible for 20% of the world's wastewater and 10% of carbon dioxide emissions. It is also the second highest water consuming sector in the world. According to a study by the International Finance Corporation, Bangladesh is losing its groundwater due to the garment industry.

About 82% of the water supplied to garment factories in Dhaka is dependent on groundwater. To meet this huge demand for water, the groundwater level is decreasing by 2-3 meters every year. If adequate preventive measures are not taken, the groundwater level will decrease to 110 to 115 meters by 2050.

In the future, the existing apparel industry will further expand to meet the consumer demand in keeping with the population growth. Therefore, it is important to move towards sustainable garment factories to reduce the negative impact on the environment. There is a need to reduce waste discharge by reducing water consumption through innovative initiatives and technologies.

Efficient use of raw materials can further reduce waste and production cost as well. Garment factories should be encouraged to use rainwater to prevent wastage of ground water. It will be possible to ensure efficiency by stopping wastage.

Garment owners should be made aware of using renewable energy instead of fossil sources. Every unit of "Made in Bangladesh" clothing that European-American buyers are buying at relatively low prices is contributing to poisoning our soil, water and air.

Therefore, "price negotiation power" should be increased with foreign buyers. In this case, European-American buyers should also come forward. However, among so many challenges, some possibilities have also been created. Bangladesh's textile and RMG



industry is on a sustainable growth path with the largest number of LEED certified green factories and many more in the pipeline.

Bangladesh's RMG industry is actively addressing the global demand for sustainable and emission-free products. In addition, many factories are embracing innovation in human resource transformation, process optimization, supply chain efficiency, waste optimization, energy efficiency and product diversification.

The apparel industry is also moving ahead in the race to reduce harmful carbon gas emissions. Bangladesh now has the largest number of factories that have signed the United Nations Climate Change Convention (UNFCCC). BGMEA is also encouraging every factory to use solar panels and green energy.

All these challenges can be overcome by promoting good initiatives and raising awareness among stakeholders. In addition to this, the overall cooperation of the buyer and the government is also essential.

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Cotton Dropped On Profit Booking After Prices Gained As Us Has Lower Ending Stocks

Cotton candy prices experienced a slight decline of -0.1% yesterday, settling at 61980, primarily due to profit booking after earlier gains prompted by the release of this month's 2023/24 U.S. cotton forecasts. The forecasts showed lower production and ending stocks relative to the previous month, with production reduced by 334,000 bales to 12.1 million. Ending stocks are projected at 2.5 million bales, the lowest since 2020/21, with no change in the marketing year average price received by upland producers.

Global cotton supply and demand estimates for 2023/24 reflect higher production, consumption, and trade, but lower ending stocks. World production increased by 130,000 bales, mainly due to a significant increase in India's crop. Consumption also rose, led by gains in China and India. However, the Southern India Mills' Association (SIMA) has cautioned textile mills against panic buying, citing recent price hikes. Despite increased capacity utilization and export contracts, concerns about high domestic prices potentially affecting international competitiveness have been raised.



From a technical perspective, the market is witnessing long liquidation, with a notable drop in open interest by -5.57% and a decrease in prices by -60 rupees. Currently, cotton candy is finding support at 61700, with a potential downside test towards 61430. On the upside, resistance levels are likely to be encountered at 62340, with a breakout potentially leading to testing the 62710 level. This technical overview suggests a cautious sentiment among traders, who are closely monitoring support and resistance levels amidst profit-booking activities and market dynamics influenced by both domestic and global factors.

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