

Far and Wide

Every week we share selection of six news from six continents that we believe will impact our world in the near or distant future

August 2024 | Issue #59



India's Textile Industry Poised for Growth Amid Bangladesh's Crisis

Welcome to the latest edition of Far and Wide, where we embark on a journey to explore intriguing stories and global developments.

Bangladesh has long been a formidable player in the global textile industry, with its sector contributing approximately 80% to the nation's exports and 15% to its GDP while being a crucial supplier for major markets in the European Union, United States, Canada, Australia, and Japan. The textile sector's impressive growth trajectory has been an inspiration for the Global South.

However, recent turmoil in Bangladesh, marked by disruptions in supply chains, has cast a shadow over its textile industry. The curfew and internet blackout have severely impeded manufacturing operations, especially in the ready-made garments (RMG) sector. This disruption is expected to cause a significant 15–20% decline in RMG exports for the January to March 2024 season, shaking the confidence of global buyers causing shortages and uncertainties in the market.

In this context, India stands at a potential inflection point. About 25% of textile units in Bangladesh owned by Indian companies like Shahi Exports, House of Pearl Fashions, Jay Jay Mills, TCNS, Gokaldas Images, and Ambattur Clothing are likely to shift their base to India. The stocks of Indian manufacturers including KPR Mill, Arvind Ltd., Gokaldas Exports Ltd., Vardhman Textiles Ltd., and Welspun Living Ltd. have already jumped more than 10%, on expectations of a higher market share. Indian textile hubs like Tirupur, known for their robust manufacturing infrastructure, could see an immediate surge in orders. Industry experts suggest that if even 10-11% of Bangladesh's exports are diverted to India, it could result in an additional \$300-400 million in monthly business for Indian textile players.

To fully capitalize on this situation, India must adopt a strategic approach. Strengthening its infrastructure, enhancing policy support, and securing favourable trade agreements, particularly with the UK and EU, are essential steps. Moreover, India should focus on innovation and expanding market access to reclaim its position as a global textile leader. As Bangladesh grapples with its internal challenges, India's diplomatic response could well pave the way for long-term gains in the global textile arena.

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Europe

India's BRICS Sherpa Joins Russian-Chaired Meeting to Address Global Security Issues

India's BRICS Sherpa, Secretary (Economic Relations) Shri Dammu Ravi, on 8th August 2024, participated in a pivotal meeting convened by Russia, the current BRICS chair. Following the June BRICS Foreign Ministers' conclave, this gathering marked a significant juncture for India's foreign policy under Prime Minister Narendra Modi's third term.

Secretary Ravi conveyed India's perspectives on key BRICS issues, reflecting the nation's proactive role in shaping the group's strategic trajectory. A salient feature of the BRICS Foreign Ministers' joint statement was their relentless condemnation of terrorism in all its forms, including cross-border activities, financing, and the provision of safe havens. The Ministers unequivocally denounced the March 2024 terrorist attack in Moscow, emphasizing that terrorism should never be associated with any religion, nationality, civilization, or ethnic group. They demanded accountability for those involved in terrorist acts, underscoring BRICS' collective commitment to global security and stability.

This meeting gained particular significance due to the 2023 expansion of BRICS, which welcomed Egypt, Iran, UAE, Saudi Arabia, and Ethiopia as new members. The discussions underscored the group's growing stature on the world stage and laid the groundwork for enhanced cooperation among these diverse nations. India's BRICS Sherpa's participation highlights the nation's active role in navigating the evolving dynamics within the BRICS bloc, particularly in the realms of security, economic development, and global governance.

Source : The Print

[India's BRICS Sherpa Dammu Ravi participates in meeting hosted by Russia – ThePrint – ANIFeed](#)

North America



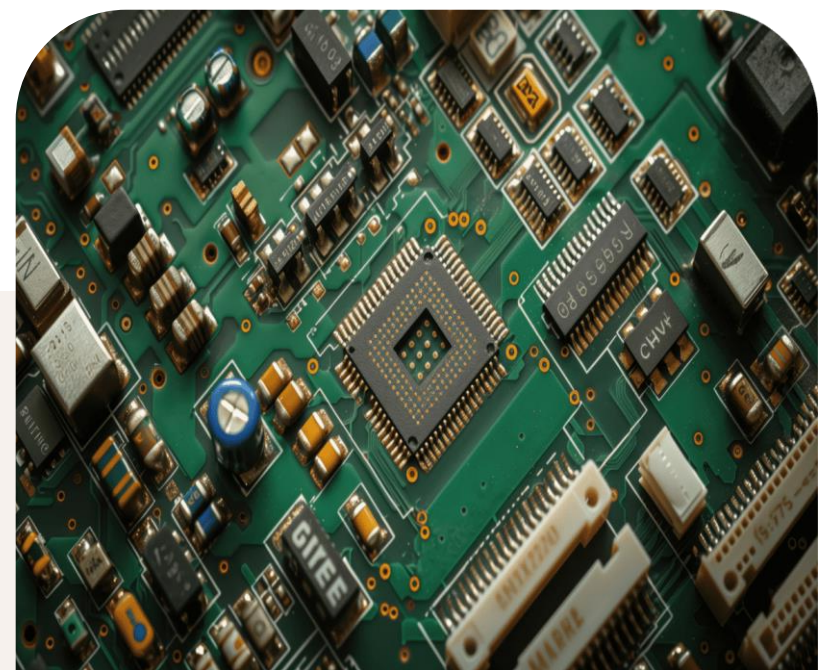
A Confluence of Strategic Convergence: India-USA Alliance in Technology and Geopolitics

The United States and India are forging a formidable alliance, characterized by a rapid escalation of cooperation in pivotal domains such as artificial intelligence, semiconductor fabrication, and sustainable energy solutions. Bilateral initiatives of considerable import, including the Quadrilateral Security Dialogue and the ambitious iCET framework, serve as testaments to the deepening interdependence between the two nations.

A particularly salient development is the emergent semiconductor partnership between General Atomics and 3rdiTech, which aims to cultivate a robust domestic supply chain for critical electronic components. This collaboration is a direct countermeasure to China's technological hegemony, and it is poised to enhance the resilience of both nations' industrial ecosystems.

The ramifications of this burgeoning partnership extend beyond mere technological advancement. It constitutes a cornerstone of a broader geopolitical strategy designed to counterbalance China's assertive posture in the Indo-Pacific region. By aligning their technological trajectories, the United States and India are not only safeguarding their respective national interests but also establishing a paradigm for a more equitable and open international order.

This strategic convergence is emblematic of the evolving contours of global diplomacy. Economic and technological interdependence has supplanted traditional geopolitical alliances as the predominant force shaping international relations. The United States and India, through their synergistic collaboration, are positioning themselves as preeminent architects of the twenty-first century's technological and security landscapes.



Source: International Business Times

<https://www.ibtimes.co.in/us-india-unite-counter-chinas-influence-semiconductors-bolster-supply-chain-resilience-870921>

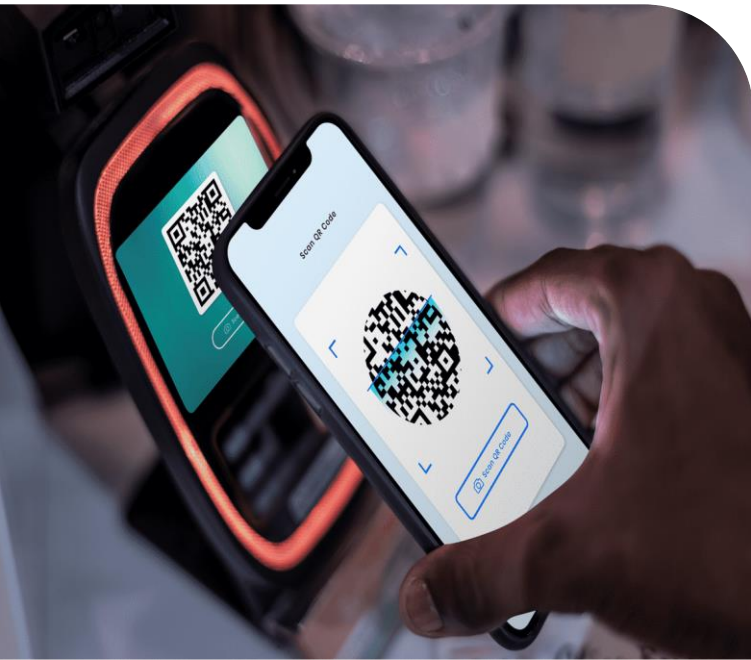
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South America

From UPI to Bre-B: Colombia's Strategy to Revolutionize Financial Inclusion and Public Services



Source: World Economic Forum
<https://www.weforum.org/agenda/2024/08/colombias-digital-inclusion-strategy-is-bolstering-financial-inclusion-especially-for-women/>

Colombia is advancing its digital inclusion strategy through a robust digitalization project to enhance financial inclusion, especially for women and remote communities. This initiative involves the development of interoperable digital payments, a digital identity system, and streamlined data-sharing mechanisms. Colombia's efforts are part of a broader global trend toward leveraging digital technologies to improve public services and economic participation.

India's experience with digital financial inclusion, particularly through the Unified Payments Interface (UPI), has provided valuable insights into Colombia's strategy. Colombia's upcoming interoperable fast payment system, "Bre-B," draws inspiration from India's UPI and Brazil's Pix, aiming to revolutionize financial transactions and enhance accessibility. By collaborating with global stakeholders and incorporating best practices, Colombia is building a digital ecosystem that promises significant benefits for its underserved populations, mirroring the success seen in India.

Colombia's digital inclusion strategy represents a major advancement in financial accessibility and public service efficiency. By implementing a payment system inspired by India's UPI and introducing a new Digital ID, Colombia is poised to enhance economic participation and support underserved communities. These efforts can potentially position Colombia as a digital leader and provide a model for emerging economies, demonstrating how technology drives socio-economic progress.

Asia



India's Textile Industry Poised for Growth Amid Bangladesh's Crisis

Bangladesh has long been a major force in the global textile industry, with the sector accounting for approximately 80% of the nation's exports and 15% of its GDP. However, recent disruptions, including supply chain issues and an internet blackout, have severely impacted the industry, particularly the ready-made garments (RMG) sector. These challenges are projected to cause a 15-20% decline in RMG exports for the January to March 2024 season, leading to market shortages and uncertainty.

In response, several Indian companies with operations in Bangladesh, such as Shahi Exports and House of Pearl Fashions, are considering relocating their operations to India. Indian textile hubs like Tirupur are likely to experience a surge in orders, with experts estimating that even a 10-11% shift in Bangladesh's exports to India could generate an additional \$300-400 million in monthly revenue.

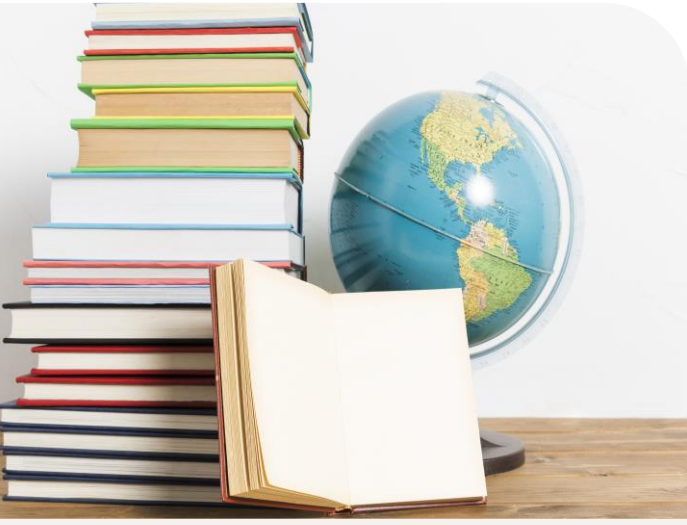
To fully capitalize on this emerging situation, India must take a strategic and proactive approach. Strengthening its infrastructure is crucial; investments in modernizing textile manufacturing facilities, improving logistics, and ensuring a steady supply of raw materials will be essential to meet the anticipated increase in demand. Additionally, enhancing policy support, including offering incentives for domestic and foreign investors, streamlining regulatory processes, and reducing bureaucratic hurdles, will create a more favorable environment for the textile industry to thrive.



Source: Business Standard
[Crisis in Dhaka: Bangladesh textile biz may move to hubs like Tiruppur | Economy & Policy News - Business Standard \(business-standard.com\)](https://www.business-standard.com/economy-policy/news/bangladesh-textile-biz-may-move-to-hubs-like-tiruppur)

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Australia

Australia and India: Go8 Advocates for Expanded Collaboration in Education and Beyond

The Group of Eight (Go8) has submitted a proposal for the development of a New Roadmap for Australia's Economic Engagement with India, emphasizing the need to strengthen bilateral relations. As India, with a population exceeding 1.4 billion, emerges as a global economic powerhouse, the Go8 identifies key areas for collaboration that can yield substantial economic and strategic benefits for both nations.

Source: Group of 8 Australia ,Universities Australia
<https://universitiesaustralia.edu.au/wp-content/uploads/2024/08/UAs-Submission-to-a-New-Roadmap-for-Australias-Economic-Engagement-with-India.pdf>

<https://go8.edu.au/go8-submission-to-the-development-of-a-new-roadmap-for-australias-economic-engagement-with-india>

Education, Australia's second-largest export to India, valued at over AUD 8.1 billion annually, plays a pivotal role in fostering enduring bilateral relationships. The Go8's research collaborations with Indian institutions exemplify the potential for impactful partnerships in this sector. Beyond STEM, India's expanding sectors—including healthcare, sports, and agribusiness—where Australia possesses valuable expertise, offer additional avenues for productive cooperation.

Universities Australia underscores the critical role of education in addressing skill shortages and supporting India's goal of educating 500 million students by 2035. However, recent visa policy changes have significantly impacted student mobility, jeopardizing the sector's growth. The organization recommends focusing on implementing existing strategies, advancing the Comprehensive Economic Cooperation Agreement (CECA), and increasing support for collaborative bodies like the Australia-India CEO Forum.

The Go8's submission advocates for a nuanced approach to Australia's engagement with India, urging the rejection of detrimental policy changes and highlighting the need to leverage existing research funds and explore diverse collaboration opportunities.

Africa

India and Zimbabwe Chart New Paths for Cooperation During 3rd FOC

India and Zimbabwe held their 3rd Foreign Office Consultations (FOC) on August 6, 2024, in Harare, with both sides reviewing the full spectrum of bilateral relations and exploring new avenues for collaboration. The Indian delegation was led by Puneet R. Kundal, Additional Secretary (East & Southern Africa), Ministry of External Affairs, while Zimbabwe was represented by Mike Chigiji , Chief Director (Political), Ministry of Foreign Affairs & International Trade. This meeting was a crucial step in further strengthening the ties between the two nations.

The discussions also addressed sectoral cooperation in a range of fields, including defense, agriculture, health, mining, minerals, and geology, as well as digital platforms, education, training and capacity building, and cultural exchanges. The review of the India-Zimbabwe Joint Trade Committee session, held in May 2024, focused on enhancing bilateral trade, especially in pharmaceuticals, healthcare, and renewable energy. Both sides agreed to work towards boosting trade and investment, with an emphasis on geospatial technology and the digital economy.

Both countries expressed their determination to address global challenges through cooperation within the United Nations and other international forums . The upcoming FOC will be hosted in New Delhi, sustaining the momentum of constructive engagement.



Source: The Print , India News Network ,MEA
<https://theprint.in/india/india-zimbabwe-review-entire-gamut-of-bilateral-relations-during-3rd-foreign-office-consultations/2211308/>
<https://www.indianewsnetwork.com/en/20240807/india-zimbabwe-hold-foreign-office-consultations-discuss-new-avenues-for-cooperation>

https://www.mea.gov.in/press-releases.htm?dtl/38100/3rd_IndiaZimbabwe_Foreign_Office_Consultations_FOC