AEPC
APPAREL EXPORT PROMOTION COUNCIL

Apparel INDIA

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AEPC HOSTS ROUNDTABLE DISCUSSION ON ENHANCING COMPETITIVENESS OF INDIAN APPAREL EXPORT INDUSTRY

Brands, buying agencies, liaison offices of overseas retailers participate in roundtable

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Dear Friends,

Let me share the good news, Global goods trade is expected to pick up gradually this year following a contraction in 2023 that was driven by the lingering effects of high energy prices and inflation, WTO economists said in a new forecast this April. The volume of world merchandise trade should increase by 2.6% in 2024 and 3.3% in 2025 after falling 1.2% in 2023.

Another silver lining for India is; the International Monetary Fund (IMF) raises India's FY24 GDP growth forecast to 7.8%, higher than the government's projection. Regarding inflation, the IMF anticipates a more favorable situation for emerging markets, where inflation is already at or near the target.

India's exports have surged to as many as 115 countries out of the total 238 destinations during 2023-24 despite the global economic uncertainties, according to a recent report by the Ministry of Commerce.

India received over USD 111 billion in remittances in 2022, marking a significant milestone as the first country to surpass the USD 100 billion threshold, according to the United Nations migration agency, the International Organization for Migration (IOM). In its World Migration Report 2024. India was the top recipient of remittances in 2022, with Mexico, China, the Philippines, and France rounding out the top five.

AEPC is preparing a growth strategy to realize the true potential of the RMG sector and achieve exports to the tune of USD 40 Billion by 2030.

This financial year we are planning to participate in 17 International Fairs across all continents. The new destinations that we are targeting this year are Saudi Arabia, Poland, Mexico, Brazil, South- Africa and Russia besides the traditional destinations like EU, USA and UK". Riding on the huge success of the first edition of Bharat Tex in Feb 2024, a unique collaboration between the GoI and the entire Textile Industry, it has been decided to further extend our outreach to the buyers across the world, through the second edition of Bharat Tex sometime early next year.

The Government initiative in signing several meaningful FTAs in recent years are showing signs of growth. The advantages from FTAs are now visible as RMG exports have registered 16.8% growth in Mauritius and 5.7% in Australia, for the period APR-FEB 2023-24, compared to the same period last year". The signing of FTA in the near future with the UK, which accounts for roughly 8% of Indian apparel exports, will provide a much-needed filip to the garment industry.

In order to reach out to the Foreign Brands, AEPC organized a roundtable in New Delhi on 3rd May 2024 with the representatives of major NCR based buying agencies/liaison offices of overseas retailers/brands. This roundtable was chaired by Shri Rohit Kansal, Additional Secretary, Ministry of Textiles, GoI and co-chaired by Smt. Shubhra, Trade Advisor, Ministry of Textiles, GoI.

The presence of a large number of representatives of major NCR based buying agencies/liaison offices indicates their willingness to forge a stronger relationship with Indian exporters. We shall strive to build on this relationship of trust by creating an ecosystem, from fiber to fashion, at par with the best in the world. We hope that this relationship will continue to grow as we engage further." Retailers and brands of the likes of JCPenney, Gap, Levi's from USA; EL Corte Inglés and Carrefour from Europe; Liverpool, Suburbia from South America; Kowa from Japan, etc. participated.

In its capacity building and awareness generation efforts, AEPC organised a 1-day capacity building program on 19th April 2024 at Apparel House, Gurugram in physical mode. The topic of the program was 'Technology and Innovation in the Apparel Export Industry.'

It was encouraging to see the industry participation in this program. Embracing innovation and industry 4.0 will drive the change in the apparel industry and make our business sustainable in the long run.

A team from DAISO Japan visited AEPC and met me and other senior officers of the council. The DAISO team is in India to explore possibilities of sourcing its requirements from India. DAISO is the Japanese retail giant with over 6000 DAISO stores selling over 76,000 products across the world in 26 countries, and is looking at expanding its retail stores footprint in India.

AEPC was the first council the DAISO team in India chose to interact with on a one-to-one basis. AEPC has assured full support and cooperation to DAISO in India, by connecting it with Indian apparel manufacturers of the desired product range and facilitating its sourcing effort.

AEPC has written to the government for extending RoSCTL benefits to Advance Authorization (AA) holders, EoU and SEZ Units, as had been done for RoDTEP.

AEPC will be participating in many new International Shows at new destinations this year. I appeal to all exporters to make use of this opportunity and participate in huge numbers.

With cautious optimism we embark on the journey ahead with hope to do better this year.

Please keep sharing your valuable suggestions at chairman@aepcindia.com

Best wishes,

Sudhir Sekhri
(Chairman AEPC)

PROPOSED CALENDAR OF EVENTS

Proposed Overseas Events 2024-25.

Overseas Events

S. No.	Name of Event	Date of Event
1	Tex World -Apparel Sourcing Paris, France	1-3 July'24
2	India Tex Trend Fair (ITTF), Tokyo, Japan	23-25 July'24
3	Sourcing at Magic, Las Vegas, USA	19-21 Aug.'24
4	Saudi Fashion and Tex Expo, Saudi Arabia-	27-29 August'24
5	Alfashion Sourcing Fair- Cape Town, South Africa	10-12 Sep.'24
6	Global Sourcing Expo Australia (GSEA)	19-21 Nov.'24
7	Intl. Apparel & Textile Fair (IATF), Dubai, UAE	27-29 Nov.'24
8	Sao Paulo Pret-a-Porter, Sao Paulo, Brazil	January 25
9	India Fashion & Lifestyle show - Tokyo, Japan	January 25

INDIA'S READY-MADE GARMENT (RMG)

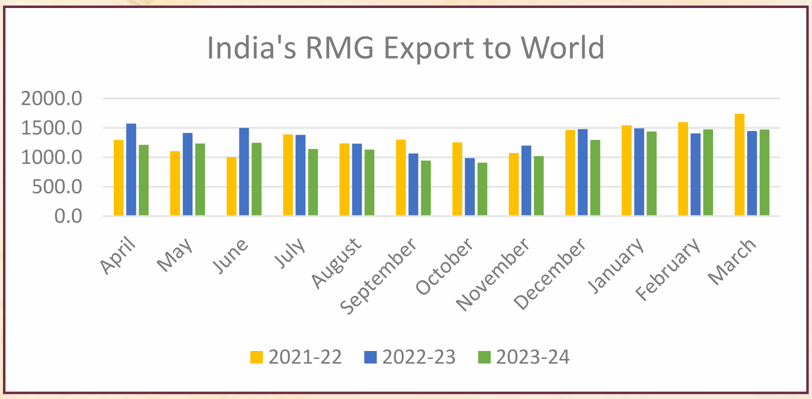
INDIA'S RMG EXPORT TO WORLD

Month	(In US$ Mn.)						YoY Growth (%)						
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2019-20 Over 2018-19	2020-21 Over 2019-20	2021-22 Over 2020-21	2022-23 Over 2021-22	2023-24 Over 2020-21	2023-24 Over 2021-22	2023-24 Over 2022-23
April	1351.8	1408.8	126.84	1297.5	1575.5	1213.5	4.2	-91.0	922.9	21.4	856.7	-6.5	-23.0
May	1339.4	1530.1	517.02	1107.1	1415.9	1236.5	14.2	-66.2	114.1	27.9	139.2	11.7	-12.7
June	1358.8	1233.5	804.29	1003.1	1501.7	1249.7	-9.2	-34.8	24.7	49.7	55.4	24.6	-16.8
July	1275.4	1365.8	1065.7	1389.3	1381.1	1141.2	7.1	-22.0	30.4	-0.6	7.1	-17.9	-17.4
August	1293.2	1261.9	1085.61	1237.8	1233.9	1133.4	-2.4	-14.0	14.0	-0.3	4.4	-8.4	-8.1
September	1104.7	1080.6	1192.91	1301.1	1066.0	946.3	-2.2	10.4	9.1	-18.1	-20.7	-27.3	-11.2
October	1132.1	1108.9	1180.13	1255.7	988.7	908.8	-2.0	6.4	6.4	-21.3	-23.0	-27.6	-8.1
November	1131	1058.5	1047.09	1072.9	1200.3	1021.2	-6.4	-1.1	2.5	11.9	-2.5	-4.8	-14.9
December	1376.7	1409.5	1196.89	1466.6	1481.4	1295.3	2.4	-15.1	22.5	1.0	8.2	-11.7	-12.6
January	1528.2	1453.5	1296.43	1547.0	1493.0	1441.3	-4.9	-10.8	19.3	-3.5	11.2	-6.8	-3.5
February	1546.4	1477.9	1349.45	1600.5	1407.7	1476.3	-4.4	-8.7	18.6	-12.0	9.4	-7.8	4.9
March	1718.4	1120.5	1427.33	1740.6	1448.3	1472.8	-34.8	27.4	21.9	-16.8	3.2	-15.4	1.7
Total	**16156.1**	**15509.5**	**12289.7**	**16019.2**	**16193.4**	**14536.2**	**-4.0**	**-20.8**	**30.3**	**1.1**	**18.3**	**-9.3**	**-10.2**

Note- 1) Source: DGCI&S 2024; Data for the month of March 2024 is provisional data released on PIB by Ministry of Commerce on 15.04.2024
2) Sum of the value for (Apr-Mar) 2021-2022 is USD 16019.2 mn and (Apr-Mar) 2022-23 is USD 16193.4 mn. and (Apr-Mar) 2023-24 is USD 14536.2 mn.
Compiled by the R&PA Department, AEPC

RMG exports for the month of March 2024 has increased by 1.7 % as compared to March 2023, declined by 15.4 % as compared to March 2022 and has increased by 3.2 % as compared to March 2021.

Similarly, cumulative RMG exports for the period Apr-Mar 2023-24 is USD 14536.2 mn. showing a decline of 10.2% over Apr-Mar 2022-23; a decline of 9.3 % over Apr-Mar 2021-22 and a growth of 18.3 % over Apr-Mar 2020-21.



INDIA'S TEXTILE & READY-MADE GARMENT (RMG)

Textiles & Wearing Apparel update for India's Index of Industrial Production (IIP) for the month of February in FY 2023-24

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2022-23	2023-24	2023-24 over 2022-23	2022-23	2023-24	2023-24 over 2022-23
April	114.1	105.6	-7.4	129.4	92.1	-28.8
May	111.5	107.4	-3.7	142.4	112.2	-21.2
June	107.8	107.8	0.0	156.9	120.1	-23.5
July	107.2	108.5	1.2	134.4	103.9	-22.7
August	105.2	106.9	1.6	117.8	97.6	-17.1
September	103.9	107.8	3.8	125.2	102.4	-18.2
October	102.3	109.0	6.5	103.7	98.5	-5.0
November	107.7	103.7	-3.7	117.0	93.0	-20.5
December	110.7	112.4	1.5	125.6	112.8	-10.2
January	107.9	111.2	3.1	120.1	118.2	-1.6
February	102.0	105.8	3.7	129.1	125.5	-2.8
March	110.2			133.1		
Cumulative Index (Apr-Feb)	107.3	107.9	0.6	127.4	106.7	16.2

Source: CSO,2024
* Figures for February 2024 are Quick Estimates
# The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of COVID 19 Pandemic since March 2020
Compiled by the R&PA Department, AEPC

- **Manufacturing of Textiles Index** for the month of Feb, 2024 is 105.8 which has increased by 3.7 % as compared to Feb, 2023.
- Manufacturing of Textiles Index for the financial year 2023-24 is 107.9 which has increased by 0.6 % as compared to the financial year 2022-23.

- **Manufacturing of Wearing Apparel Index** for the month of Feb, 2024 is 125.5 which has shown a decline of 2.8 % as compared to Feb, 2023.
- Manufacturing of Wearing Apparel Index for the financial year 2023-24 is 106.7 which has shown a decline of 16.2 % as compared to the financial year 2022-23.

INDIA NOW 4TH LARGEST EXPORTER OF DIGITALLY DELIVERED SERVICES - RECORDS 17% JUMP

- India scores ahead of China in digital services exports in 2023, according to WTO report

- In Europe and Asia (which hold a global share of 52.4 percent and 23.8 percent, respectively) exports rose by 11 percent and 9 percent, according to the Global Trade Outlook and Statistics report releassed by the WTO

India has become the world's fourth-largest exporter of digitally delivered services, constituting over a fifth of global trade in services. According to the latest Global Trade Outlook and Statistics report from the World Trade Organisation (WTO), India's exports of digitally delivered services stood at $257 billion in 2023 registering a 17 percent increase from the previous year. The country's performance was much better than Germany and China, which registered a growth of 4 percent each.

According to WTO estimates, global exports of digitally delivered services reached $4.25 trillion in 2023, up 9 percent year-on-year (YoY), accounting for 13.8 percent of world exports of goods and services.

Unlike trade in goods, which fell in 2023 globally and in all regions, exports of digitally delivered services continued to thrive. In Europe and Asia (which hold a global share of 52.4 percent and 23.8 percent, respectively) exports rose by 11 percent and 9 percent, the report added.

In 2023, business, professional, and technical services accounted for 41.2 percent of world exports of digitally delivered services, followed by computer services (20.5 percent), financial services (16 percent), intellectual property related services (10.9 percent), insurance and pension services (5.2 percent), telecommunications services (2.6 percent), audio-visual and other personal, cultural, and recreational services (2.1 percent), and information services (1.5 percent).

“Use of artificial intelligence (AI), including models capable of creating content, such as text, images, music or even videos, increased rapidly in 2023. These technologies are set to revolutionise various aspects of the economy, leading to increased efficiency, innovation, cost savings, personalisation opportunities, creation of new jobs, and economic growth, further boosting trade in digitally delivered services," the report said.

Overall, the WTO expects the global economy and trade to improve. After a 1.2 percent decline in goods trade volume, the multilateral body forecast a 2.6 percent increase in 2024. In value terms, world goods trade, measured by the average of exports and imports, fell 5 percent in 2023 to $24 trillion, while commercial services expanded 9 percent to $7.5 trillion.

International trade in digitally-deliverable services, or services that can be delivered over information and communications technology (ICT) networks, include ICT services themselves, sales and marketing services, financial services, professional services, and education and training services, among others.

MGNREGS: Tamil Nadu, Bihar — two strange stories from book of job

Tamil Nadu and Bihar are a study in contrast, admit senior government officials and experts. Over the past five years, Tamil Nadu accounted for 10-15.3% of the country's annual work demand submitted by individuals, under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), while Bihar made up just 4-5.7%, according to the rural development ministry data.

One of India's most industrialised states takes a much larger share of funds under the rural employment guarantee scheme than its poorest — and more populous — state, puzzling policymakers as they firm up the work demand target for the current fiscal.

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As for the person-days generated under the scheme, Tamil Nadu's annual share has been in the range of 8.6% to 13.1% over the past five years, while Bihar's remained in the 5-8% range.

The expenditure under the scheme was 7.6-12.7% of the national level in Tamil Nadu, against 5-7.5% in Bihar.

Southern states like Andhra Pradesh, Karnataka and Kerala have been cornering a larger share of MGNREGS funds than other states with similar population or workforce for some years now despite being more progressive, central and state government officials conceded. But the disparity between Tamil Nadu and Bihar is the most discernible.

"These two states are true outliers in the MGNREGS scheme of things," one of them told.

Reasons for Disparity

Officials and some experts cite two likely factors for this disparity: a more efficient administrative set-up as well as higher participation of women in MGNREGS work in Tamil Nadu.

Another official said more than 80% of active MGNREGS workers in Tamil Nadu are women, while it's about 54% in Bihar.

"This suggests that in Tamil Nadu, the scheme is probably being used to supplement family income in many cases, while in Bihar, it's primarily being tapped to address rural distress or poverty alleviation," he said.

Suspecting possible fund diversion under the MGNREGS, finance ministry officials had earlier called for plugging leakages, especially at the state level.

The contrast becomes all the more pronounced when the gross domestic product and population of both the states are compared. Tamil Nadu accounted for 8.7-9.2% of the country's nominal GDP annually over the past five years, while Bihar's remained at just about 3%.

According to the 2011 census, Bihar's population, however, is 44% higher than that of Tamil Nadu, which means its workforce is no smaller than the southern state.

The Centre bears the bulk of the financial burden under the MGNREGS — total wage costs and 75% of expenses for materials. States contribute 25% of the expenses for materials.

NR Bhanumurthy, vice chancellor at Bengaluru's BASE University, said a number of factors, including governance and the role of social institutions and other bodies, especially those at the panchayat levels, impact the adoption of the scheme. The states that fare well in these areas implement the scheme better than than others, he added.

AEPC Hosts Roundtable Discussion on Enhancing Competitiveness of Indian Apparel Export Industry

- Brands, buying agencies, liaison offices of overseas retailers participated in roundtable

AEPC is preparing a growth strategy to realize the true potential of the RMG sector and achieve exports to the tune of USD 40 Billion by 2030.

Over the past few years, India's apparel exports have been hovering around USD 15-16 billion. In 2023-24 FY it declined to USD 14.5 billion. Although there are global headwinds such as depressionary trends in major garment importing countries, geo-political tensions in Gulf region and stiff competition from China, Bangladesh, Vietnam and now even from Pakistan, yet the apparel export of some of the competing countries is increasing.

In this context, it is necessary to understand why this is happening? What is India's strength? What is India's weakness? Where we can improve? How is Bangladesh which import raw material from India still able to compete? And what do we do, how do we take it forward in the next 10 years?

To deliberate upon these questions, AEPC organized this roundtable discussion with global brands/buyers/buying houses on 3rd May 2024 in the presence of key representatives of Ministry of Textiles, Government of India.

The discussion was attended by Shri Rohit Kansal (IAS), Additional Secretary, Ministry of Textiles, Government of India; Ms. Shubhra (ITS), Trade Advisor, Ministry of Textiles, Government of India; Shri Sudhir Sekhri, Chairman, AEPC; Shri Premal Udani, Chairman – EP, AEPC; Shri Mithileshwar Thakur, Secretary General, AEPC, Shri Harish Ahuja, EC Member, AEPC; Shri Virender Uppal, EC Member, AEPC; representatives of around two dozen global brands/buyers/buying houses and AEPC staff members.

Speaking on the strategy to thrust exports, Shri Sudhir Sekhri, Chairman AEPC stated that, India's apparel exports have the unique distinction of having minimal import dependence. With the advantage of being amongst the largest producers of all kinds of fibre- natural and manmade- and having an abundant young workforce, India has all the ingredients to build an unparalleled ecosystem from Fiber to Fashion. This potential can be harnessed to uplift the underprivileged section of our society and also give a huge boost to women empowerment through employment and skilling. Chairman AEPC further stated that 70% of the workforce employed in the industry are women.

Elaborating further on the strategy, Chairman AEPC stated, "This financial year we are planning to participate in 17 International Fairs across all continents. The new destinations that we are targeting this year are Saudi Arabia, Poland, Mexico, Brazil, South- Africa and Russia besides the traditional large countries like EU, USA and UK". Riding on the huge success of the first edition of Bharat Tex in Feb 2024, a unique collaboration between the GoI and the entire Textile Industry, it has been decided to further extend our outreach to Buyers across the world, through the second edition of Bharat Tex sometime early next year.

AEPC organized a roundtable in New Delhi on 3rd May 2024. The representatives of major NCR based buying agencies/liaison offices of overseas retailers/brands. participated in the roundtable. This roundtable was chaired by Shri Rohit Kansal, Additional Secretary, Ministry of Textiles, GoI and co-chaired by Smt. Shubhra, Trade Advisor, Ministry of Textiles, GoI.

Shri Kansal in his address stated that the target of 40 billion USD by 2030 is eminently achievable and to achieve that goal there needs to be more and more engagement with the brands and buying houses which alone can create right perception among potential buyers about the industry's readiness to meet various compliances.

Ms. Shubhra stressed on the need for scaling and increased investment in the sector to instill confidence in sourcing from India by all global brands, further emphasizing on the need to work on the perception of India's manufacturing ecosystem in the world. She further suggested that the Council may like to explore forming a group of heads of CSR departments of major apparel companies along with other council to pro-actively keep track of any baseless allegations by vested interests about social compliance issues in the textile value chain and refute them strongly with relevant evidences.

Commenting on the meeting, Shri Sekhri Said, The presence of a large number of representatives of major NCR based buying agencies/liaison offices indicates their willingness to forge a stronger relationship with Indian exporters. We shall strive to build on this relationship of trust by creating an ecosystem, from fiber to fashion, at par with the best in the world. We hope that this relationship will continue to grow as we engage further. Retailers and brands of the likes of JCPenney, Gap, Levi's from USA; EL Corte Inglés and Carrefour from Europe; Liverpool, Suburbia from South America; Kowa from Japan, etc. participated.

Shri Sudhir Sekhri and Shri Premal Udani welcomed all the participants and informed the audience that this will be on open free format discussion and it will be an ongoing process which AEPC will keep doing.

Shri Premal Udani said that often during discussion on apparel export competitiveness there are always 2 wheels – garment exporters and government but often we do not take into account the 3rd and most important wheel – buyer and the buying houses who brings stability and without them you cannot have entire "rickshaw". What is India's strength? What is India's weakness? Where we can improve? How is Bangladesh which import raw material from India still able to compete? what do we and do how do we take it forward in the next 10 years?

Key Messages

Sl. No.	Issue/Constraint	Key message/Key Takeaways
1.	Cost	The agility to turnaround faster and cm (cost of making) is better and consistent in Bangladesh in comparison to India. Bangladesh offers a variety of products at competitive cost. Bangladeshi manufacturer focuses on cm while Indian manufacturer focuses on FOB.
2.	Fabric	The unavailability of variety of fabric in India is a challenge. There is a need to invest in raw material manufacturing (i.e. backward supply chain investment and integration).
3.	Supply chain	Backward integration by apparel manufacture is also necessary to create scale and efficiency. There is also an issue of scattered supply chain and end-to-end supply chain is missing leading to increase in material and logistics costs.
4.	Inverted duty	High taxation on fibre and fabric in comparison to apparel create duty inversion issue and investment in raw material becomes problematic in India.
5.	Wages	Wage rates and overtime rates are very high in India in comparison to Bangladesh.

Key Messages

Sl. No.	Issue/Constraint	Key message/Key Takeaways
6.	Labour	Timely availability of skilled labour at right wage is also a major problem in India. Issues related to migrant workers needs to dealt with seriousness by the government and in through multistakeholder dialogue process.
7.	Compliances	Issues pertaining to migrant workers and social compliances should be taken very seriously by all the stakeholders (specific attention to Tamil Nadu and Madhya Padesh). Strong advocacy is needed to counter any malign reporting.
8.	Engage	Multi-stakeholder dialogue needs to be more frequent and on multiple issues so that any maligning narrative can be countered.

Shri Sudhir Sekhri mentioned that India has better talent, infrastructure, we are better polyester and viscose manufacturer than why are we lagging behind from Bangladesh? Apart from price there could be other reasons why this is happening? He further informed that Bharat Tex 2024 was a huge success and from 25th – 28th February 2025, Bharat Tex will again be organized and this time entire supply chain will be in Pragati Maidan.

Action Points

- ✓ AEPC in consultation with MoT will form a group of head of CSR departments of major suppliers and buyers. Following that AEPC need to start multistakeholder dialogue (including NGOs, state govt., media etc.) to address various emerging social and environmental issues/accusations such as forced/child labour, ESG compliances of EU and other social issues pertaining to backward supply chain of apparel.
- ✓ AEPC will engage buyers/buying houses more frequently and in a much larger way so that their concerns can be disseminated to all the stakeholders of the apparel supply chain.
- ✓ AEPC needs to build a counter narrative on the report on forced/child labour in Indian cotton farms (supply chain) mainly in M.P. which is expected to get published in June/July in foreign media by a few Indian journalists/NGO activists.

Shri Mithileshwar Thakur gave vote of thanks

SG AEPC, Shri Mithileshwar Thakur said it is about the right time and industry with the government support needs to work on vertical integration, sustainability, compliances, capacity creation, cotton-MMF imbalance etc. He further said that it is a myth that garment industry in India did not grow. It grew at a CAGR of 13%. But we focused on large domestic market and now we need to prioritize for exports. India of today is bold, brave and confident and willing to engage with world. World is looking to India as the most preferred destination for apparel sourcing. IMF has already projected a GDP growth rate of 6.8% for this FY for India. We need to build "Invest in India" story.

Industry 4.0 for the Apparel Sector

It is a commonplace that technological innovation in developed countries and the transfer of technology to less developed countries both play an important role in determining the pattern of world trade and changes in that pattern over time.

Recent technological innovations have paved the way for realizing the smart factory vision with the next industrial revolution called Industry 4.0. Industry 4.0 has significant potential to change whole manufacturing processes and business models for labor intensive clothing and apparel factories. Therefore, the companies in the clothing and apparel industry need to invest in Industry 4.0 and its enabler technologies to start the transition from ordinary plants to the smart factory to gain competitive advantage.

However, related studies in the literature are limited and not sufficiently comprehensive to state how these relatively new technologies may affect the clothing and apparel industry. To address this shortcoming in the literature, within the context of this study, after briefly reviewing the four major industrial revolutions to understand the impact of Industry 4.0, a conceptual smart apparel factory called as "Apparel 4.0" is proposed in accordance with Industry 4.0 and Smart Factory visions. With "Apparel 4.0", innovative approaches based on Industry 4.0 and its enabling technologies are presented holistically from production systems and managerial activities viewpoints. Then, we identify the benefits and challenges of "Apparel 4.0".

In order to survive in this tough global competitive market, apparel manufacturers need to transform their manufacturing processes toward having a more flexible production system to meet the rapid changes in the global market, delivering orders to customers as early as possible to meet increased customer expectations, using the human workforce more efficiently to achieve high productivity levels, and utilizing all resources effectively. In today's rapidly globalizing business world, the Information Technology (IT) industry is continuously coming up with new technologies. Thus, it is important to invest in these emerging technologies for businesses to attain competitive advantage and improve their operational efficiency by generating valuable insights to enhance the decision-making process, develop new business models, and drive new revenue streams.

Industry 4.0 Revolution in Clothing and Apparel Factories: The key features of Industry 4.0 are categorized as follows:

- **Interoperability:** Cyber-physical systems are able to communicate with each other and people in real-time through the use of IoT and Internet of Services.
- **Virtualization:** Sensor data is connected through simulation models in a virtual environment.
- **Autonomous Management:** Cyber physical systems make their own decisions by determining optimum decisions based on the collected and processed big data.
- **Real-Time Management:** Collecting and processing data in a real-time fashion with distributed processing and big data approaches.
- **Internet of Services:** Cyber physical systems deliver their services to people and other systems via Internet of Services.
- **Modular structure:** Providing a modular structure to adapt to rapidly changing requirements.

Emerging information technology services enable the development of cheaper and more efficient production processes through efficient integration of smart device hardware with cyber-physical systems.

Digital Information Transfer

- Modelling/drawing the garment sketch in 3D format,
- Examining the model in a digital environment supported by virtual reality technologies
- Sending the drawings/markers of the product to the cutting system via a wireless network in a digital environment using the cloud technology infrastructure
- Protecting industrial devices against cyber security threats, while implementing digital information transfer by establising and reliable data communication on a secure and flexible network infrastructure.

Predictive Maintenance

Predictive maintenance comprises a variety of data analytics and statistical techniques to uncover hidden patterns and capture relationships among devices. It mainly aims to predict possible device or equipment failures and to define a maintenance strategy accordingly, to decrease failure rate and increase device utilization

Cyber-physical systems equipped with sensors, actuators, and processors are intelligent electronic systems with internet connectivity. They comprise extracting optimized decisions to preserve the capability and the functionality of the system by controlling problems of devices from large data-streams in real-time. They can make self-optimizing decisions by anticipating errors and quality problems that can occur

Human-Robot Technology Collaboration in Cutting Department

• Carrying fabrics from the warehouse to the cutting room by cyber-physical systems,

• Spreading the fabric on the cutting table by cyber-physical systems and robots,

• Completing the cutting operation through laser systems with a minimum-level of human interaction.

Intelligent Manufacturing

• RFID tags placed on the garments contain information on how to make, iron, button, wash, and pack. It is a method for automatic recognition of individual objects using radio frequency.

• RFID readers placed in each production station are integrated with the system. By reading the RFID tag of a product, the information on where the buttons are to be placed or the type of the button is received and the button operation is performed via the cyber physical systems based on this information.

• By reading the RFID tag of a garment, the information about the water temperature for washing operation and the optimum temperature for ironing operation is obtained, and the machines set the degrees automatically for washing and ironing operations without any human-machine interaction.

Robotic Quality Control

• To satisfy customer requirements, the final product must meet certain quality criteria that are predetermined before delivery to the customer. These quality standards include criteria such as the accuracy of the product's body measurements, the quality of the fabric, and manufacturing operations. Today, quality control is done by humans, but this sometimes causes incorrect results. In the context of Apparel 4.0, computer-aided quality control systems have been established to speed up the quality control process, increase its success, and collect production-related data regularly.

• Advanced image processing methods and machine learning approaches provide the capability for easily reporting quality problems of the final product.

Apparel 4.0 for Management

The managerial activities include receiving orders from customers, prototype modeling, customer approval, procurement of required fabrics and materials, production planning, enterprise resource management, employee performance management, and production management activities. Innovative approaches within the scope of Apparel 4.0 are summarized as follows:

End-to-end Digital Integration

• The Internet of Things (IoT) that provides the communication network in which physical things are interconnected with each other or with larger systems,

• Big Data Applications which provide storage, retrieval, cleaning, visualization, analysis, and interpretation of the large volume, the abundant variety, and the fast incoming data obtained from IoT technologies,

• Cloud Systems provide storage and accessibility of these data,

• The integration of cloud infrastructures involves both vertical and horizontal integration of the physical environment by creating a copy of the physical environment in the virtual environment

• Thus, it is ensured that the data and information are accessible and manageable by administrative systems such as enterprise resource planning and production systems.

Wireless Sensor Networks

• Wireless Sensor Networks, consisting of IoT Technologies as RFID tags, RFID readers, AutoID sensors, Wifi, GSM or lowpower near-field communication technologies that provide wireless communication as well as automatic data collection, synchronization, and analysis at every stage, from storage to the end users

3D Product Design

• With the ability to examine garments in 3D with virtual reality technologies, the preliminary prototype product can be obtained in the virtual environment, and the customer can receive and print the model out of a 3D printer. Accordingly, the rate of human errors is reduced in the production preparation phase, and the customer approval period is shortened.

Customer's Real-Time Order Tracking

• Tracking the location and status of orders with RFID tags and allowing the customer to monitor the product status instantly. Accordingly, transparency and customer satisfaction are increased.

Production Line Balancing

• In clothing and apparel factories, there is a need to balance the production line in order to increase the overall productivity. Therefore, the overall production flow can be monitored to detect the bottlenecks in sewing line and develop an optimization solution with the digitized data to increase the agility of the factory

Sewing Training with Augmented Reality

• With the emerging Augmented Reality technology, the factory workers are able to gain experience on the sewing machines by training in the digital environment. Thus, the productivity and efficiency can be increased and the manufacturing defects which are caused by human faults can be prevented in the production operations where human workforce is needed. According to the studies in the literature, the productivity of workers can be increased by up to 50% and the rate of human errors can be decreased with the use of augmented reality.

Human-Robot Technology Collaboration in Warehouse Management

• The RFID tags can be placed on raw materials such as fabrics and accessories to store information about the order, quantity, and location of raw materials in the warehouse. Thus, the fabric and materials are automatically fetched when they are required, via robots and/or cyber physical systems without any human intervention. Thus, in Apparel 4.0, it is possible to reduce the production and inventory costs as well as human errors to a minimum level, while increasing the production speed.

The main benefits of Apparel 4.0 are as follows:

• **Agility:** The collected data from the factory can be processed to monitor and analyze the ongoing production process in a real-time fashion which allows us to detect and solve problems on the production line in the shortest time period. Industry 4.0 From the Management Information Systems Perspectives 181

• **Transparency:** With the customer's access to the integrated production system, the real-time monitoring of suppliers, and the real-time report generation about production processes, the transparency of the apparel factories can be increased easily.

• **Increased quality:** We are able to increase product quality through reduced human errors by the virtue of automated production process with the cyber physical systems and robotics technologies. The integration of image processing and machine learning approaches also allows us to increase quality control precision, with the automated quality control process. Moreover, the sewing training with augmented reality also increases the overall product quality by reducing human errors.

• **Increased productivity:** The integration of cyber physical systems and human-robot technologies, real-time production line management, realtime performance management, and predictive maintenance enable us to improve overall productivity and agility.

• **Reduced operational costs:** Automation of processes has paved the way for minimizing human intervention on production as well as reducing overall labor costs. Moreover, the end-to-end digital integration and automated worker performance reporting also help us to reduce the managerial activities and operational costs.

• **Reduced order delivery time:** The utilization of 3D product design, realtime supplier management, real-time production management, automated processes, cyber physical systems, and human-robot technologies allow us to reduce order delivery time.

• **Increased customer satisfaction:** With the increased product quality, transparency, and decreased order delivery time, it is possible to increase overall customer satisfaction.

The main challenges of the proposed smart factory of Apparel 4.0 are as follows:

• **Initial investment cost:** Cyber physical systems, robotics, virtual reality, 3D product design, wireless sensor networks, big data infrastructures and their integrations are very costly. Moreover, most apparel companies are small-and-medium sized enterprises. To this end, the companies need to inspect the cost and benefits of the innovative approaches that are proposed in the context of Apparel 4.0, in order to determine a detailed roadmap to initiate their smart factory transition processes.

• **Privacy and security:** Even though there are many studies in the literature that investigate the privacy and security of digital data, it is still an important issue for many organizations. The collected data from smart Industry 4.0 Revolution in Clothing and Apparel Factories: Apparel 4.0 182 factory environment is very critical for confidentiality and security of the factories. To this end, the communication among smart devices should be provided with secure machine-to-machine protocols to protect data.

• **Technical Challenges:** The proposed technologies in the scope of Apparel 4.0 are relatively new technologies, therefore the shortage of experienced workers in these technologies is a serious constraint. For this reason, national policies should be developed and supported to increase the quantity of experienced workers.

• **Lack of a global standard:** The lack of a global standard developed for Industry 4.0 causes an important difficulty. Therefore, a standardized Industry 4.0 maturity model needs to be developed with the aim of establishing a standard roadmap that will guide the firms and practitioners (Gökalp, Şener, & Eren, 2017).

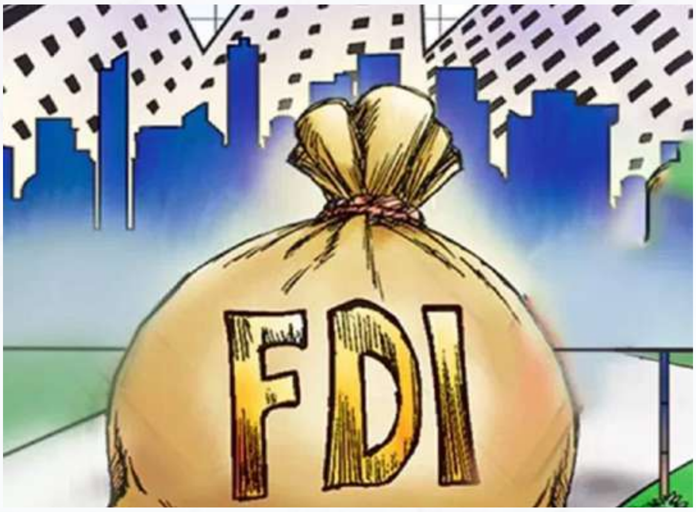
- **Social difficulties:** With Industry 4.0, the number of required low-skilled labor force will shift towards more high-skilled complex jobs which require a more intense focus on emerging technologies. This brings an important social problem, unemployment. It is predicted that the Industry 4.0 revolution will cause 5 million people to quit their jobs in 15 developed economies over the next 5 years (World Economic Forum, 2016). Therefore, there is a need to develop a roadmap to train the labor force on emerging technologies.

Conclusion

Today, we are on the verge of a new industrial revolution named as 4th industrial revolution, and enterprises that successfully adopt this new revolution can survive in the competitive global market.

FDI slump in China is not headed towards India

- Instead of India making gains at the cost of China by attracting FDI, the rest of the world is making gains at the cost of both China and India



The World Investment Report (WIR 2023) published foreign direct investment (FDI) inflow data for the calendar year 2022. The Organization for Economic Cooperation and Development (OECD), which brings out FDI data quarterly, recently released the FDI data for January-October 2023. The OECD report had many startling developments.

FDI inflows have begun shifting from developing to advanced countries. China received 90 per cent less FDI inflows in 2023. Scooting out of FDI investment flows from China did not land in India. FDI inflows to India were also down by 54 per cent.

Global FDI inflows are declining trend. The Global FDI was $1.69 trillion in 2019 and $1.79 trillion in 2021 (2020 being the Covid-19 pandemic year is ignored). In 2022, global FDI declined to $1.25 trillion, indicating the maturity of old manufacturing global value chains and developed countries investing within their economies.

In January-September 2022, global FDI was $1.21 trillion; in 2023 same period, it declined to $0.90 trillion (by 26 per cent). FDI to OECD countries declined from $591.41 billion to $442.36 billion, a fall of 25 per cent; FDI inflows to non-OECD countries declined from $662.27 billion to $452.81 billion (by 26 per cent) — indicating not much of a difference overall.

FDI in the non-OECD developing world fell precipitously to $110.42 billion from $166.38 billion in the April-June quarter; a decline of 34 per cent. FDI to OECD countries, on the reverse, zoomed from $80.42 billion to $168 billion — a big increase of 109 per cent.

FDI has traditionally flowed from OECD countries to developing countries. Is this reversal of FDI inflows indicative of major trouble brewing up, especially for developing countries.

China becoming FDI pariah

FDI started flowing in a big way into China in the 1990s. China received a whopping $241.21 billion FDI in 2012 and $187.17 billion in 2019 (~15 per cent and ~11 per cent of the total global FDI) making China the factory of the world. In 2020, despite a global slump in the wake of Covid-19, FDI into China shot up to $253.1 billion (almost 25 per cent). The year 2021 witnessed a humungous $344.08 billion FDI (~20 per cent).

European Parliament Gives Final OK to CSDDD, Forced Labor Regulation

Two landmark bills that will fundamentally reshape how business is conducted in the European Union—and likely beyond—have cleared major hurdles after receiving final approvals from the European Parliament.

First the corporate sustainability due diligence directive, or CSDDD.

The 27-member bloc's elected body pushed through the proposed law with 374 votes in favor, 235 against and 19 abstentions, putting the world's largest single market in spitting distance of legal accountability from big businesses that ignore environmental and human rights abuses in their supply chains.

But the version the European Parliament greenlit isn't the same as the provisional agreement that it struck with the European Council, which represents governments of member states. Due to what some civil society groups have derided as "political gameplay" from clout-heavy nations such as Germany, France and Italy, which threatened to abstain from the vote at the last minute, throwing the future of the measure into doubt, the European Council's Belgian presidency proposed a compromise bill that would soften many of the requirements.

Instead of taking aim at EU and parent businesses with more than 500 employees and a net global turnover of 150 million euros ($160 million), for instance, the rules would apply to companies with more than 1,000 employees and a net worldwide turnover of 450 million euros ($481 million). Higher-risk industries, such as leather, textiles and agriculture, no longer face a lower employee threshold—it was previously 250—to fall into scope. And the definition of what "chain of activities" involves now excludes downstream activities at the product disposal stage and those performed by indirect business partners.

It was this iteration of the CSDDD that the European Council—barring Germany, which still abstained, a move that was tantamount to a nein—achieved consensus on in March.

The spirit of the law, however, remains the same: to hold companies that breach their due diligence obligations liable for damages, including compensations for victims. Member states will be required to create or designate a supervisory authority to investigate and impose penalties on non-complying business, including "naming and shaming" and fines of up to 5 percent of their net global turnover.

"Today's vote is a milestone for responsible business conduct and a considerable step towards ending the exploitation of people and the planet by cowboy companies," Dutch politician Lara Wolters, the Member of the European Parliament who has shepherded the legislation, said after the plenary session. "This law is a hard-fought compromise and the result of many years of tough negotiations. I am proud of what we have achieved with our progressive allies. In Parliament's next mandate, we will fight not only for its swift implementation, but also for making Europe's economy even more sustainable."

The final step of the CSDDD's journey into law will take place at next month's Competitiveness Council, where EU ministers will rubber-stamp the text. Once published in the EU Official Journal, it will enter into force 20 days later. Member states will have two years to transpose the new rules into their national laws. By 2026 or 2027, the regulation will take effect across the entire bloc on a rolling basis, beginning with the largest companies with more than 5,000 employees and a net global turnover exceeding 1.5 billion euros ($1.6 billion). By 2029, all in-scope businesses will be covered.

That the European Parliament's vote happened on the 11th anniversary of the collapse of Rana Plaza, which killed 1,134 garment workers and injured thousands more in the Dhaka suburb of Savar in Bangladesh, didn't go unnoticed.

"The Rana Plaza tragedy has shown what is at stake if businesses act recklessly. With today's adoption of the CSDDD, the European Parliament assumes the responsibility to regulate business conduct to prevent a tragedy like Rana Plaza from happening again," said Nele Meyer, director of the European Coalition for Corporate Justice, a consortium of 480 civil society groups across the continent. "For the CSDDD to be a game-changer and trigger a shift in business conduct, both states and businesses must prove now their commitment to the CSDDD and implement its rules effectively."

But it's a bittersweet victory, the coalition said, with "just a 0.05 percent of triumph for corporate justice." To wit, the rules will only target 0.05 percent of EU companies, down from the 1 percent that the original agreement covered. The overwhelming feeling from the CSDDD's champions, however, is that something is better than nothing.

"It was only a few weeks ago that EU member states nearly killed this law off completely, so today's vote to pass the final law is something to celebrate," said Beate Beller, corporate accountability campaigner at the corporate watchdog group Global Witness. "While national governments such as Germany, France and Italy weakened it at the last minute, a new chapter is about to begin for corporate accountability. The biggest companies operating in the EU will be obliged to respect human rights and the environment, and the law gives people who are at risk from dangerous business practices a chance to fight back."

Writing on LinkedIn, Nazma Akter, president of the Sommilito Garments Sramik Federation and founder and executive director at the Awaj Foundation, called the European Parliament's approval a "victory for the union's long fight for workers' legal rights." The CSDDD, she said, will be a "vital tool to defend workers' rights throughout the supply chain."

Next, the forced labour regulation.

After a month, after it arrived at an interim deal with the European Council, the European Parliament gave its last OK to rules that would block the sale and availability of goods made with forced labor from the EU market with 555 votes in favor, 6 votes against and 45 abstentions.

As with the CSDDD, the text will have to get one final approval from the European Council, along with publication in the EU Official Journal, following which member states will have to start applying it in three years.

"Today, worldwide, 28 million people are trapped in the hands of human traffickers and states who force them to work for little or no pay," said Portuguese politician Maria-Manuel Leitão-Marques, rapporteur for the internal market committee. "Europe cannot export its values while importing products made with forced labor. The fact that the EU finally has a law to ban these products is one of the biggest achievements of this mandate, and a victory for progressive forces."

The law will allow member-state authorities and the European Commission to investigate goods, supply chains and manufacturers with suspected links to modern slavery based on "factual and verifiable information," whether from international organizations, cooperating authorities or whistle-blowers. Producers of banned goods will be required to withdraw their products from the EU and donate, recycle or destroy them, and non-compliant companies could be fined.

While the rules have garnered praise, they have also fielded criticism for not taking a harder line, specifically on state-sanctioned forced labor in China's Xinjiang Uyghur Autonomous Region. Unlike the Uyghur Forced Labor Prevention Act in the United States, the forced labor regulation presumes innocence over guilt for products linked to the controversial province.

In a report published earlier, U.S. Secretary of State Antony Blinken said that Beijing is continuing to commit "genocide, crimes against humanity, forced labor and other human rights violations" against Uyghurs and other predominantly Muslim ethnic minorities in Xinjiang, though China has repeatedly denied this.

"The parliament's vote is a positive one and will require companies to address forced labor in their supply chains," said Zumretay Arkin, director of global advocacy at the World Uyghur Congress, an international organization of exiled Uyghur groups. "Unfortunately, the EU has missed a crucial opportunity to agree on an instrument that could meaningfully address forced labor when the government is the perpetrator, like in the Uyghur region in China. We welcome this milestone but stress that all related guidance, guidelines and considerations of when to investigate cases be created in a way that ensures the regulation can effectively ban products made with state-imposed forced labor."

Another shortfall, according to Sian Lea, business and human rights manager at the nonprofit Anti-Slavery International, is the lack of obligation to remedy harm, which the CSDDD includes.

"For the forced labor regulation to have the greatest impact, it is crucial that victims of forced labor are able to access remedy for harm," she said. "We will continue to work closely with the EU and civil society as this law comes into effect, to make sure that workers' rights are respected and that frameworks for accessing remedy are established."

As with the CSDDD, having some guardrails is better than none at all, said Ben Vanpeperstraete, senior legal adviser at the nonprofit European Center for Constitutional and Human Rights. He called the regulation a "crucial step forward in the fight against forced labor in global supply chains."

"While there are significant shortcomings that need to be improved upon sooner rather than later, it is now important to translate the regulation into concrete practice," Vanpeperstraete said. "The EU and member states need to work together with civil society organizations to ban unfair competition between companies based on forced labor."

Source: Sourcing Journal

Accelerating Circularity to launch circular textile production 'blueprint

To move the textile sector from linear to circular, the nonprofit group Accelerating Circularity will release its Global Cotton Report at the Circularity24 conference in Chicago .

The report “Accelerating Circularity explained” offers information on the impact, scalability, and viability of circular textile-to-textile recycling methods.

It is claimed to embodies Accelerating Circularity’s purpose of making the textile industry circular and is based on “exhaustive” system trials conducted in both the US and Europe.

According to Accelerating Circularity, the research displays the successful creation and market release of trial items, which include a range of clothing made of cotton and cotton blends. This indicates that large recycled content goals may be achieved.

The association claims that these trials are a critical step in lowering the environmental impact of the textile sector and bringing it into compliance with international sustainability goals.

According to Sarah Coulter of Accelerating Circularity, the organisation has mapped out a course that not only illustrates the possibility of circular textile production but also delineates the cooperative endeavours necessary to bring it to pass by uniting stakeholders from all points along the value chain.

Centre to set up dedicated test labs in six states for Kasturi Cotton global brand push

The union government is planning to set up dedicated labs for testing high-grade cotton in Maharashtra, Tamil Nadu, Haryana, Punjab, Gujarat and Karnataka as part of a push to establish the Indian Kasturi cotton as a global brand.

The labs would be set up in convergence with the Bureau of Indian Standards' (BIS) testing facilities, ensuring alignment with national quality standards.

India aims to compete with global cotton brands such as Supima and Giza, which are known for their exceptional softness, strength and durability.

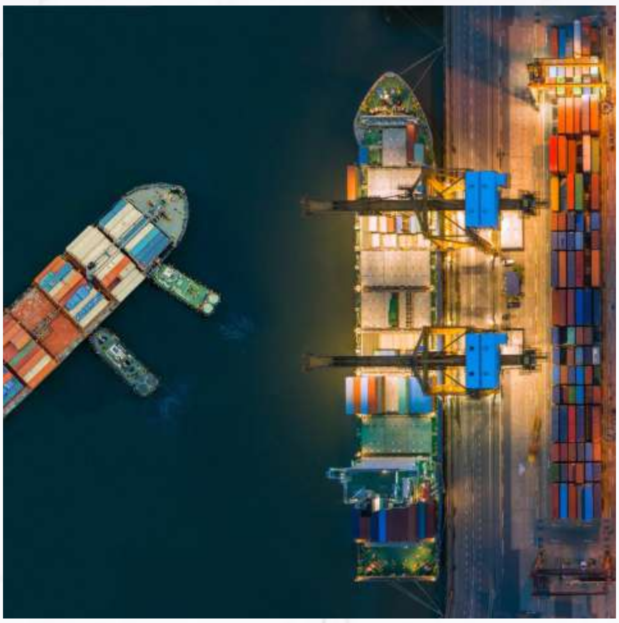
While India has only recently branded its cotton despite being a major producer with the largest area under the crop, Egypt has successfully positioned its Giza cotton brand internationally with an annual output of a modest one million bales.

The Indian product, Kasturi Cotton Bharat, is produced by following stringent standards, with a strict 2% cap on trash content to ensure its premium quality and 100% traceability.

"As of now, there are no dedicated labs for testing Kasturi cotton and the certification of this premier quality cotton is conducted through a limited number of NABL-accredited labs. Establishing dedicated testing facilities would not only ensure the quality of the product but also enhance its global acceptance," said an official .

The textiles ministry is planning to finalize a testing action plan for all textiles in the coming months, aiming to enhance the overall quality standards that will help in promoting Indian textiles on the global stage.

INDIAN EXPORTS UP IN 115 NATIONS OUT OF 238 DESTINATIONS IN 2023-24



India's exports have surged to as many as 115 countries out of the total 238 destinations during 2023-24 despite the global economic uncertainties, according to a recent report by the Ministry of Commerce.

The country's merchandise exports decreased by 3 per cent to $437.1 billion in the last fiscal. However, services exports rose to $341.1 billion in 2023-24 as against $325.3 billion in 2022-23.

According to the report, despite persistent global challenges, overall exports (goods and services together) hit the highest level in 2022-23.
Overall exports reached $778.2 billion in 2023-24 as compared to $776.4 billion in 2022-23, registering a marginal growth of 0.23 per cent.

The share of India's merchandise exports has also increased marginally from 1.70 per cent in 2014 to 1.82 per cent in 2023. India's rank in world merchandise exporters too has improved from 19th to 17th during the same period.

Further, India's export to its top 10 destinations witnessed a 13 per cent year-on-year increase in 2023-24.

WORLD MIGRATION REPORT 2024: THE TOP 10 COUNTRIES RECEIVING HIGHEST REMITTANCES; INDIA TOPS THE LIST

According to the recently released World Migration Report 2024, India has consistently been the top recipient of remittances globally. In 2022, India received a record-breaking $111.22 billion in remittances.

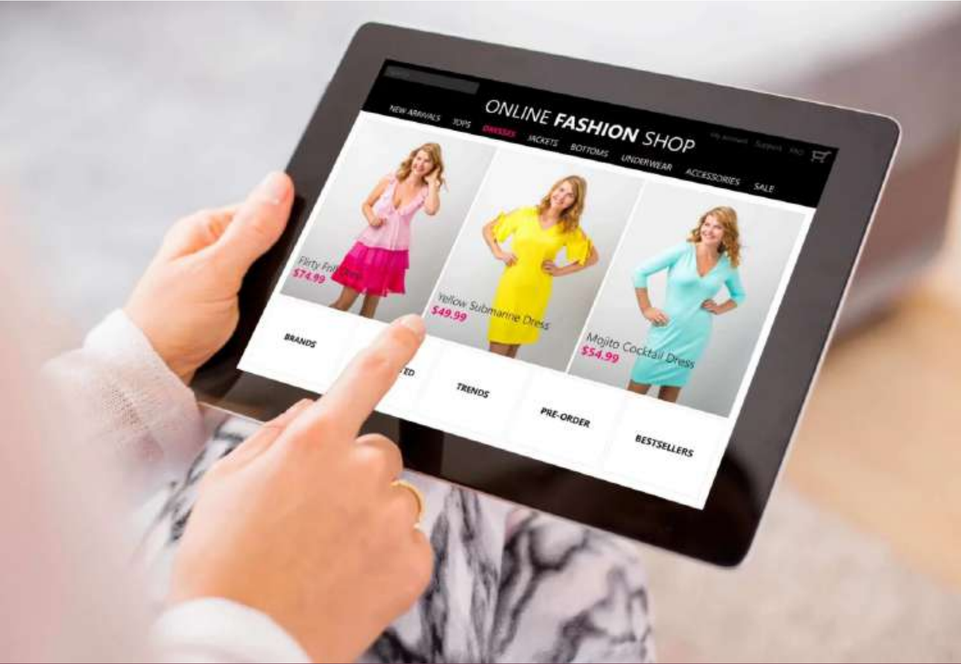
India has made history by becoming the first country to have the first countries receiving the highest remittances in 2022, according to the United Nations migration agency. The International Organisation for Migration (IOM) recently released its World Migration Report 2024, which revealed that India's remittances surged to $111 billion last year, surpassing all other nations.

The report highlighted that Mexico, China, the Philippines, and France were the other four nations in the top five remittance recipient countries, with India being the top country receiving remittances in 2010, 2015, 2020, and 2022, highlighting the importance of labour migration from the subregion.

Moreover, the report noted that Southern Asia receives some of the largest inflows of remittances globally since it has a significant number of migrant workers from the region. Three countries, India, Pakistan, and Bangladesh, rank among the top ten recipients of international remittances in the world.

According to a recent report, India has emerged as the largest recipient of remittances, receiving more than $83 billion in 2022. This marks the first time any country has crossed the $80 billion mark, and India has also surpassed its previous record of $79 billion. It also noted that India is the origin of the largest number of international migrants in the world, with a large diaspora living in countries such as the United Arab Emirates, the United States, and Saudi Arabia.

Additionally, India is ranked 13th as the destination country for immigrants, with 4.48 million immigrants, highlighting that India is involved in some of the top international country-to-country migration corridors, including India – United Arab Emirates, India – US, India – Saudi Arabia, and Bangladesh – India.



ONLY 4% RELY ON ONLINE PLATFORMS FOR CLOTHES: HOW INDIANS SHOP APPAREL

Despite a pandemic-driven online shopping surge, physical stores remain dominant A survey by Localcircles revealed that only 4 per cent rely solely on online platforms while 47 per cent of respondents prefer to shop exclusively in stores (malls, markets) for the "touch, feel, and try" experience. About 40 per cent enjoy a mix of online and offline shopping.

Discounts and ease of return are key drivers for online purchases. What the study finds is that though the pandemic led to increased adoption of buying apparel online, once again the physical stores/ markets are being preferred by people for buying clothes. 81% of respondents said the key reasons for preferring to buy clothes offline is the ability to touch, feel and try them before finalizing their purchase. Other major reasons are ability to make a quick buy and take it home, ease of exchange and return or in all convenience in many respects.

The survey received over 35,000 responses from consumers located in 323 districts of India. 61% were men while 39% respondents were women. 43% respondents were from tier 1, 33% from tier 2 and 24% respondents were from tier 3, 4 & rural districts.

In community discussions, many consumers indicated that they purchase products they go online for repeat purchases of branded products as the fit and quality are already known, and they tend to make first time purchases at a store. Whether the online platforms that sell clothing online be able to deliver faster and provide a better buying and return experience will determine whether more consumers make online platforms as their primary channel to buy clothing.

With convenience fee to order online and other charges like delivery and in some cases even a return fee being levied by some platforms, there currently are barriers that work against the growth of the apparel industry online. Unless the discounts offered stay high, which they have been in the last few years, there is a high chance that online apparel buying will stagnate or see slow growth in India.

Market size and consumer preferences:

The Indian apparel market is expected to reach a staggering Rs 9.35 lakh crore (USD 105.5 billion) in 2024. Women's apparel holds the lion's share, at US$51.05 billion.

Banned Chinese cotton found in 19% of US and global retailers' merchandise, study shows

Traces of banned Chinese cotton were found in 19% of a sample of merchandise selling at U.S. and global retailers in the past year, a study showed, highlighting the challenges of complying with the U.S. law aimed at blocking imports of cotton linked to forced labour in China.

In the study released recently, researchers from natural resource analytics, isotope testing firm Stratum Reservoir and DNA lab Applied DNA Sciences (APDN.O), opens new tab analyzed garment samples, cotton swabs and shoes from big box retailers and e-commerce platforms. The firms declined to name the retailers whose merchandise they tested.

The scientists used isotopic testing, which can link cotton to specific geographic areas by analyzing the concentration of stable elements like carbon and hydrogen present in both the crop and the environment in which it has been grown, experts say. They tested the merchandise for traces of cotton from Xinjiang, the far western region of China.

The U.S. enacted a law in 2021 to safeguard its market from products potentially tainted by human rights abuses in Xinjiang, where the U.S. government says China is committing genocide against Uyghur Muslims.

China denies abuses in Xinjiang, a major cotton producer that also supplies much of the world's materials for solar panels.

For years, lawmakers and trade organizations have been trying to keep product made with forced labour out of the U.S. supply chain. But the study shows that the new law is not necessarily effective.

A federal report published in 2022 estimated that cotton from Xinjiang accounted for roughly 87% of China's production and 23% of the global supply in 2020 and 2021. Countries including Vietnam, Cambodia and Bangladesh - some of the world's largest producers of cotton clothing and consumer goods - still import large quantities of finished fabric from China. It then often makes its way to the U.S. in the form of apparel made by suppliers in those countries, according to the report.

Of the 822 products tested, 19% had traces of Xinjiang cotton, the researchers said. The study tested a sample of items from February 2023 through March 2024.

Of the items that tested positive for Xinjiang cotton, 57% featured labels claimed that the origin of the merchandise was U.S.-only, the researchers said.

Of the items that tested positive for Xinjiang cotton, two- thirds showed that the cotton had been blended with cotton and materials from regions outside of Xinjiang, they said.

One of the two firms, Applied DNA Sciences, declined to comment on which brands and retailers it analyzed. It said that it purchased goods within the U.S. and from e-commerce brands that ship to the country.

BRAZIL

Focus Country- Brazil

India and Brazil share a very close and multifaceted relationship both at bilateral level as well as in plurilateral fora such as BRICS, BASIC, G-20, G-4, IBSA, International Solar Alliance, as well as in the larger multilateral bodies such as the UN, WTO, UNESCO, and WIPO. The two countries have been Strategic Partners since 2006. The bilateral relationship is based on a common global vision, shared democratic values, and a commitment to foster economic growth with social inclusion for the welfare of the people of both countries.

Economic Overview:

Industrial-led economic growth model; recovering from 2014-2016 recession when COVID-19 hit; industry limited by Amazon rainforest but increasing deforestation; new macroeconomic structural reforms; high income inequality; left UNASUR to join PROSUR.

• Economic Indicators:

Indicators	Value (in USD)
Real GDP (Purchasing Power Parity), 2022 est.	3.25 Trillion
GDP (Official Exchange Rate), 2019 est.	1.92 Trillion
Real GDP (Per Capita), 2022 est.	15,100
Real GDP (Growth Rate), 2022 est.	2.9 %
Inflation Rate, 2021 est.	9.28 %
Source: The World Factbook – CIA 2024	

• Exchange Rate:

Indicators	Value (in USD)
Indian Rupees (INR) per Brazilian Real (BRL)	16.29
Source: X-Rates 2024 (April 2024 average)	

• Climate:

Mostly tropical, but temperate in south

• Average Tariff for India:

35% for HS code 61 and 62

• Brazil's Apparel Trade:

Brazil's RMG Import from World and India

	2021	2022	2023	% Change 2023 over 2022
Brazil's RMG imports from World, (In USD Mn.)	1148.5	1615.3	1862.9	15.3
Brazil's RMG imports from India, (In USD Mn.)	34.5	48.8	59.7	22.4
India's Share in Brazil's total RMG imports from World, %	3.0	3.0	3.2	6.1
Source: UN Comtrade 2024; Compiled by the R&PA Dept., AEPC				

The above table shows that Brazil's RMG import from the World were to the tune of USD 1862.9 mn in 2023 showing a growth of 15.3 % as compared to 2022. RMG import from India has also increased to USD 59.7 mn, registering a growth of 22.4 % as compared to 2022. India's percentage share in Brazil's RMG import from the World has increased to 3.2 % in 2023.

• Top RMG Supplier to Brazil:

Top RMG Supplier to Brazil and India's Position			
Position	Countries	Imported value in 2023 (in USD mn)	% Share
	World	*1862.9*	*100*
1	China	933.2	50.1
2	Bangladesh	183.3	9.8
3	Paraguay	96.0	5.2
3	Vietnam	92.5	5.0
5	Peru	70.7	3.8
6	Turkey	61.2	3.3
7	*India*	*59.7*	*3.2*
8	Cambodia	54.1	2.9

Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC

The above table shows that China has remained a top supplier of RMG to Brazil with 50.1 % share in 2023. India is the 7th largest supplier of RMG to Brazil with 3.2 % share. Bangladesh and Paraguay has a share of 9.8 % and 5.2 % respectively.

• Brazil's top 10 RMG Products Import from World vs India's share:

Top 10 RMG products imported by Brazil from World					
S. No.	HS Code	Product label	Imported from World in 2023 (in USD mn)	Imported from India in 2023 (in USD mn)	India's Share in %
		Total RMG	**1862.9**	**59.7**	**3.2**
		Sum of Top 10	**710.8**	**9.5**	**1.3**
1	620140	Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	103.5	0.2	0.2
2	620240	Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters, ...	96.1	0.3	0.3
3	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	90.9	2.2	2.5
4	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	84.1	0.0	0.1
5	620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excl. ...	57.8	1.4	2.4
6	611610	Gloves, mittens and mitts, impregnated, coated, covered or laminated with plastics or rubber, ...	57.2	0.0	0.0
7	620640	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excl. knitted or crocheted ...	56.7	3.8	6.7
8	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	55.9	1.1	1.9
9	610620	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres, knitted or crocheted ...	55.5	0.0	0.1
10	620463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres ...	52.9	0.5	1.0

Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC

The above table shows Brazil's top 10 RMG products imported from the World vis-à-vis from India and India's % share in those top 10 products. The top 10 products imported from the World were to the tune of USD 710.8 mn.

in 2023 and import from India of these top 10 products were to the tune of USD 9.5 mn. India has 1.3 % share in Brazil's top 10 products import from the World.

The top products imported by Brazil from the World includes (I) Men's or boys' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters; (ii) Women's or girls' overcoats, car-coats, capes, cloaks, anoraks, incl. ski jackets, wind-cheaters; (iii) T-shirts, singlets and other vests of cotton, knitted or crocheted.

• Brazil's top 10 RMG products import from India:

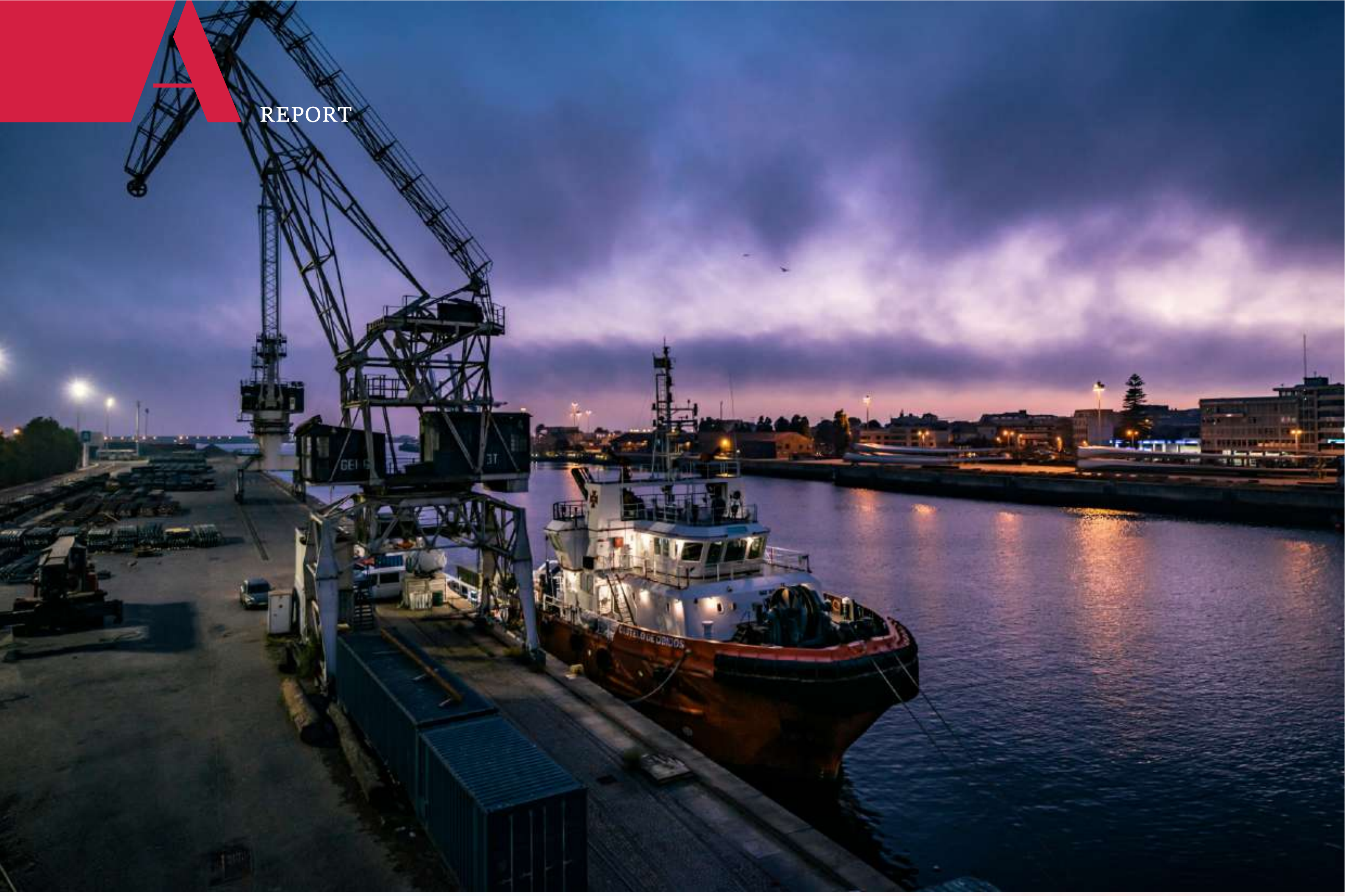
Top 10 RMG Products Imported by Brazil from India

S. No.	HS Code	Product label	Import from India, 2023 (in USD mn)	% Share in 2023
		Total RMG	**59.7**	**100.0**
		Sum of Top 10	**39.7**	**66.5**
1	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	8.7	14.6
2	620444	Women's or girls' dresses of artificial fibres (excl. knitted or crocheted and petticoats)	7.4	12.3
3	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...	6.4	10.7
4	620640	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excl. knitted or crocheted ...	3.8	6.3
5	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	2.6	4.4
6	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	2.4	4.0
7	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	2.4	4.0
8	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	2.2	3.7
9	620443	Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	1.9	3.2
10	620469	Women's or girls' trousers, bib and brace overalls, breeches and shorts of textile materials ...	1.9	3.1

Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC

The above table shows Brazil's top 10 RMG products imported from India. Brazil's top 10 products imported from India were to the tune of USD 39.7 mn with 66.5 % share in Brazil's total RMG import from India.

The top products imported by Brazil from India includes **(I)** Women's or girls' dresses of cotton; **(ii)** Women's or girls' dresses of artificial fibres; (iii) Women's or girls' blouses, shirts and shirt-blouses of cotton.



Global Interest in Nearshoring At a Record High and Rising' QIMA Data Shows

Two-thirds of global businesses are interested in nearshoring and reshoring operations in 2024.

The appeal of shorter supply chains is "at a record high and rising," according to QIMA's 2024 Sourcing Survey, released this week. After a year characterized by worry about inflation and geopolitics, more brands are looking to bring production closer to home in a bid to guard against further disruption.

According to QIMA, which surveyed 800 businesses across an array of consumer product sectors, more than half of all respondents reported purchasing more goods from domestic and regional suppliers last year. The growth trajectory is expected to continue over the coming months, with nearly two-thirds of businesses across the globe—including 54 percent in the U.S. and 50 percent in the EU—saying nearshoring and reshoring are a part of their 2024 supply chain strategy.

The quality control and supply chain audit firm noted that U.S. enterprises' enthusiasm for nearshoring is now catching up with the EU. "After a long period of lagging behind their EU counterparts when it came to sourcing locally, American businesses showed a surge of interest in both reshoring and nearshoring in this year's survey," the group wrote. More than 50 percent of U.S. respondents said they were buying more from nearby suppliers in 2023, and they confirmed plans to do so again this year.

Notably, U.S. brands evinced a strong preference for buying American-made products in 2023, with 47 percent saying they increased reshoring efforts last year. More than one-quarter (29 percent) plan to up the procurement of homegrown products again this year.

The appetite for bringing value chains closer to end markets did not cause any “seismic shifts in sourcing” last year, but according to QIMA, the unchallenged dominance of prominent Asian sourcing hubs may be waning due to nearshoring and reshoring efforts.

“Indeed, the prevalence of respective home regions on the list of top supplier partners has ticked up for both U.S.- and EU-based respondents, while for European brands, Turkey surpassed Vietnam in the ranking of the key sourcing partnerships,” analysts wrote. And for the first time in over 20 years, Mexico overtook China as the leading exporter to the U.S. market.

Supply chain diversification will persist at a mellower pace throughout 2024. Nearly two-thirds of survey-takers reported that their sourcing portfolios changed over the past 12 months—a drop from the year-ago period, when 76 percent reported changes to their sourcing geography. Vietnam was the leading recipient of new business from U.S. companies that changed supplier countries in 2023, with 43 percent saying they moved a portion of sourcing there.

But China is not to be outdone—yet. “Despite the ongoing shift of global supply chains from China, the manufacturing giant is nowhere near giving up its crown,” analysts wrote. Seventy-seven percent of American buyers and 81 percent European buyers maintain that China is one of their top three sourcing partners.

While some of QIMA’s past surveys saw companies buying less from China, 2023 saw an increase in business volumes with China-based producers. The “World’s Factory” has been reinvigorated since the end of the post-pandemic lockdowns; twice as many respondents reported that they did more business with China than they did a year prior. In 2022, more than half of QIMA survey respondents said they cut down on purchases from China, and less than one-quarter said the same in 2023.

According to the auditing group, bigger enterprises with more than 1,000 employees were most likely to pull back on China sourcing—but they were also the least likely to exclude the country entirely from their sourcing portfolios. Two-thirds of all businesses surveyed said they would likely buy as much or more from suppliers in the country in 2024 as they did last year.

Notably, fashion-related businesses were “a lot more restrained on China sourcing, both in 2023 and in procurement plans for the coming year,” analysts wrote, noting that such companies jumpstarted sourcing diversification before the pandemic. Trump-era punitive tariffs caused many brands to begin to look elsewhere for essential products, and those new relationships became even more important as the pandemic stymied Chinese supply chains. More than one-quarter (28 percent) of apparel, textile and footwear businesses ramped back buying from China during 2023.

But even as trade tensions with China remain elevated, with “friend-shoring” becoming a major focus for lawmakers, 89 percent of U.S. respondents said they would continue to do business with Chinese suppliers moving forward. In fact, two-thirds of U.S. businesses across sectors like electronics, toys and accessories reported upping their dependence on China, and 45 percent plan to maintain their sourcing spread this year.

“Although the outcome of the 2024 election will very likely introduce further changes into the dynamic between the two countries, the above findings reaffirm China’s crucial role as a supply chain partner even amidst economic and political uncertainties,” analysts wrote.

Source: Sourcing Journal

Bangladesh's exports could drop 14% post LDC transition, ADB warns

According to the Asian Development Bank (ADB), Bangladesh's exports might face a decline ranging from 5.5 per cent to 14 per cent post its graduation from a Least Developed Country (LDC) status in 2026.

This projection, especially concerning reduced earnings from the European Union (EU), highlights the potential impact of losing preferential trade benefits.

Least developed countries (LDCs) face new challenges in view of the emerging global trading scenario including the demise of Doha Development Agenda, looming trade war and development unfriendly initiatives in relation to WTO governance.

A number of LDCs will soon leave the group and will be required to deal with new trade-related challenges including Bangladesh. High export tariffs will create a disincentive for Bangladesh's export-oriented industries in EU, a prominent market.

Currently, over 70 per cent of Bangladesh's merchandise exports benefit from LDC-specific trade preferences and the impending graduation poses a significant concern for the country's export sector, particularly the dominant readymade garments (RMG) industry.

The ADB's study on "Expanding and Diversifying Exports in Bangladesh: Challenges and the Way Forward," published in March, highlighted that increased tariffs could lead to a significant decrease in exports.

Moreover, LDC graduation will limit Bangladesh's policy flexibility in supporting the export sector through subsidies. While World Trade Organization members are generally prohibited from providing export subsidies, LDCs enjoy exemptions from this regulation.

R. Ramu is the new Vice- Chairman AEPC

R. Ramu

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He holds the following posts in the industry

Executive Committee member of the Tiruppur Exporters Association (TEA)
Executive Committee member of Apparel Export Promotion Council (AEPC)
Director of Apparel Made-Ups Home Furnishing Sector Skill Council (AMHSSC)
Director of Nethaji Apparel Park (NAP),
Chairman- Arbitration Sub Committee -TEA

R. Ramu, over the years has reasonably grown and established for himself a firm place in the industry. He has done his short term diploma course in automobile from G D Naidu institution from Coimbatore in 1985. He graduated in B.A (Literature) from PSG Arts, Coimbatore in 1989. He is an enthusiastic sports person.
His experience eclipses 34 years in the apparel industry with his export business which diversifies across processing, manufacturing and exporting readymade apparels. He is an eager learner and enjoys overcoming challenges.

Ramu R is known for his hardworking nature among the fraternity and his greatest passion is to make the people and organization benefit from his experience. Fostering the culture of collaboration and empowering individuals to achieve their full potential. A trusted advisor in the business community, with a reputation for integrity, resilience and ethical business practices. He also involves In all social activities particularly environmental related, active volunteer and sponsor of Vanathukkul Tirupur - A mass Tree plantation Drive by VETRY NGO. 1.8 Million trees in 9 years planted in Tiruppur District with a sustainability rate of 90%.

AEPC organises Capacity Building Program on Technology and Innovation in Apparel Export Industry

In its capacity building and awareness generation efforts, AEPC organised a 1-day capacity building program on 19th April 2024 (Friday) at Apparel House, Gurugram in physical mode. The topic of the program was "Technology and Innovation in the Apparel Export Industry."

In his message to the participants Shri Sudhir Sekhri, Chairman AEPC said, "It is encouraging to see the industry participation for this program. Today, we are on the verge of a new industrial revolution named the 4th industrial revolution, and enterprises that successfully adopt this new revolution can survive in the competitive global market. The innovation and embracing industry 4.0 will drive the change and make our business sustainable in the long run."

Shri HKL Magu, Past AEPC Chairman and Member, Executive Committee, welcomed all the participants and addressed the gathering by informing them how technology has changed the apparel industry and helped the industry to grow faster. He further said that technological advancement offers huge opportunities to the apparel exporters, if you know how to use them to improve your business and increase exports. The use of AI, combined with production automation and product technology innovation, has the potential to make manufacturing and delivery more precise, as well as more sustainable. Some of the major benefits include higher speed, reduced delivery time and lesser cost.

Sh. Mithileshwar Thakur, Secretary General, AEPC in his opening remarks said that the arrival of modern technologies has opened up many new opportunities for apparel exporters. In order to gain competitive advantage, the manufacturers in almost all the major garment manufacturing countries are adopting new technologies. We all know very well that for a sustainable and environment-friendly growth of our apparel export sector, embracing technology and innovation is the only way forward.

Conducting programs like this is a part of our exercise to sensitise the industry about the changing manufacturing landscape and handhold them in adopting best practices.

SG AEPC underlined, "Like any other industry, the growth prospects of the apparel industry will largely depend upon how quickly it embraces the technology & innovation- from sourcing of raw material to production, designing and marketing, how fast it evolves and adapts to the technological changes brought by industry 4.0." Technology has a use in fast fashion forecasting, predicting consumer preferences, manufacturing smart textiles, designing smart factories, in intelligent manufacturing, etc. Increasing use of blockchain technology in traceability, robotics in quality control for greater accuracy, IoT technologies in RFID tags in wireless sensor networks and in end-to-end digital integration, just to name a few, will transform the entire industry by bringing in agility, transparency, increased speed, quality and productivity leading to enhanced consumer satisfaction. Technology is the ultimate mantra to help industry stay ahead in the race of competitiveness, he added.

Following 4 sessions were organised by the experts in their field:

- Mr. Umesh Gaur, Managing Director, Tukatech gave presentation on Industry 4.0 & Innovation in Digital Pattern Making
- Mr. Nishad Nanavaty, Head – Business Development, Enen Green Services spoke on the use of latest green technologies and its role in sustainability for the Apparel Sector
- Mr. Saurabh Goyal, CEO & Founder, Xindus Trade Networks sensitized the participants about the online services related technology in Apparel Industry
- Mr. Ram Gopal, Director, Juki India gave a presentation on new developments in machinery manufacturing in the textile industry.

More than 55 people from industry participated in the capacity building program and gave positive feedback post event. The participants were provided certificates for their participation in the program.

India needs 'hard reforms' to reach GDP growth of 7.5%, says HSBC

India will need to carry out significant reforms such as overhauling land and labor laws in order to grow the economy more than 7.5% over the next decade, according to HSBC Holdings Plc.

Even with easy to moderate reforms, growth can come in at 6.5% over the medium term, Pranjul Bhandari, HSBC's chief India economy, wrote in a report on India's elections. "For 7.5%+ growth, moderate to hard reforms will be necessary," she said.

Prime Minister Narendra Modi — who is seeking a third term in elections that run until June 1 — has been campaigning on making India a developed nation by 2047.

While he hasn't defined what that goal means, economists say to become a high-income country as defined by the World Bank, India's economy would need to expand more than 8% annually for the next quarter century to achieve that target.

Bhandari differentiated India's reforms based on the ease of implementation:

Ease of Implementation of Reforms

Easy	Moderate	Difficult
Continue government's capex push on infrastructure	Improve goods and services tax	Rationalizing food, fertilizer subsidies
Support futuristic sectors such as EV, semiconductors	Sterngthen insolvency law	Land, labor reforms
Divesting state-run firms	Implement a new direct tax code	Farm reforms
Reforms in states	Improve health of power distribution firms, railways	Judicial reforms
Reach fiscal deficit target of 4.5% by FY26	Improve data quality and statistical system	Improving skilling program
Maintain inflation in 4%+/1% range	Rationalisizing import duty to aid manufacturing	Futureproof health and education systems
Support innovative use of digital public infrastructure	Introduce financial innovation via GIFT City	

Source: HSBC

Bloomberg

"The hard bucket comprises the most controversial reforms, requiring a lot more political capital in order to get them done," the HSBC economist said. "These reforms may also be the most growth accretive over the medium term, as they address bottlenecks which large parts of the economy face."

If the government sticks with the easy reforms of infrastructure investment, curbing the fiscal deficit to 4.5% by 2025-26, and supporting investments in futuristic sectors such as semiconductors, growth would reach 6.5% over the next 10 years, HSBC said.

"We believe it will be clear in the first year of the new government which reform bucket it is most likely to focus on," Bhandari said.

India plans cotton technology mission for improving quality as part of 100 days agenda

- The move is aimed at increasing the production of high-quality cotton by following best agriculture practices to position India as a prime destination for textile sourcing and investment.

- Scheduled to span five years from 2024, the project's financial allocation and other policy frameworks will be finalized in the first 100 days of the new government.

The Union textiles ministry is gearing up to launch a revamped Cotton Technology Mission aimed at improving the quality and output of India's "white gold" by adopting best practices that could position India as a prime destination for textile sourcing and foreign investment.

This mission is designed to reduce dependence on imports for this crucial raw material for fibre, and to increase the incomes of India's more than 6 million cotton farmers.

Scheduled to span five years from 2024, the project's financial allocation and other policy frameworks will be finalized in the first 100 days of the new government.

India imports 500,000 bales of high-quality cotton, falling short of its requirement of 900,000 bales. However, the government has set an ambitious target to significantly reduce these imports by 2030 through this proposed mission.

The ministry plans to conduct stakeholder consultations in the coming months and slated to launch the revamped cotton technology mission in cooperation with Indian Council of Agricultural Research (ICAR), Cotton Association of India and different associations of ginners in the country.

INDIA'S COTTON YARN AND FABRIC EXPORTS GROW BY 7% TO REACH $11.7 BN IN Fy24

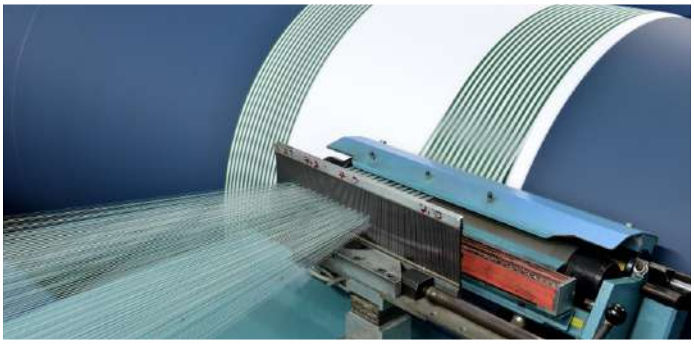
In the fiscal year 2023-24, the country saw a 6.71 percent increase in exports of cotton yarn, fabrics/made-ups, and handlooms, reaching a total of $11.7 bn. This rise occurred despite an overall 3 percent decrease in total exports for the same period. Data from the Commerce Ministry indicates that in March alone, exports in this category grew by 6.78 percent, amounting to $1 bn. Comparatively, in the preceding fiscal year 2022-23, these exports totaled $10.95 bn. This product category is considered one of the key sectors monitored closely by the Ministry, underscoring its importance in the export landscape.

The top five export markets for the sector during the last fiscal year were the US, Bangladesh, China, Sri Lanka, and the UAE. The US accounts for over 25 percent of India's total cotton yarn, fabrics/made-ups and handlooms exports, followed by Bangladesh (16 percent), China (6.6 percent), Sri Lanka (4.4 percent), and UAE (2.35 percent). In 2023-24, the outbound shipments also entered new geographies like Anguilla, a British Overseas Territory in the Eastern Caribbean; Serbia; Georgia; Sweden; Cyprus; Azerbaijan; and Iran.

The other new markets explored by domestic exporters from the sector include Zambia, Cote D'Ivore, Sierra Leone, and Russia. An industry expert said that Brazil and Vietnam are promising markets where these shipments can be potted. On average, India exports of these products worth $ 01 bn every month.

As per estimates, India is the largest producer of cotton globally, accounting for 23 percent of the total global cotton production. This category of exports is contributing to pushing up the country's labour-intensive textiles exports. Exporters are looking at increasing textiles shipments to $100 bn by 2030.

India's total merchandise exports dipped by 3.11 per cent to $437 bn in 2023-24. Imports too dipped to $677.24 bn in the last fiscal.



CBIC develops common bank audit plan for central, state GST officers

The Central Board of Indirect Taxes and Customs (CBIC) has brought out common norms for central and state level Goods and Services Tax (GST) officials to audit banks, CBIC chairperson Sanjay Kumar Agarwal told field officers.

The move gives more certainty about audit procedures to banks as officials would have a common audit plan to go by. The common minimum audit plan for banks, issued in April, provides guidelines to help audit officers, both from the Centre and the states, to function in an "efficient, focused, transparent and coordinated manner," Agarwal said in a communication posted on CBIC's website.

Agarwal called the common audit plan a "stellar example" of the synergy between the Centre and the states in implementing the indirect tax.

On 22 January 2023 that the Central and state governments were working on making GST audits uniform across the country which would make scrutiny of GST compliance more predictable for businesses and ensure consistency of audits of different units across the country.

GST audits are meant to check the correctness of declared sales, taxes paid, refunds claimed and input tax credit availed by going over the tax returns and other records maintained by businesses. A mismatch could raise a red flag.

"The common minimum audit plan is expected to help officials to conduct audits in the banking sector in a holistic and comprehensive manner, given that the banking sector is one of the more complex industries, though well-organized. Insurance and telecom are the other complex sectors where similar plans may help officials to carry out audits," said Rajat Mohan, executive director at MOORE Singhi.

Agarwal also informed field officers about a new agreement signed by the authorities in India and Australia for greater "trust-based" facilitation of merchants from both the countries. Customs authorities in India and Australia have agreed to have mutual recognition of their authorized economic operators (AEO) programmes that extend certain privileges to trusted merchants.

AEO programmes facilitate ease of doing business. Agreements with other countries for mutual recognition of these schemes extend the scope of the privileges to merchants and brokers engaged in international trade.

These privileges include faster clearance of shipments at ports, lower inspection charges, quicker tax refunds, facility for deferred duty payment and acceptance of self-declaration of origin of goods. Signing MRAs enables merchants from India to avail of these benefits in the country signing an MRA with India.

7th round of the India-Peru Trade Agreement Negotiations concludes in New Delhi

The seventh round of negotiations for the India-Peru Trade Agreement took place in New Delhi, India from April 8 to April 11, 2024. The discussions involved understanding priorities and concerns of each other and ensuring that the negotiations are rooted in mutual respect and benefit.

At the start of the seventh-round negotiations, Mr. Sunil Barthwal, Commerce Secretary, Department of Commerce, Ministry of Commerce & Industry, said that the history of India-Peru diplomatic relations dates back to the 1960s. He referred to the visit of H.E. Ms. Teresa Stella Mera Gomez, Vice Minister of Foreign Trade, Peru to India and the bilateral discussions held during the sidelines of the 9th CII India-LAC Conclave in August, 2023, which played a key role in resuming of the negotiations.

Mr. Barthwal stated that the basic principle of negotiations should be understanding strengths and respecting sensitivities of each other. The modalities of negotiation may emerge from appropriate stakeholder consultations, feedback from the industry and the negotiating teams should engage in gainful and explorative approach.

Mr. Rajesh Agrawal, Chief Negotiator & Additional Secretary, Department of Commerce, said that holding two rounds of negotiation within two months is itself a testimony to the willingness between both the countries to have a deeper economic cooperation. He emphasized the need for effective and fast track negotiations.

Ambassador of Peru in India HE Mr. Javier Manuel Paulinich Velarde mentioned that the recent negotiations have laid down the ground work for a substantial foundation and exhibited confidence on the outcomes of negotiations towards fostering partnership.

Additional Secretary, Ministry of External Affairs, Republic of India, Mr. G. V. Srinivas appreciated the idea of lessening the negotiation period.

Peruvian Chief Negotiator, Mr. Gerardo Antonio Meza Grillo, Director for Asia, Oceania and Africa, Ministry of Foreign Trade and Tourism, Republic of Peru mentioned that resuming of negotiations after 2019 is significant and reflects commitment and interest of both the parties. He emphasized that the negotiating teams may show flexibility and pragmatism to reach mutual solutions.

In this round of negotiations, discussions encompassed across the chapters which included Trade in Goods, Trade in Services, Movement of Natural Persons, Rules of Origin, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Custom Procedures and Trade Facilitation, Initial Provisions and General Definitions, Legal and Institutional Provisions, Final Provisions, Trade Remedies, General and Security Exceptions, Dispute Settlement and Cooperation.

Around sixty delegates together from both sides participated in the negotiations. The Peruvian delegation comprised of representatives from the Ministry of Foreign Trade and Tourism and the Ministry of Foreign Affairs of Peru. The Indian delegates comprised the officials from the Department of Commerce, Directorate General of Foreign Trade, Department of Revenue, Department for Promotion of Industry and Internal Trade and the legal and economic resource persons. Substantial convergence in the text of the agreement was achieved during the round and detailed discussions were held on the aspirations and sensitivities between both parties.

Peru has emerged as the third-largest trading partner of India in Latin American & Caribbean Region. In the last two decades, the trade between India and Peru has increased from US$ 66 million in 2003 to around US$ 3.68 billion in 2023.The trade agreement under negotiations shall play a pivotal role in future collaboration in various sectors, creating avenues for mutual benefit and advancement.

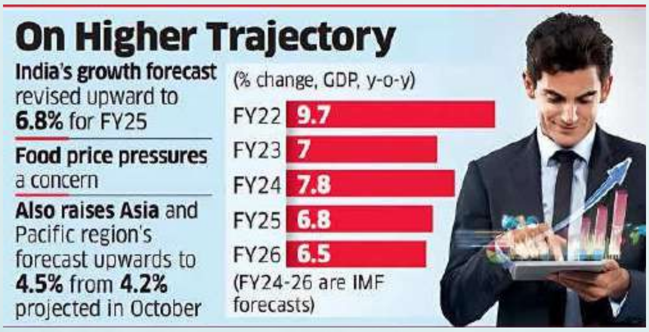
The next round expected in June, 2024 will be preceded by intersessional negotiations over VC to ensure that outstanding issues are resolved before the two parties meet again.

IMF raises India's FY24 GDP growth forecast to 7.8%, higher than the government's projection

The International Monetary Fund (IMF) has projected that India's economy will grow by 6.8% in the Fy25, driven primarily by public investment. Krishna Srinivasan, Director of the Asia and Pacific Department at the IMF, stated, "In China and India, we expect investment to contribute disproportionately to growth—much of it public, especially in India."

The IMF has revised its growth forecast for India upward from its January projection of 6.5% to 6.8%. Additionally, the IMF has raised its outlook for India's FY24 growth to 7.8%, surpassing the government's estimate of 7.6%. The IMF report highlighted that "India and the Philippines have been the source of repeated positive growth surprises, supported by resilient domestic demand."

Regarding inflation, the IMF anticipates a more favorable situation for emerging markets, where inflation is already at or near the target. The report stated, "Core inflation is largely expected to remain contained. As for headline inflation, several economies may experience further reductions due to lower energy prices while in others (for example, India), food price pressures—especially for rice—may slow headline disinflation."



India's inflation rate fell to a 10-month low of 4.9% in March, although food inflation remained persistent above 8%.

The IMF has maintained its FY25 forecast for India at 4.6%, with a further decrease to 4.2% in FY26. The Reserve Bank of India anticipates inflation to drop to 4.5% in the current fiscal year.

In addition to India's positive outlook, the IMF has raised its forecast for the Asia and Pacific region to 4.5% from the previously projected 4.2% in October. The fund noted that the region's economic slowdown in 2024 is expected to be less severe than initially anticipated, as inflationary pressures continue to ease. The IMF also highlighted that risks to the near-term outlook are more evenly balanced.

Concerning inflation, the IMF suggested differentiated policies for the region, with a "tighter-for-longer stance in economies where inflation is elevated, and accommodative macro-policies in economies with sizeable slack."

GST collection for April 2024 highest ever at Rs 2.1 lakh crore, up 12.4% YoY

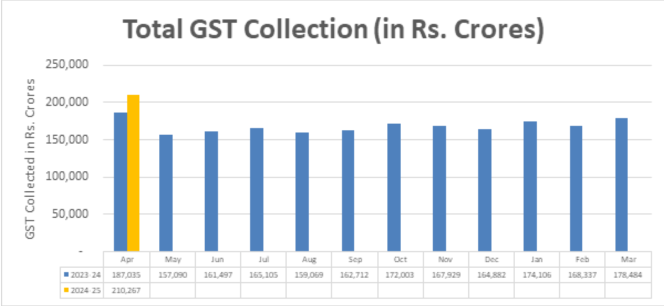
India's Goods and Services Tax (GST) collections in gross terms hit a record high in April 2024 at Rs 2.1 lakh crore. This represents a 12.4 percent year-on-year growth, driven by a strong increase in domestic transactions (up 13.4 percent) and imports (up 8.3 percent), finance ministry said in a statement on May 1. The government had collected Rs 1.87 lakh crore as GST in the same period last year.

"After accounting for refunds, the net GST revenue for April 2024 stands at Rs 1.92 lakh crore, reflecting an impressive 15.5 percent growth compared to the same period last year," the ministry said.

Monthly GST collections have risen over the years. From averaging under Rs 1 lakh crore per month in 2017-18 - its first year - collections rose rapidly after the pandemic-hit 20202-21 to average Rs 1.51 lakh crore in 2022-23.

Gross collections in the first month of FY25 was also 17.81 percent higher versus the mop-up in March of Rs 1.78 lakh crore.

"The all-time high GST collection in April 2024 has come on the back of strong growth in collections from northern States like UP, Punjab, Haryana, Delhi etcetera. The GST collection in April month has traditionally been higher (the previous highest GST collection was also achieved in April 2023), given that it reflects the economic activity in the month of March, which is the last month of the fiscal year," said Gunjan Prabhakaran, Partner and Leader, Indirect Tax, BDO India.



Out of the total collections in April 2024, the government garnered Rs 43,846 crore via central GST, Rs 53,538 crore through state GST, and the integrated GST mop-up came in at Rs 99,623 crore, including Rs 37,826 crore collected on imported goods.

GST cess collections for the previous month stood at Rs 13,260 crore, which included Rs 1,008 crore collected on imported goods.

GST collections breach landmark milestone of Rs 2 lakh crore," Finance Minister Nirmala Sitharaman posted on social media platform.

Tirupur Garment Exports Rebound After Year-Long Slump

Tiruppur, a major knitwear exporting hub in India, has witnessed a revival in garment exports after facing a slump in demand for over a year.

According to data from the Tiruppur Exporters' Association (TEA), knitwear exports from the region grew by 6.4 per cent in February and 5.6 per cent in March this year, compared to the same period last year.

This growth outpaced the overall increase in garment exports from India, which rose by 4.8 per cent in February and 1.7 per cent in March year-on-year.

K.M. Subramanian, president of TEA, attributed the positive trend to factors such as Bangladesh's duty-free access to Europe until 2027 and the anticipated signing of a trade agreement between India and the UK.

He expressed optimism that Tiruppur could see an export growth of nearly 10 per cent in the coming months as large retailers seek suppliers and book factories in India.

Meanwhile, Kumar Duraisamy, joint secretary of TEA, stated that small retailers in Europe have depleted their inventories and are now placing orders.

However, he noted that approximately 20 per cent of the Micro, Small, and Medium Enterprises (MSMEs) in Tiruppur had to shut down due to the decline in orders last year.

As a result, the existing units are now operating at full capacity, planning capacity expansions, and facing a labor shortage of around 20 per cent.

The garment industry in Tiruppur is calling for the region to be declared a "sustainable cluster" to address the challenges and support the sector's growth.

India, Nigeria agree to early conclusion of local currency settlement system agreement

India and Nigeria have agreed to an early conclusion of a local currency settlement system agreement to further strengthen economic ties between the two countries. According to the department of commerce, a seven-member delegation from India led by Additional Secretary in the commerce ministry Amardeep Singh Bhatia visited Abuja, Nigeria for the second session of India-Nigeria Joint Trade Committee (JTC) on April 29-30. It was held after a gap of five years.

Both sides have identified several focus areas to enhance bilateral trade and mutually beneficial investments.

The sectors include crude oil, natural gas, pharmaceuticals, unified payments interface (UPI), local currency settlement system, power and renewable energy, agriculture and food processing, education, transport, railway, aviation, and MSMEs development.

"Both sides agreed to the early conclusion of a local currency settlement system agreement to further strengthen bilateral economic ties," the department has said on social media platform X (formerly Twitter).

A local currency settlement system between the two countries would help in promoting the use of Indian Rupee and Nigerian Naira for cross-border transactions.

There are several Indian companies present in Nigeria in telecom, hydrocarbons, textiles, chemicals, electrical equipment, pharmaceuticals, plastics, IT and auto sectors.

Indian automobile companies have a significant presence in Nigeria.

India's main exports to Nigeria include machinery and instruments, drugs, pharma and fine chemicals, transport equipment, electronic goods, and manufacture of metals. Imports mainly include petroleum, crude and products, non-ferrous metals, wood and wood products, and cashew nuts.

The bilateral trade stood at USD 11.85 billion (exports USD 5.2 billion and imports USD 6.7 billion) in 2022-23. The trade was about USD 15 billion in 2021-22.

Further, a senior commerce ministry official delegation also visited Australia and New Zealand.

Developing e-commerce hubs to boost exports may figure in ministry's 100-day agenda of new govt: Official

The commerce ministry's arm DGFT is already working with the RBI and concerned ministries, including the finance ministry, on several steps to promote exports through e-commerce medium as huge export opportunities are there in the sector.

Developing e-commerce hubs in the country to further promote India's exports through online medium are expected to figure in the commerce ministry's 100-day agenda roadmap for the new government, an official said.

The commerce ministry's arm DGFT is already working with the RBI and concerned ministries, including the finance ministry, on several steps to promote exports through e-commerce medium as huge export opportunities are there in the sector.

The exercise assumes significance as ministries have been asked to prepare a 100-day plan for the new government.

The seven-phase Lok Sabha polls, the world's biggest election exercise, kicked off on April 19 with the counting of votes set to take place on June 4.

The official said that these hubs can help further promote exports through e-commerce mediums.

According to an industry expert, in such hubs, export clearances can be facilitated. Besides, it can also have warehousing facilities, customs clearance, returns processing, labelling, testing and repackaging.

"It will be a kind of bonded zone which will facilitate exports and imports of e-commerce cargo and to a large extent address the problem of re-imports because in e-commerce, about 25 per cent of goods are re-imported. These hubs are also kind of export-oriented units and the private sector will have to come forward for developing these hubs," Federation of Indian Export Organisations (FIEO) Director General Ajay Sahai said.

Last year, the cross-border e-commerce trade was about USD 800 billion and it is estimated to reach USD 2 trillion by 2030.

Recently, Director General of Foreign Trade (DGFT) Shri Santosh Kumar Sarangi has said that there is a huge potential to increase exports through e-commerce medium. Last year, the cross-border e-commerce trade was about USD 800 billion and is estimated to reach USD 2 trillion by 2030.

"We need to reorient our policies to facilitate an e-commerce ecosystem and have a larger pie in the e-commerce exports," Shri Sarangi said, adding that China's e-commerce exports are about USD 350 billion, whereas India's shipments through online medium is only USD 2 billion.

A report by economic think tank GTRI India's e-commerce exports have the potential to reach USD 350 billion by 2030, but banking issues hinder growth and increase operational costs.

India's e-commerce industry is driven primarily by small businesses that export products valued between USD 25 and USD 1,000. The popular items include Handicrafts, art, books, ready-made garments, imitation jewellery, gems and jewellery, home decor, ayurveda products and sports goods. These niche products have found a market due to their unique artisanal values, the report has said.

India has set a target of USD 1 trillion of merchandise exports by 2030 and cross-border ecommerce trade has been identified as a source to meet this aim.

WTO forecasts rebound in global trade but warns of downside risks

Global goods trade is expected to pick up gradually this year following a contraction in 2023 that was driven by the lingering effects of high energy prices and inflation, WTO economists said in a new forecast on 10 April. The volume of world merchandise trade should increase by 2.6% in 2024 and 3.3% in 2025 after falling 1.2% in 2023. However, regional conflicts, geopolitical tensions and economic policy uncertainty pose substantial downside risks to the forecast.

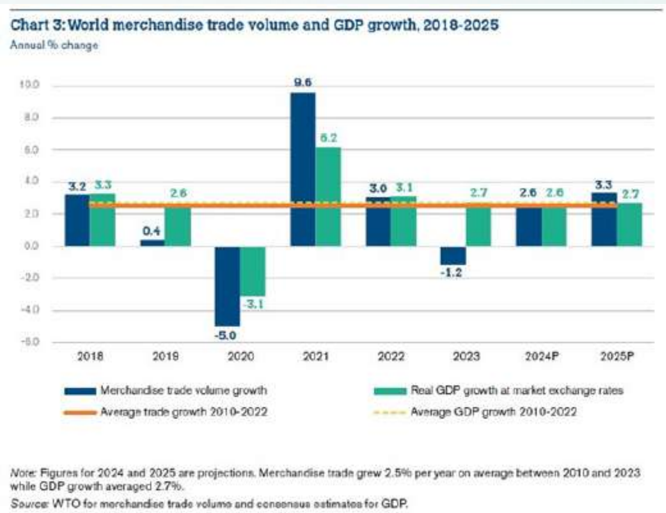
In the latest "Global Trade Outlook and Statistics" report, WTO economists note that inflationary pressures are expected to abate this year, allowing real incomes to grow again — particularly in advanced economies — thus providing a boost to the consumption of manufactured goods. A recovery of demand for tradable goods in 2024 is already evident, with indices of new export orders pointing to improving conditions for trade at the start of the year.

WTO Director-General Ngozi Okonjo-Iweala said: "We are making progress towards global trade recovery, thanks to resilient supply chains and a solid multilateral trading framework — which are vital for improving livelihoods and welfare. It's imperative that we mitigate risks like geopolitical strife and trade fragmentation to maintain economic growth and stability."

High energy prices and inflation continued to weigh heavily on demand for manufactured goods, resulting in a 1.2% decline in world merchandise trade volume for 2023. The decline was larger in value terms, with merchandise exports down 5% to US$ 24.01 trillion. Trade developments on the services side were more upbeat, with commercial services exports up 9% to US$ 7.54 trillion, partly offsetting the decline in goods trade.

Import volumes were down in most regions but especially in Europe, where they fell sharply. The main exceptions were large fuel-exporting economies, whose imports were sustained by strong export revenues as energy prices remained high by historical standards. World trade remained well above its pre-pandemic level throughout 2023. By the fourth quarter it was nearly unchanged compared to the same period in the 2022 (+0.1%) and had only risen slightly compared to the same period in 2021 (+0.5%).

The report further estimates global GDP growth at market exchange rates will remain mostly stable over the next two years at 2.6% in 2024 and 2.7% in 2025, after slowing to 2.7% in 2023 from 3.1% in 2022. The contrast between the steady growth of real GDP and the slowdown in real merchandise trade volume is linked to inflationary pressures, which had a downward effect on consumption of trade-intensive goods, particularly in Europe and North America.



Note: Figures for 2024 and 2025 are projections. Merchandise trade grew 2.5% per year on average between 2010 and 2023 while GDP growth averaged 2.7%.
Source: WTO for merchandise trade volume and consensus estimates for GDP.

Downside risks

Moving forward, the report warns that geopolitical tensions and policy uncertainty could limit the extent of the trade rebound. Food and energy prices could again be subject to price spikes linked to geopolitical events. The report's special analytical section on the Red Sea crisis notes that while the economic impact of the Suez Canal disruptions stemming from the Middle East conflict has so far been relatively limited, some sectors, such as automotive products, fertilisers and retail, have already been affected by delays and freight costs hikes.

The report furthermore presents new data indicating that geopolitical tensions have affected trade patterns marginally but have not triggered a sustained trend toward de-globalization. Bilateral trade between the United States and China, which reached a record high in 2022, grew 30% less in 2023 than did their trade with the rest of the world. Moreover, for the whole of 2023, global trade in non-fuel intermediate goods — which provides a useful gauge of the status of global value chains — was down 6%.

Signs of fragmentation may also be emerging in services trade: US imports of information, computer, and telecommunications (ICT) services from North American trading partners (mostly Canada) increased from 15.7% of total ICT imports in 2018 to 23.0% in 2023 while US imports of the same from Asian trading partners (mostly India) fell from 45.1% to 32.6%. Fragmentation of data flow policies along geopolitical lines, moreover, could cause global trade of goods and services in real terms to fall by 1.8% and global GDP to decline by 1% according to estimates from a forthcoming study by the Organisation for Economic Co-operation and Development and the WTO.

WTO Chief Economist Ralph Ossa said: "Some governments have become more sceptical about the benefits of trade and have taken steps aimed at re-shoring production and shifting trade towards friendly nations. The resilience of trade is also being tested by disruptions on two of the world's main shipping routes: the Panama Canal, which is affected by freshwater shortages, and the diversion of traffic away from the Red Sea. Under these conditions of sustained disruptions, geopolitical tensions, and policy uncertainty, risks to the trade outlook are tilted to the downside."

Regional trade outlook

If current projections hold, Africa's exports will grow faster than those of any other region in 2024, up 5.3%; this however is from a low base, since the continent's exports remained depressed after the COVID-19 pandemic. The CIS(1) region's expected growth is just slightly below 5.3%, also from a reduced base after the region's exports plunged following the war in Ukraine. North America (3.6%), the Middle East (3.5%) and Asia (3.4%) should all see moderate export growth, while South America is expected to grow more slowly, at 2.6%. European exports are once again expected to lag behind those of other regions, with growth of just 1.7%.

Strong import volume growth of 5.6% in Asia and 4.4% in Africa should help prop up global demand for traded goods this year. However, all other regions are expected to see below average import growth, including South America (2.7%), the Middle East (1.2%), North America (1.0%), Europe (0.1%) and the CIS region (-3.8%).

Merchandise exports of least-developed countries (LDCs) are forecasted to grow 2.7% in 2024, down from 4.1% in 2023, before growth accelerates to 4.2% in 2025. Meanwhile, imports by LDCs should grow 6.0% this year and 6.8% next year following a 3.5% contraction in 2023.

Trade in services

World commercial services trade grew 9% in 2023 despite a decline in freight transport, thanks to recovering international travel and surging digitally delivered services. In 2024, sports events to be held in Europe in the summer, as well as the easing of visa requirements by various countries, are expected to boost tourism and passenger transport.

Global exports of digitally delivered services soared to US$ 4.25 trillion in 2023, up 9.0% year-on-year, and accounted for 13.8% of world exports of goods and services. In 2023, the value of these services — traded over borders through computer networks and encompassing everything from professional and management services to streaming of music and videos, online gaming, and remote education — surpassed pre-pandemic levels by over 50%. In Europe and Asia, which hold a global market share of 52.4% and 23.8% respectively, exports rose by 11% and 9%. Growth accelerated in Africa (13%) and in South and Central America and the Caribbean (11%), exceeding the global average. The two regions, which formed only 0.9% and 1.6% of global exports in 2023, are on the path to take advantage of digitally delivered services trade.

The WTO has released a new dataset on trade in services by mode of supply as in the WTO General Agreement on Trade in Services (GATS). It provides valuable insights on how services trade has modified over the years, including the impact of digitalization and of the COVID-19 pandemic.

This dataset as well as the latest estimates on digitally delivered services trade and service trade in general can be visualized and downloaded in the Global Services Trade Data Hub. The newly launched Global Services Trade Data Hub gives access to comprehensive WTO services trade data. It provides visualizations and customizable features catering to the diverse needs of trade negotiators, analysts, researchers, and decision-makers, to derive insights.

WALMART ENHANCES E-COMMERCE OFFERINGS FOR MARKETPLACE SELLERS

Walmart is expanding its e-commerce services for sellers using its growing marketplace business.

The retail giant's marketplace team has joined forces with Cart.com, a provider of e-commerce and logistics solutions designed to help merchants sell and fulfill across channels, to simplify onboarding and develop new capabilities and integrations to help both new and existing sellers grow their sales on the platform.

Cart.com says Walmart will leverage its new Constellation AI features unveiled last month, which include machine learning algorithms, predictive modeling and generative AI to make selling and listing products on the marketplace more efficient.

In offering multichannel capabilities like auto-syncing, auto-pricing and auto-listing, Cart.com says it aims to help Walmart Marketplace sellers sync inventory across channels, optimize pricing based on channel demand and drive traffic to product listings.

Walmart Marketplace has seen noteworthy growth over the past year, with revenue in the U.S. growing 45 percent in that time. And approximately 30 percent of sellers on the platform use already use the company's proprietary Walmart Fulfillment Services (WFS), which allow the merchants to store their inventory at the retailer's fulfillment centers, where employees can pick, pack and ship orders to customers.

Third-party sellers using Cart.com's multichannel management platform will receive access to special incentives across Walmart Marketplace's shipping, advertising and re-pricing services.

During 2023, Cart.com reached unicorn status, growing revenue 50 percent and achieving profitability, according to Omair Tariq, company founder and CEO.

Operating 14 omnichannel fulfillment centers nationwide and supporting over 6,000 merchants and 75 million orders per year, Cart.com offers a suite of digitally driven logistics capabilities, enterprise-grade channel and order management software and expert services catered to simplify commerce for middle-market and enterprise companies.

"Cart.com is powering hundreds of millions of dollars in gross merchandise value for our customers through Walmart Marketplace, and that figure keeps growing thanks to our platform capabilities," said Michael Svatek, chief innovation officer at Cart.com, in a statement. "We're proud to build on our success to date with Walmart Marketplace, which will be a key driver of both new sellers on Walmart Marketplace and increased sales volume for new and existing sellers."

BANGLADESH FAILS TO CAPITALISE ON RISING GLOBAL RMG DEMAND: REPORT

In the year 2024, Bangladesh has faced challenges in capitalising on the global surge in apparel demand, according to a report by the Quality Inspection Management (QIMA).

Despite sourcing volumes worldwide grew in the first quarter, Bangladesh struggled to match China's pace in securing export orders, it underlined while indicating a 20 per cent rise in demand for textile and apparel inspections and audits from manufacturing countries like Bangladesh.

Although US and EU brands intensified procurement in Bangladesh, concerns lingered due to the government's policy shift reducing cash incentives for garment exports, which cast doubt on the optimism surrounding Bangladesh's export sector recovery following disruptions in 2023.

Notably, Bangladesh witnessed a steeper decline in apparel exports compared to China and Vietnam, especially evident in the US and EU markets.

China's recovery was pronounced, with significant growth in demand from US and EU buyers, particularly in Germany, France, and the Netherlands.

Interest in Chinese manufacturing remained strong across Asia, Latin America, and South America.

QIMA's report, informed by extensive data and surveys, provided insights into global sourcing trends.

Despite the challenges, two-thirds of respondents globally planned to maintain or increase business with Chinese suppliers in 2024, echoing concerns raised by industry leaders in Bangladesh.

US COTTON EXPORTS RISE WITH SIGNIFICANT GAINS IN CHINA & VIETNAM: USDA

·Major increases were noted primarily in exports to China, Pakistan, and Vietnam.

US cotton net export sales of Upland, totalling 177,100 RB (running bales, each weighing 226.8 kg or 500 pounds) for 2023-24, were up 21 per cent from the previous week and 73 per cent higher than the prior four-week average.

According to the export sales report from the US Department of Agriculture for the week ending April 18, cotton export sales increased primarily for China (94,700 RB, including decreases of 500 RB), Pakistan (26,800 RB, including decreases of 100 RB), Vietnam (14,200 RB, including 100 RB switched from Japan and decreases of 1,000 RB), Turkiye (9,700 RB), and Taiwan (5,500 RB).

Net sales of 65,700 RB for 2024-25 were primarily for China (22,000 RB), Honduras (12,100 RB), Turkiye (11,000 RB), Mexico (10,000 RB), and Guatemala (4,900 RB). Exports of 261,700 RB were down 2 per cent from the previous week and 18 per cent from the prior four-week average. The destinations were primarily China (99,800 RB), Pakistan (39,100 RB), Turkiye (27,000 RB), Vietnam (24,900 RB), and Bangladesh (24,600 RB).

Net sales of Pima, totalling 12,500 RB for 2023-24, were up noticeably from the previous week and 94 per cent higher than the prior four-week average. Increases were primarily for Vietnam (5,200 RB), China (4,500 RB), India (2,300 RB, including decreases of 300 RB), Guatemala (200 RB), and Germany (100 RB). Exports of 10,100 RB were up 73 per cent from the previous week and 29 per cent from the prior four-week average. The destinations were primarily to China (3,800 RB), India (3,700 RB), Peru (1,300 RB), Turkiye (800 RB), and Pakistan (400 RB).

US APPAREL INDUSTRY AGAINST HIGHER TARIFFS ON APPAREL IMPORTS

A coalition of US apparel and retail organisations is urging the US Trade Commission to eliminate import tariffs on apparel sourced from key sourcing countries and to renew and expand the scope of the Generalised System of Preferences (GSP) to include certain apparel products.

The American Apparel and Footwear Association (AAFA), the National Retail Federation (NRF), the Retail Industry Leaders Association (RILA), and the United States Fashion Industry Associated (USFIA) have submitted a post hearing statement to the chairman of the US International Trade Commission.

The organisations argued the US imposes higher "most-favoured-nation duty rates" on apparel products than nearly any other sector which also factors into the cost competitiveness of source countries.

The coalition highlighted that despite being ineligible for duty free treatment under the GSP, which excludes apparel products, countries like Bangladesh, India, Indonesia, Cambodia and Pakistan remain competitive. This, according to the organisations, reflects the important role these countries play in the broader supply chain diversification efforts of apparel and retailers.

The organisations shared increased costs to both businesses and American customers was evident from the imposition of the section 301 tariffs on products from China. They said: "Tariffs are taxes that are paid by the importer and eventually paid by the consumer."

The coalition argued that higher tariffs on apparel would have the biggest impact on low and middle-income consumers. Therefore, the coalition pointed out that imposing tariffs on other source countries would be “counterproductive."

They stated: "The decision to source products from a particular country depends on a variety of factors. These factors include, in no particular order: vertical integration; speed to market; cost competitiveness; product capability; the skillset of the available labour force; geopolitical stability; proximity to raw materials; adherence to quality, social and environmental compliance standards; capacity; supplier relationships; ongoing supplier investments in capabilities like automation for embellishments; and available infrastructure and logistics considerations. Supplier relationships based on longevity and rooted in trust are also incredibly important for our members."

The organisations instead urged the US government to accelerate ongoing supply chain diversification efforts through renewal of the GSP programme. They added that the GSP programme should be expanded further to include certain apparel products.

The coalition also encouraged the US government to pursue "high ambition" trade agreements with Indo-Pacific countries that lower tariff and non-tariff barriers, raise standards - including labour and environmental standards, and contain strong dispute settlement provisions.

Earlier this month the AAFA expressed support for the renewal of the Generalised System of Preferences (GSP) Reform Act which is aimed at bolstering the competitiveness of US companies while also supporting global economic development.

GLOBAL ECONOMY TO CONTINUE SOLID MOMENTUM FOR REST OF THE YEAR: SURVEY

The global economy is likely to carry its solid momentum for the rest of the year and into 2025, defying earlier expectations of a slowdown, according to a Reuters poll of economists who said stronger growth than forecast was more likely than weakness.

That shift in the growth outlook brings its own set of challenges for central banks, which raised rates in quick succession to try and drive inflation down to target but now may have to wait even longer before considering rate reductions.

Among bigger economies, the United States and India were expected to contribute the most to the pickup in growth. There was no deterioration in the consensus view for the euro zone or No. 2 economy China either, according to a March 27-April 25 Reuters poll of 500 economists covering 48 economies.

Global growth was forecast at 2.9 per cent this year, faster than 2.6 per cent in a January poll, followed by 3.0 per cent in 2025. More than 90 per cent of common contributors upgraded their views and still said there was a significant chance growth could be even stronger.

A 60 per cent majority of economists, 98 of 162, said the global economy this year was more likely to grow faster than they expected than undercut their predictions.

"We are continuing to be surprised by the resilience of the global economy. Now, part of that is we entered the year with subdued expectations, we thought that there would be a deceleration this year," said Nathan Sheets, global chief economist at Citi.

"So far we've been marking up growth for the global economy in a number of places including major economies like the US and China, Europe to some extent as well. So it's feeling solid."

On the flip-side, strong growth was expected to keep inflation and interest rates higher for longer.

More than three-quarters of the central banks covered, 16 of 21, were expected to still be dealing with above-target inflation by year-end, up from 10 in the January quarterly poll.

Economists still expect major central banks to cut rates either this quarter or next, broadly in line with financial market pricing. But most now forecast fewer cuts by year-end as inflation remains sticky.

The US Federal Reserve is expected to start cutting in September and once more in Q4, according to the poll, much later than a March start and a total of six cuts financial markets had priced in at the beginning of the year.

In January, the Reuters consensus had a more modest outlook, with four cuts starting in June.

Despite lackluster Q1 GDP growth reported on Thursday, risks were still for the Fed to go for fewer rate cuts this year as underlying inflation data that accompanied the report suggested pressures were building, not easing.

The European Central Bank was still forecast to cut rates by 25 basis points in June, followed by two more in the second half of the year to support growth in the currency bloc which was expected to only grow an average 0.5 per cent in 2024.

That widening gap is already priced into the strong dollar, up over 4 per cent this year against a basket of currencies.

"A question we've been getting quite a lot is 'can Europe start cutting before the Fed?'," said James Rossiter, head of global macro strategy at TD Securities.

"And I would say...when we look back in history, whether the ECB starts in June and the Fed starts in September, it will all look like it's part of the same cutting cycle."

The Bank of England, which was the first among major central banks to raise borrowing costs in December 2021, will also wait until next quarter to lower them, the survey showed.

RMG WORKERS FACE FEAR, REPRESSION IN BANGLADESH: AMNESTY INTERNATIONAL

The compensation cases filed in connection to the Rana Plaza collapse and Tazreen Fashions have not been resolved in the last 11 years...

Garment workers in Bangladesh continue to face a climate of fear and repression as corporate impunity for human rights abuses in business operations remains unchecked, said Amnesty International on International Workers' Day today (1 May).

In its latest report on Bangladesh, the international rights organisation stated that garment workers are paid poverty wages and face innumerable obstacles including harassment, intimidation and violence, as well as legal hurdles when attempting to voice their demands for justice, wages, adequate safeguards and working conditions.

It also noted that last month marked the 11th anniversary of the collapse of Rana Plaza, which left more than 1,100 garment workers dead and thousands injured.

The collapse was preceded by a deadly fire in Tazreen Fashions Factory five months earlier resulting in the death of at least 112 workers trapped by blocked fire exits and padlocked factory premises, it said.

Mentioning that both disasters in Dhaka region, caused by wholly negligent workplace monitoring are shocking examples of business-related human rights abuses, the Amnesty report said they [the disasters] expose the human cost of systemic lack of regulation of corporate activities and the desperate need for improved occupational health and safety in line with international standards on business and human rights for all workers in Bangladesh.

The compensation cases filed in connection to the Rana Plaza collapse and Tazreen Fashions by the Bangladesh Legal Aid and Services Trust (BLAST) and other NGOs against relevant state authorities, as well as local building and factory owners, have not been resolved in the last eleven years, it said.

The report also mentioned that among other remedies, the cases sought just compensation for the reprehensible negligence that led to the deaths and injuries of thousands of workers.

"It's been more than a decade but attempts to establish corporate accountability for the Rana Plaza collapse and Tazreen Fashions fire at national and international levels have been largely unsuccessful, highlighting the precarious conditions the garment workers continue to face in Bangladesh. Rights-based compensation for occupational injuries remains a distant dream with arbitrary limits in labour law and lack of compliance, both of which must change," said Nadia Rahman, Amnesty International's Deputy Regional Director for South Asia.

"In addition to the lack of justice, most workers today are still fighting for decent wages in an industry that brings the most revenue to Bangladesh and paying a heavy price for fighting for their rights," she said.

The report also mentioned that Shahidul Islam, president of the Bangladesh Garment and Industrial Workers Federation (BGIWF) in Gazipur district committee, was killed while trying to secure unpaid wages for factory's workers in June 2023 and at least four garment workers have died during protests around the national minimum wage between October and November 2023.

Since the protests in 2023, at least 35 criminal cases have been filed against garment workers with the First Information Reports (FIRs) accusing around 161 named workers and an estimated total of between 35,900 – 44,450 unnamed workers for taking part in the protests. 25 out of the 35 recent cases have been filed by the factories who are believed to sell to major global fashion brands and retailers.

"We call on the government to remove the limits on compensation for occupational injuries under labour law, ensure those affected receive adequate compensation, and introduce a national data repository on workplace deaths and injuries to ensure transparency and fill the current gaps in official data," said Nadia Rahman.

The deputy regional director said Bangladesh must also ratify and then comply with the two key International Labor Organization (ILO) Conventions 155 and 187 on occupational health and safety along with ILO conventions 102 and 121 on minimum standards of relief for victims of occupational injuries and deaths.

"We also urge the Government of Bangladesh to immediately end the repression of worker rights and ensure that they can exercise their right to freedom of expression and association, including by being able to form and join trade unions at the factory level, without fear of reprisals," said Nadia Rahman.

CHINA'S SHARE IN INDIAN INDUSTRIAL PRODUCT IMPORTS RISES NOTABLY: GTRI

India's reliance on Chinese imports has surged dramatically, with the import bill soaring to over $101 billion in 2023-24 from around $70 billion in 2018-19.

report by the Global Trade Research Initiative (GTRI) highlights India's escalating dependence on Chinese imports, with the import bill surging to over $101 billion in 2023-24 from around $70 billion in 2018-19. Over the past fifteen years, China's share of India's industrial goods imports has risen significantly, reaching 30%, while imports from China have outpaced India's total imports by 2.3 times.

Findings of the Report

1. Escalating Import Figures: India's imports from China spiked to over $101 billion in 2023-24 from approximately $70 billion in 2018-19.

2. Surging Dependency: China's share of India's industrial goods imports surged from 21% to 30% over the past fifteen years, outpacing India's total import growth by 2.3 times.

3. Dominance in Key Sectors: China emerges as the top supplier in eight crucial industrial sectors, including machinery, chemicals, pharmaceuticals, and textiles, contradicting the notion that Chinese imports are primarily limited to the electronics sector.

Status of India's Import Dependency

1. Sectoral Breakdown: China dominates India's import landscape, supplying nearly 42% of textile and clothing imports, 40% of machinery imports, and 38.4% of electronics, telecom, and electrical products.

2. Critical Industries: China's influence extends to chemicals and pharmaceuticals, accounting for 29.2% of imports, along with substantial shares in plastic products (25.8%) and automobile sector inbound shipments (23.3%).

3. Varied Reliance: While India displays lower reliance on China in certain sectors like iron, steel, and base metals, the overall dependence remains significant across diverse industries.

Concerns and Implications

1. Cumulative Trade Deficit: Despite stagnant exports to China, India faces a mounting trade deficit, surpassing $387 billion over six years, underscoring the urgent need for strategic trade recalibration.

2. Increased Dependency: China's dominance in major industrial product categories raises concerns about India's economic vulnerability and underscores the necessity of diversifying import sources.

3. Strategic Imperatives: The study advocates for a comprehensive reassessment of India's import strategies to mitigate economic risks, bolster domestic industries, and reduce reliance on single-country imports, particularly from geopolitical rivals like China.

CHINA'S EXPORTS TO MEXICO ARE GETTING HEAVIER TARIFFS – IS IT A SIGN OF MORE TO COME?

- Mexico has established new or higher tariffs on a long list of imports, directly affecting China and raising questions over what else could be in store

- Pressures mounting on Latin American country to limit its trade relationship with China, especially in role as 'springboard' to US market

New tariffs from Mexico could be an ill omen for Chinese exporters as global supply chains shift, with the Latin American country looking to balance its economic interests against pressures from the US over its relationship with the Asian manufacturing powerhouse, analysts said.

Tariff hikes, levying 5 to 50 per cent in additional import costs, have kicked in for 544 products entering Mexico. The higher rates only apply to countries without free trade pacts with the Latin American country, which includes China – its second-largest trading partner and a growing source of shipments over the last two years.

"[The tariffs are] to provide certainty and fair market conditions to domestic industrial sectors that face vulnerability derived from practices that altered and affected international trade," read a Mexican government statement from April 20 regarding the change.

Affected products include steel, aluminium, textiles, clothing, musical instruments and furniture.

The tariffs present a new hurdle for Chinese businesses as they search for new export destinations, with traditional supply chains altered after escalations in economic tensions with the US.

Mexico has been seen as a "springboard" for Chinese products to enter the American market since the beginning of the China-US trade war in 2018. The Latin American country has also become a prime destination for the US' "nearshoring" policy, intended to relocate supply chains to neighbouring states.

Annual growth in container shipping between China and Mexico increased by 34.8 per cent in 2023 compared to a 3.5 per cent jump in 2022, according to shipping data platform Xeneta. At the same time, Mexico has overtaken China as the US' biggest trading partner.

While the Mexican government said the new tariffs were intended to "balance changes in the market to avoid economic distortions" to its domestic industries, geopolitical and trade experts named pressure from Washington as another factor.

Deborah Elms, head of trade policy at Hinrich Foundation, said there is growing concern in Washington that the growth in Mexico includes "Chinese goods that are not undergoing any manufacturing in Mexico, but only circumventing trade rules and tariffs".

She added that the US is wary of "undesirable goods" like fentanyl and other illicit substances crossing borders as new trade routes settle in.

"To help stop growing trade flows and – probably – demonstrate resolve to Washington, Mexico has started applying tariffs," Elms said.

Liu Xuedong, professor in economics and engineering at the National Autonomous University of Mexico, also sees Mexico's move as a result of prodding from Washington, as lawmakers from both US parties put forward a proposal in March to reimpose a 25 per cent per cent tariff on Mexican steel amid concerns from US trade groups about a surge in imports.

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RECENT IMPORTANT UPDATES AND CIRCULARS UNDER GST

By- CA BALKISHAN CHHABRA

The Gross Goods and Services Tax (GST) revenue collected for February, 2024 is ₹1,68,337 crore, marking a robust 12.5% increase compared to that in the same month in 2023. This growth was driven by a 13.9% rise in GST from domestic transactions and 8.5% increase in GST from import of goods. GST revenue net of refunds for February, 2024 is ₹1.51 lakh crore which is a growth of 13.6% over that for the same period last year. Strong Consistent Performance in FY 2023-24: As of February 2024, the total gross GST collection for the current fiscal year stands at ₹18.40 lakh crore, which is 11.7% higher than the collection for the same period in FY 2022-23. The average monthly gross collection for FY 2023-24 is ₹1.67 lakh crore, exceeding the ₹1.5 lakh crore collected in the previous year's corresponding period. GST revenue net of refunds as of February, 2024 for the current fiscal year is ₹16.36 lakh crore which is a growth of 13 % over that for the same period last year. Overall, the GST revenue figures demonstrate continued growth momentum and positive performance.

Section 161. Rectification of errors apparent on the face of record: - Section 161 of the DGST Act, 2017 empowers authorities to rectify errors apparent on the face of records in decisions, orders, notices, or certificates. The article outlines the provisions, including time limitations, exceptions for clerical errors, and adherence to principles of natural justice.

Delhi GST Department issued instruction for rectification of assessment orders to correct the errors apparent on the face of record u/s 161 of the DGST Act, 2017.

Following points merits attention of ward officers while invoking the provisions of rectification:

I. It should be ensured that the reasons for initiating suo-moto rectifications are recorded in writing before such proceedings are initiated.

II. Where such powers are invoked on the application filed by the registered person, the application should be made within three months of the date of the order. Further, the rectification order in FORM GST DRC-08 should be passed within the period of six months of the date of original order.

III. The power of rectification in the order is confined only to mistakes apparent on the face of record. The application for rectification can be made if the mistake is ex facie and the matter does not involve presentation of further arguments or replies or submissions by either counter parties. In simple terms, a decision on the debatable point of law or undisputed questions of fact is not a mistake apparent from the record.

IV. Even in certain scenarios the Authority may not have considered the arguments as submitted by the appellant then such missed submissions may also not be considered as mistake apparent on record as in case of supporting documents not considered etc. Therefore, if there are interpretation points on facts of the case or from the law perspective, then it cannot be processed through rectification procedure.

V. The rectification may not be done where an appeal is preferred by the registered person to higher appellate forums.

Govt considering to remove amendment option from GSTR-1 after filing of GSTR-3B.

The government plans to do away with the flexibility given to buyers and sellers to revise their output liability by locking their invoices and removing the edit option in the next financial year, Revenue Secretary Sanjay Malhotra said. The proposal will be discussed at the next GST Council meeting, he said.

Locking invoices and removing the editing option following the submission of GSTR-1 and GSTR-3B will yield numerous advantages for the entire economic framework. The move aims to improve compliance and curb the menace of fake invoicing in the indirect tax regime. The data is there but it is not being used fully as of now to curb the fake invoicing menace.

The challenges:

However, this may also lead to certain challenges, including reduced flexibility for correcting genuine errors, increased administrative workload, and potential system integration issues. Small businesses could face significant compliance hurdles, and initial inaccuracies might escalate disputes. Additionally, the costs associated with new technology and training, coupled with the potential for sophisticated fraud schemes designed to exploit the system before locking, highlight the need for careful consideration and mitigation strategies to balance the benefits against these risks.

“Suppliers file their invoice-wise sales details in GSTR-1. If a supplier in subsequent months realises that there were some errors in sales details, the same may be amended/ revised say GSTIN of the recipient, the value of supply, etc. If the same is stopped, then genuine taxpayers may face an issue to correct non-intentional mistakes. Then the only option would be to issue a credit note against incorrect invoices. Further, currently, credit is claimed based on GSTR 2B. However, it appears that going forward credit more than GSTR 2B may not be claimed. This step may impact genuine taxpayers

IMPORTANT UPDATE:

In a very recent case of 2023 of Eicher Motor Ltd V/S Superintendent of GST and Central Excise, it has been held by the Madras high court that:

1. Form GSTR-3B only requires the taxpayer to report the details of tax paid. Therefore, tax should have been paid before filing Form GSTR-3B.

2. Tax payable is required to be paid by not later than the due date for filing Form GSTR-3B. The fact that Form GSTR-3B is filed within the due date or not, does not matter; however, the tax should be paid on or before such due date.

Hence, it was concluded by the court that no interest is payable if GST amount is deposited on or before due date in the Electronic Cash Ledger.

Interest, if any, under section 50(1) of the CGST Act will be applicable on the amount that is not paid before the due date of filing returns.

- The interpretation that if the debit entry is made to the ECL then only it will be considered as the date of actual payment of tax is only absurd, illogical interpretation of the law which is not in consonance with the true spirit of law as held by Madras High court in the above-said judgment. On the contrary, section 50(1) of the CGST Act states that cash should be paid to the government within the prescribed period, which is the 20th day of every month in terms of section 39(7) of the CGST Act.

ITC cannot be denied on the sole ground that supplier's GST registration was cancelled with retrospective effect: High Court

It was held by Madras High Court in ENGINEERING TOOLS CORPORATION vs. THE ASSISTANT COMMISSIONER that the ITC claim shall not be rejected upon such reconsideration solely on the ground that the supplier's GST registration was cancelled with retrospective effect and a fresh assessment order shall be issued

[The author is Senior Partner in M/s. CHHABRA B K & ASSOCIATES (Delhi / NCR].

AEPC/HO/S&M/AS-2024-25

Date 11.03.2024

Subject: Renewal of Membership of the Council for the financial year 2024-25.

Dear Sir/Madam,

At the outset, on behalf of the Council, we convey our Greetings to you.

We would like to take this opportunity to thank you for being a member of the Apparel Export Promotion Council and allowing us to serve you. Further as per para 2.57 of FTP 2023-2028 the RCMC issued by the Council is one of the Mandatory Documents for grant of benefits under Exim Policy Schemes. The Apparel Export Promotion Council provides various financial & other benefits to its members and works closely with the Government of India on issues related to Policy Matters (Click here to view the AEPC Membership Advantages) in the apparel export Sector.

The members of the Council received various benefits of AEPC membership including the following during the Financial Year 2023-24.

¤ Market Access Initiative of Rs.1106.86 Lakh approved from Government of India to subsidize the cost of industry participation in Foreign Fairs during 2023-2024.

¤ To enhance the RMG export of India, AEPC created a Virtual Platform for the demonstration of the products created by AEPC members in various categories & with 360 degree high resolution images, which is available for overseas buyers 24 x 7 throughout the year.

¤ AEPC provides e-magazine & weekly dossiers containing information on policies and initiatives by the Government of India regarding the Apparel Industry. The magazine gives valuable information regarding the Fashion trend, Trade statistics, Specified market reports, and other topical study reports for the benefit of the Apparel industry.

¤ The Certificates of Origins are being issued to the apparel exporters from all AEPC offices.

¤ Various seminars, RBSM, B2B Meetings through Embassy / High Commission of India in various Countries, Webinars & virtual workshops on fashion forecasting, Banking & various government schemes were organized for the members of the council.

¤ Information to trade was disseminated through publications and electronic media.

¤ Market surveys were conducted and market intelligence provided to the members.

¤ New markets were explored and items of export potential identified across the world.

¤ AEPC is the only institution at the national level recognized under the Foreign Trade Policy to work closely with the Government of India on policy issues in the apparel export sector.

The members are hereby requested through this circular to renew their RCMC for the financial year 2024-25.

Details of Annual Subscription charges w.e.f. financial year 2024-25.

Particular	Annual Subscription (in Rs.)
Member Exporters	Rs.11000+ GST *#
Registered Exporters	Rs.10500+ GST *#

***Present applicable GST is 18%, # Subscription once paid will not be refundable or transferable**

The last date for making payment for an annual subscription for the year 2024-25 is 31st May, 2024.

Procedure to pay Annual Subscription:
Members are requested to refer to Trade Notice No. 27 dated 30.11.2021 andTrade Notice No. 35/2021-2022 dated 24.02.2022 issued by DGFT regarding electronic filing of Registration cum Membership Certificate (RCMC) / Registration Certificate through the common digital platform of DGFT.

In this context, it is informed that from 1stApril 2022, it is mandatory for the exporters to file Registration Cum Membership Certificate (RCMC)/ Registration Certificate (RC) applications (for issue/renewal/amendment) through the common digital portal of e-RCMC Platform. **Member will have to login on DGFT Website www.dgft.gov.in by clicking on login button. Member who are already registered on DGFT, may use the same user ID & Password for login. If member is not registered on DGFT portal they have to press the register button & get themselves registered first.**

For any further information/assistance, kindly feel free to contact us.

We look forward for your continued support in our future endeavors.

With warm regards and assurances of our best services.

Yours sincerely
(Sumit Gupta)
Secretary
E-mail: sumit.gupta@aepcindia.com

AEPC MEMBERSHIP ADVANTAGES

AEPC is doing its best for the members of the council in this difficult times of Pandemic by taking various initiatives with the central & state's government. Our Team of professionals is working hard for AEPC members for providing all necessary support to run their apparel export units smoothly & ultimately enhance the Apparel exports from India.

AEPC is giving support in all verticals of apparel exports domain and we would like to inform you to understand about the advantages of taking/ continuing AEPC's membership.

1. **Market Access Initiative -** The council gets MAI subsidy for organizing Mega shows, participation in international renowned apparel fairs and for organizing Buyer Seller Meets international. The subsidy is passed-on to the members of the council in subsidizing the cost of stall in Buyer Seller Meets and Mega shows / international fairs in overseas events. Guiding and facilitating Apparel exporters to showcase their best products at domestic fairs as well as international fairs. This also helps in Identifying opportunities for collaborations with overseas partners for up-scaling and technology upgradation with providing market intelligence for Textile and Apparel Industry

2. **Trade Facilitation –** AEPC actively takes up exporters issues, stuck up at customs, Icegate, DGFT, ECGC and other export related organisations and facilitates in resolving the exporters issues related to risky exporters tagging, pending ROSL & RoSCTL, pending drawback etc.

3. **AEPC's Facilitation for Risky Exporters:** Since 2019, a lot of exporters were being put on Risky exporter's tag, which led to stoppage of IGST, drawback and other refunds. To address the issue of long delays in resolution of these cases, AEPC has been working closely with DGARM to understand the concerns, advise exporters on the required protocols for resolution, follow up with DGARM and get the NoCs. A dedicated facilitation desk at HO & regional offices of AEPC have been working on compiling the cases, taking them up with DGARM and getting them resolved.

4. **AEPC's Facilitation for ATUFS:** With the aim to facilitate faster resolution of the pending TUF cases, AEPC has been compiling the TUFS pendencies and is taking them up from time to time with the Textile Commissioner's office and Ministry of Textiles with regard to changes in scheme guidelines, technical issues, documentation issues and other clarifications and about their resolutions. Some of the major issues like In-Principle Bank Sanction Letter, Year of Manufacture issue, revision in repayment period of non-MSME applicable for existing cases also and issuance of Corrigendum for inclusion / modification of machines specification have been taken up by AEPC for resolution.

5. **Update on notifications –** AEPC updates its members about the recent notifications/circulars/Public notices related to DGFT, CBIC, Textile Commissioner. GST, MSME etc.

6. **Apparel Dossier –** Updating the members through weekly Apparel dossier for weekly news, notifications and the issues that AEPC has taken up, for AEPC Members.

7. **Apparel India magazine –** AEPC publishes Apparel India magazine along with e-copy of it, which is uploaded on AEPC's website in which details of latest updates (national and global) related to textile & apparel industry, government notifications / circulars, GST updates and the important activities performed by AEPC for the benefit of industry are published. AEPC's Apparel India Magazine is widely circulated online as well as offline and is reachable to all the stakeholders such as exporters, buyers, buying agents, government officials and all other concerned.

8. **Virtual Exhibition Platform-** AEPC has recently launched a Virtual Platform for organizing Export Promotion activities, in order to bridge the gap between buyer & seller during these trying times due to the worst pandemic of the century. The platform is a virtual

exhibition platform to showcase products of AEPC members in 24x7x365 days format. Key features include exhibitors booths in the virtual exhibition landscape, free-flowing two-way communication between attendees/buyers and exhibitors through video / audio call and Whatsapp chat facilities, live presentation auditorium, high security features and knowledge management. Buyers can navigate through options and ensure a near-physical fair experience through high resolution exhibitor's avatars.

9. Data Bank – AEPC provides RMG export statistics regularly in the Apparel India magazine for the benefit of the members. Country-wise export statistics and top HS Codes selling in important countries along-with the description of the garments are also provided for the benefit of the exporters.

10. GST Facilitation - AEPC is facilitating GST related issues of the exporters.

11. Seminars/webinars & Workshops - AEPC Organizes seminars/webinars & workshops related to the apparel industry.

12. Compilation of DBK / RODTEP Data -Compilation and submission of datas/documents for fixation of DBK/RODTEP rates exercise is done by AEPC every year so that these benefits could be decided by the Govt., and these could be availed by the exporters.

13. Submission of suggestions of FTP Policy and other policy related matters - Submission of suggestions for improvement in FTP Policy and other related policies are submitted by AEPC every year for the benefit of the exporters.

14. Advisory on Labour Laws - Council has engaged a Legal Advisor on Labour laws who has helped the Council in preparing and compiling apparel industry's observations and suggestions on draft codes and its subsequent rules. The Legal Advisor will also support our member/registered exporters by providing legal opinions, day to day advisory and clarifications on all applicable labour and employment laws as and when required. He guides towards matters pending before the authorities under Industrial Disputes Act, Payment of Gratuity Act, Payment of Bonus Act, and Minimum Wages Act or any other Authority or Labour Court, High Court., Supreme Court of India, if and whenever required.

15. Skill Assessment Cell - The Skill Assessment Cell (SAC) was established with the prime objective to drive the skill assessment initiatives in Apparel/Garment, Khadi and Carpet sectors for employment generation, economic growth and social development. The cell helps in boosting the morale, uplifting the social status of the candidates and makes the workforce a certified skill pool.

Council has been associated with Director General of Employment and Training (DGE&T) under the SDI Scheme for MES Courses, Ministry of Skill Development & Entrepreneurship assess in Apparel, Textile, Khadi and Carpet sectors, under the ISD Scheme of Ministry of Textiles for Non-MES courses to assess in Apparel & Textile sectors and then with the Resource Support Agency (RSA), Textiles Committee.

The current affiliations are with Apparel, Made-Ups & Home Furnishing Sector Skill Council (AMHSSC) for assessing the candidates under PMKVY and Non-PMKVY schemes under the Ministry of Skill Development & Entrepreneurship and with the Karnataka Commissionerate of Industrial Training & Employment (KVIT), Skill Mission at Karnataka state. Since its inception i.e.from September 2009 till date Council's Skill Assessment Cell has assessed over 1.66 lakhs candidates.

16. Man Made Fabric Cell - AEPC has set up a MMF Cell to enhance the export of MMF garments and to explore the possibilities for Joint Ventures or 100% investment / technology collaboration for manufacturing of man-made fabrics in India. The Council has come up with a Compendium on MMF garments which contains the details of HS codes identified for the proposed PLI scheme of Govt., of India of Rs.10683/- crores to enhance India's manufacturing capabilities of MMF segment and Technical textiles. The compendium contains the product description, images of identified garments falling under PLI HS codes, factsheet and contact details of domestic as well as overseas fabric suppliers.

The EOI, Washington and AEPC has carried out a study on Market for Indian Apparel in the United States – Trends, Potential, and Expansion Strategy through M/s. KPMG services. AEPC also established contact with M/s SERAI, a business-to-business platform founded by HSBC to improve the reach of AEPC members to overseas buyers.

The membership of AEPC is surely helping our members to achieve their professional goals & having expert knowledge of the domain. The Membership Subscription costs just Rs. 10500/+GST per year & can be paid Through DGFT **Website** https://www.dgft.gov.in

For any further information/assistance kindly feel free to contact us.

खबरभूमि

2030 तक 40 अरब डॉलर के परिधान निर्यात लक्ष्य को हासिल करने में मदद मिलेगी

उत्पादन क्षमताओं में महत्वपूर्ण वृद्धि और कार्यबल के कौशल विकास जैसे उपायों से 2030 तक 40 अरब अमेरिकी डॉलर के परिधान निर्यात लक्ष्य को हासिल करने में मदद मिलेगी।

भारतीय परिधान निर्यात संवर्धन परिषद (एईपीसी) ने यह बात कही। एईपीसी के चेयरमैन सुधीर सेखरी ने कहा कि सिलाई करने और गुणवत्ता जांचने जैसे कुशल श्रमिक अभी भी पर्याप्त संख्या में नहीं हैं। ऐसा इसलिए है, क्योंकि व्यस्त सत्र के दौरान श्रमिक अपने मूल गांवों में चले जाते हैं, जिससे कमी पैदा हो जाती है।

सेखरी ने कहा, '2030 तक आरएमजी (रेडीमेड परिधान) निर्यात को 40 अरब अमेरिकी डॉलर तक पहुंचाने का हमारा लक्ष्य साकार हो सकता है, और इस लक्ष्य तक पहुंचने के लिए हर संभव कदम उठाना मेरा कर्तव्य है।'

businessline.

Garment exports. Bangladesh sews up air cargo space at Delhi airport

Bangladesh's garment exports hop a ride on international flights out of Delhi, but at a cost to local exporters

Imran, who is in charge of logistics at a leading leather goods manufacturing company in Ambur, a town in western Tamil Nadu, is struggling to send shipments to Europe and the US for several days now. He never imagined that the garment industry in distant Bangladesh could be a source of worry for him.

Tons of Bangladesh-made garments transiting via Indira Gandhi International (IGI) airport in Delhi are cornering space in aircraft bound for Europe and the US, leaving little room for Indian exporters.

BIZZ BUZZ

Infra ramp up key to $40-bn garment exports

Steps such as significant ramp up in production capacities, and skilling of workforce will help achieve $40 billion garment exports target by 2030, AEPC said on Tuesday. Apparel Export Promotion Council of India (AEPC) Chairman Sudhir Sekhri said skilled workers like tailors and quality checkers are still not sufficient as during the peak season they go to their native villages thereby creating shortage.

"Our target to reach $40 billion of RMG (readymade garments) export by 2030 can be a reality and my duty is to take every possible step to reach this target," Sekhri said. He said "we need to ramp up our capacities as the export houses in India are still unable to handle core/basic products which are required in huge quantities". He added that the council is also focused on skilling the workforce

लेटेस्टली

क्षमता वृद्धि से 40 अरब डॉलर के परिधान निर्यात लक्ष्य को हासिल करने में मिलेगी मदद: एईपीसी

नयी दिल्ली, 19 मार्च उत्पादन क्षमताओं में महत्वपूर्ण वृद्धि और कार्यबल के कौशल विकास जैसे उपायों से 2030 तक 40 अरब अमेरिकी डॉलर के परिधान निर्यात लक्ष्य को हासिल करने में मदद मिलेगी।

भारतीय परिधान निर्यात संवर्धन परिषद (एईपीसी) ने मंगलवार को यह बात कही। एईपीसी के चेयरमैन सुधीर सेखरी ने कहा कि सिलाई करने और गुणवत्ता जांचने जैसे कुशल श्रमिक अभी भी पर्याप्त संख्या में नहीं हैं। ऐसा इसलिए है, क्योंकि व्यस्त सत्र के दौरान श्रमिक अपने मूल गांवों में चले जाते हैं, जिससे कमी पैदा हो जाती है।

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उन्होंने कहा, "हमें अपनी क्षमताएं बढ़ाने की जरूरत है, क्योंकि भारत में निर्यात कारोबारी अभी भी बड़ी मात्रा वाले ऑर्डर संभालने में असमर्थ हैं।"

उन्होंने कहा कि परिषद कार्यबल को कुशल बनाने पर भी ध्यान केंद्रित कर रही है।

सेखरी ने कहा, "हम हर साल 1.5 लाख कुशल श्रमिक तैयार कर रहे हैं, लेकिन यह अभी भी पर्याप्त नहीं है। जिस वृद्धि का लक्ष्य हमने तय किया है, उसे हासिल करने के लिए हमें अपने कार्यबल को और बेहतर बनाने की जरूरत है।"

AEPC
APPAREL EXPORT PROMOTION COUNCIL

Textile exports dip for second year in FY24

Yogesh.Kabirdoss
@timesgroup.com

Chennai: India's textile exports took a hit for the second consecutive year in 2023-24 as geopolitical issues cast a shadow on the global economy.

Exports stood at $34.4 billion in FY24, dropping over $1 billion (3%) against FY23. When compared to FY22, exports recorded 16.3% fall, as the country had reported exports to the tune of $41 billion in 2021-22.

In the overall textiles sector, the segment comprising cotton yarn, fabs, madeups and handloom products alone witnessed a significant Y-o-Y increase in exports by $740 million in 2023-24 over 2022-23 due to the surge in export of cotton yarn during the last fiscal. While North America topped the total textile exports at $11 billion, it is followed by Europe at $10 billion and West Asia and North African countries accounted for $4 billion, data available with NIRYAT portal of the Union ministry of commerce and industry revealed.

Israr Ahmed, vice president, Federation of Indian Export Organisations (FIEO) said, the overall western economy has taken a hit, especially in terms of recession in some parts of the globe. "This has caused a drop in consumer confidence in those countries. The persisting Red Sea crisis has escalated sea freight by about 100%, while air freights have gone up by up to 200% due to the demand for ferrying goods through air cargo. However, the fall in textile exports is being corrected since the decrease in exports between FY22 and FY23 has reduced when compared with FY24," he told TOI.

The knitwear capital of India - Tirupur is feeling the pinch of it. Former president of Tiruppur Exporters Association Raja M Shanmugam says, exports from the textile hub has plunged from $4 billion FY22 to $3 billion in FY24. "Our exports to the US and Europe has been affected as purchasing new value-added garments has become the least priority for customers particularly in Europe. The situation in Tirupur is worse than the Covid crisis, which is unprecedented and unwarranted. The government should announce the Government Emergency Credit Line Guarantee Scheme for the textile sector to prevent the MSMEs from exiting their business and moratorium for their dues for six months," he said.

The readymade garments, which shares 42% of the combined textiles exports, has decreased by 10% in FY24 over the previous year (FY23). Mithileshwar Thakur, secretary general, Apparel Exports Promotion Council (AEPC) said, $14.5 billion worth of apparels were exported in FY24. "The past two months have seen a recovery despite global headwinds. The industry is bullish that the value of (apparel) exports will reach $20 billion in the current financial year because we are hopeful of FTAs signed between India, the UK and the EU. The PLI Scheme for Man Made Fibre apparel and fabrics and the seven PM MITRA Park will boost our production capabilities in the textile sector," he added.

A LOOM-ING CRISIS (FY19 to FY24)

THE ECONOMIC TIMES

Significant ramp up in capacities to help achieve $40 billion exports target: AEPC

Steps such as significant ramp up in production capacities, and skilling of workforce will help achieve $40 billion garment exports target by 2030, AEPC said on Tuesday. Apparel Export Promotion Council of India (AEPC) Chairman Sudhir Sekhri said skilled workers like tailors and quality checkers are still not sufficient as during the peak season they go to their native villages thereby creating shortage.

IBC24

क्षमता वृद्धि से 40 अरब डॉलर के परिधान निर्यात लक्ष्य को हासिल करने में मिलेगी मदद: एईपीसी

नयी दिल्ली, 19 मार्च (भाषा) उत्पादन क्षमताओं में महत्वपूर्ण वृद्धि और कार्यबल के कौशल विकास जैसे उपायों से 2030 तक 40 अरब अमेरिकी डॉलर के परिधान निर्यात लक्ष्य को हासिल करने में मदद मिलेगी।

भारतीय परिधान निर्यात संवर्धन परिषद (एईपीसी) ने मंगलवार को यह बात कही। एईपीसी के चेयरमैन सुधीर सेखरी ने कहा कि सिलाई करने और गुणवत्ता जांचने जैसे कुशल श्रमिक अभी भी पर्याप्त संख्या में नहीं हैं। ऐसा इसलिए है, क्योंकि व्यस्त सत्र के दौरान श्रमिक अपने मूल गांवों में चले जाते हैं, जिससे कमी पैदा हो जाती है।

सेखरी ने कहा, "2030 तक आरएमजी (रेडीमेड परिधान) निर्यात को 40 अरब अमेरिकी डॉलर तक पहुंचाने का हमारा लक्ष्य साकार हो सकता है, और इस लक्ष्य तक पहुंचने के लिए हर संभव कदम उठाना मेरा कर्तव्य है।"

APPAREL EXPORT PROMOTION COUNCIL

(Sponsored by Ministry of Textiles, Government of India)

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