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June 02, 2023

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 To Watch Currency Outlook
 by CR Forex Advisors
 AMIT PABARI
 Founder & Managing Director

**NEWS
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Currency Watch	
USD	82.31
EUR	88.69
GBP	103.21
JPY	0.59

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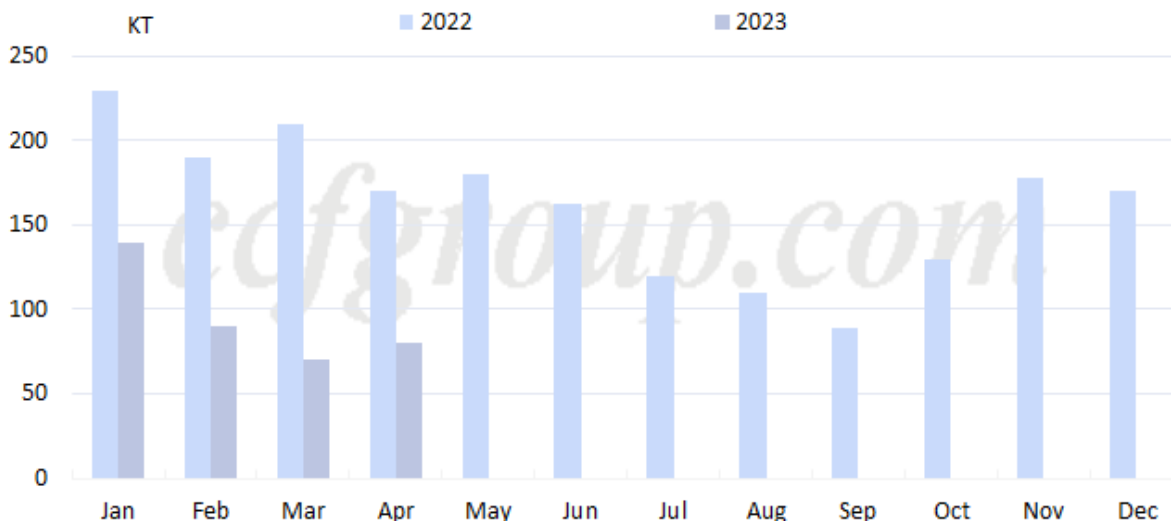
INTERNATIONAL NEWS

ZCE cotton hits limit up, what is the reason?

On Jun 1, ZCE major cotton contract, Sep contract, surged over 900yuan/mt, and the spread between Sep and Jan contracts narrowed quickly unexpectedly. The rise of Sep contract was obviously higher than that of Jan contract. Rumors were in circulation on the market soon. There were mainly two rumors: 1. The commercial cotton stocks issued by one institution were not in line with the actual stocks, and some enterprises considered that the actual commercial cotton stocks were relatively tight; 2. One large spinning mill purchased large quantity of cotton. Some markets had good orders and there were rumors that some markets could have orders fulfilled till end Oct.

Looking from the first rumor, there are different views on stock data. Every enterprise and institution has own investigation, and the differences on the stock data between the relative institution and actual market may have own different way to calculate the data. According to our views from the market situation, the stock may be not that tight like the rumors saying less than 2 million tons. Some enterprises hold the stock till now and sales are scarce.

China cotton import volume in 2022-Apr, 2023

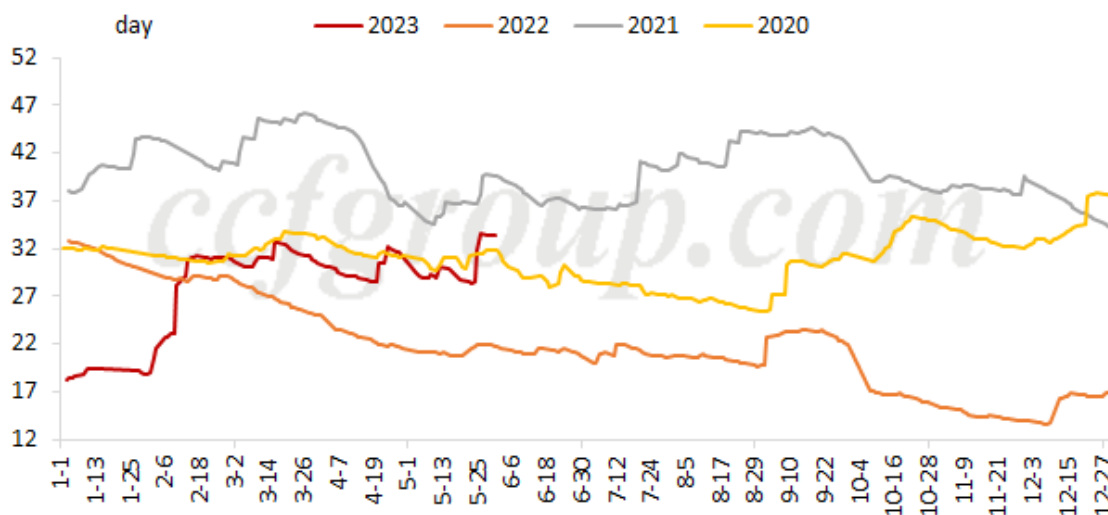


Nevertheless, supply of spot cotton at lower prices gradually reduce with the sales from Oct 2022 to May 2023, especially when ZCE cotton futures slumped on May 25-26, sales have improved obviously, and mainstream basis climbs up quickly.

Some sellers that offer high prices also start to sell. Later, with the gradual reduction of cotton inventory, basis is expected to go firmer gradually. Moreover, monthly cotton imports have been constantly below 100kt this year, and till Aug and Sep, 2022/23 cotton inventory may tighten gradually. However, no obvious supply gap is seen currently.

For the second rumor, we have confirmed with the relative spinning mill, it has not purchased large quantity of cotton this week, and the major purchases are during last week, when ZCE cotton futures slump during May 25 and May 26. For downstream demand, downstream market is in slack sentiment, and sales are thinner in May compared with Apr. Nevertheless, the situation differs in different markets, and Guangdong market is the weakest this year, while Nantong market which is hot previously also cools down somewhat. But operating rate of spinning mills has not reduced and cotton consumption has been constantly high indeed this year.

Cotton inventory in spinning mills



The sharp rise of ZCE cotton on Jun 1 more lies in the bullish expectation in medium to long run. Though 2022/23 Chinese cotton production is high, cotton imports reduce largely year on year, and from demand side, monthly cotton consumption has been constantly above 700kt or even 750kt from Mar, 2023.

With the digestion of available cotton stocks, the supply of 2022/23 cotton in the end period of 2022/23 season is supposed to gradually tighten.

In terms of the market in 2023/24 season, the weather condition in Xinjiang remains unfavorable from late Apr to late May, and there are still expectations over large reduction of 2023/24 Xinjiang cotton production and harvest-rush of seed cotton in the second half year. On May 21, when Xinjiang suffered bad weather again, ZCE cotton tried to climb up again on May 22-23, but heavy worries have covered on the macro environment and most commodity prices stepped downward on May 22-23, so ZCE cotton failed to increase.

During May 24 and May 31, ZCE cotton futures declined following the trend of commodity market. The open interests of ZCE Sep contract dropped by about 100,000 lots during May 24 and May 26. On May 31, after the release of China manufacturing PMI, the bearish sentiment retreats periodically, and bulls enter the market again, and by virtue of the rumors, ZCE cotton futures surge significantly on Jun 1. The bullish expectations for cotton market in medium to long run never change.

Source: ccfgroup.com– June 01, 2023

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China's May manufacturing biz situation better for 1st time in 90 days

Manufacturing business conditions in China improved for the first time in three months during May, according to latest Caixin China general manufacturing purchasing managers' index (PMI) data.

Production expanded at the quickest rate in nearly a year, supported by a fresh rise in overall new business amid reports of firmer client demand. This in turn contributed to increases in purchasing activity and stocks of inputs. At the same time, further improvements in supplier capacity helped shorten average delivery times and ease cost pressures.

Notably, input costs fell solidly in May, with firms often passing on savings to clients in the form of lower selling prices. However, business confidence around the 12-month outlook for output slipped to a seven-month low in May amid concerns over lingering global economic uncertainty.

As a result, firms maintained a cautious approach to staff hiring, with employment falling again in May. The headline seasonally adjusted purchasing managers' index (PMI) picked up from 49.5 in April to 50.9 in May—signalling the first improvement in the health of the manufacturing sector since February. Though mild, the pace of improvement was stronger than the post-pandemic average, an official press release said.

Greater intake of new business was central to the latest improvement in output. Though modest, the rate of new order growth was the second-quickest seen over the past two years, with a number of firms noting firmer demand conditions and new customer wins.

New export business increased at a slightly faster pace. Higher new orders prompted firms to raise their buying activity again midway through the second quarter, though the rate of growth slipped to a four-month low. This helped to drive a renewed increase in stocks of purchases.

The improvement in supply chains led to a further easing of cost pressures in May. In fact, average input costs fell solidly for the second month in a row.

Source: fibre2fashion.com – June 02, 2023

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Euro area financial stability outlook fragile: ECB

The outlook for euro area financial stability remains fragile in the context of recent banking stress outside the currency union, according to the May 2023 Financial Stability Review published by the European Central Bank (ECB).

While economic conditions in the area have improved slightly, uncertain growth prospects paired with persistent inflation and tightening financing conditions continue to weigh on the balance sheets of firms, households and governments, the review said.

Furthermore, an unexpected deterioration in economic conditions or financial tightening could lead to disorderly price adjustments in either or both financial and real estate markets, it noted

Looking more closely at vulnerabilities, euro area firms face tighter financing conditions and uncertain business prospects. This could be particularly challenging for those firms that came out of the pandemic with greater debt and weaker earnings.

At the same time, high inflation is hitting households—particularly those on lower incomes—by reducing their purchasing power and compromising their ability to repay loans, the review noted.

Euro area banks have also proved resilient to stresses in US and Swiss banks on account of their limited exposures. This resilience was supported by strong capital and liquidity positions resulting from regulators' and supervisors' efforts over recent years, it added.

Source: fibre2fashion.com – June 02, 2023

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Jordan's Q1 garment exports at \$711 mn, North America biggest market

Jordan's apparel exports amounted to \$711.658 million in the first quarter (Q1) of 2023, with North America being the primary market, accounting for 87.51 per cent of these exports by value. In contrast, total exports from Jordan experienced a 24.20 per cent decline year-on-year, decreasing to \$938.232 million during January-March 2022.

Based on insights from Fibre2Fashion's TexPro, the value of Jordan's exports to North America was \$622.754 million between January and March 2023, which represents a 24.46 per cent decrease compared to \$824.369 million in the same period last year. Looking back, Jordan's apparel exports to North America amounted to \$782.350 million in Q1 of 2021, \$896.642 million in Q1 2020, \$827.369 million in Q1 2019, and \$725.763 million in Q1 2018.

Furthermore, Jordan's apparel exports to Europe totalled \$44.908 million, accounting for 6.31 per cent of the total in the first quarter of 2023. Meanwhile, exports to the Asia-Pacific region valued at \$28.406 million, making up 3.99 per cent of the total exports during this period, as per data from TexPro.

A country-specific analysis reveals that the United States was Jordan's largest export market in the first quarter of 2023, absorbing 82.49 per cent of its total exports. Other significant markets included Canada, the UK, the Netherlands, and Belgium.

In 2022, Jordan's total apparel exports reached \$4.497 billion, with North America contributing 88.17 per cent of these shipments. Specifically, exports to North America totalled \$3.965 billion during 2022.

Source: fibre2fashion.com – June 02, 2023

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Crystal Denim Is Doubling Down in Vietnam

Hong Kong's Crystal Denim is building out its capabilities in Vietnam with the goal of developing a sustainable, verticalized manufacturing hub.

The group, which won almost 70 global and local awards for its commitment to responsible production practices last year, aims to strengthen its capacities in the region as a means of promoting speed and efficiency. Localizing production will also cut down on the carbon cost of shipping goods throughout the supply chain, the group said, and it plans to launch fabric collections developed with greener, and faster, manufacturing processes.

A recently established 3D team has expanded the factory's capacity for virtual sampling, cutting down on sample waste and shortening lead times with Browzwear technology. The shift is expected to improve Crystal Denim's virtual development capabilities by 50 percent this year. Meanwhile, a proprietary innovation hub, Smart Laundry, has been standardized across Crystal Denim's factories.

Laser technologies have replaced sandblasting, waterless enzymes and green chemistry are used for washing and finishing, and front-loading and E-Flow washing machines cut down on the water and chemicals needed to complete processing. The advancements also benefit workers; an automatic denim chemical spray machine used in the Vietnam facility allows employees to avoid exposure to irritating compounds, replacing the hand-spraying of potassium permanganate.

The news follows Crystal Denim's recent collaborations with Advance Denim and Prosperity Textile to enhance vertical development in Vietnam and broaden the scope of fabric production. Nine different fabrications were developed through the partnership, yielding 20 different products, including circular options.

The Advance Denim partnership saw the co-development of fabrics made with fully recycled materials, from pre-consumer cotton to spandex and polyester. Those elements were combined with Crystal Denim's Infinity Blue Wash technique to produce a suite of new characteristics and shades. The partners even released their first net-zero emissions jean during the fourth quarter of 2022.

The collaboration with Prosperity Textile focused on applying qualities like stretch, along with decorative marbling, using more sustainable production processes. Prosperity released Biostretch, a plant-based and biodegradable alternative to polyester, in 2020.

Crystal Denim said partnering with local mills significantly cuts down on transportation costs and carbon emissions. It has also helped the group slash energy consumption by 25 percent and shorten lead times by a whopping 80 percent. “We spearhead local sourcing and accelerate supply chain collaboration in Vietnam to build synergy,” Crystal Denim assistant general manager Miles Lam said. “All of us share common goals to initiate sustainable denim fabric and develop exclusive jeans for our customers.”

The company plans to expand upon its local sourcing relationships and take on more collaborative opportunities, he added. Founded in Hong Kong in 1970, it has diversified its product offerings as well as its sourcing footprint over the course of more than half a century. Five product categories including lifestyle apparel, denim, intimates, knits and sportswear comprise the Crystal International Group portfolio, which is produced across about 20 production facilities in Vietnam, China, Cambodia, Bangladesh and Sri Lanka.

Source: sourcingjournal.com– June 01, 2023

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Sri Lanka Apparel Exporters Struggle Amid Western Economic Slowdown

Sri Lanka's apparel exporters are facing a challenging period as they witness a significant drop in orders due to an economic slowdown in the West. The orders have decreased by approximately 18 to 20 percent, leading factories to operate below capacity and make necessary adjustments. This decline in orders is not unique to Sri Lanka, as other exporting countries are also experiencing a fall in demand.

The recent closure of a factory by Sri Lanka's Hirdramani group, which was attributed to issues with the leased building, highlights the impact of these challenging market conditions. However, it's important to note that investors have not been closing factories and leaving Sri Lanka en masse.

The current situation can be traced back to the monetary accommodation measures implemented by the US Federal Reserve and the European Central Bank during the Coronavirus crisis. The surge in demand resulted in supply chain bottlenecks and inflationary pressures, reminiscent of the 1980s. As a response, Western central bankers are now increasing interest rates and withdrawing excess liquidity, leading to further economic slowdowns and recessions.

Sri Lanka's apparel exports, which amounted to approximately \$5.6 billion in the previous year, have declined by 23 percent to \$343 million up until April. Yohan Lawrence, the Secretary General of Sri Lanka's Joint Apparel Association Forum, attributes this decline to the global fall in demand that has impacted apparel manufacturing countries worldwide.

While some adjustments in headcount and temporary struggles for a few factories may occur, the industry as a whole is expected to continue. There are hopes for demand to recover in the second half of the year, and the recent efforts of Sri Lanka to strike Free Trade Agreements are seen as positive steps that can benefit all exports.

Source: fashionatingworld.com– June 01, 2023

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Budget 2024: Bangladesh to focus on sustaining economic recovery

Bangladesh is aiming to attain a gross domestic product (GDP) growth rate of 7.5 per cent in the next fiscal (FY24) as the country is expected to return to a higher growth trajectory by investing in productive sectors and stimulating productivity and domestic demand, finance minister AHM Mustafa Kamal said today. The focus would be on sustaining the economic recovery by successfully implementing the stimulus packages.

It will be impossible to keep the annual average inflation within the 5.6 per cent target in this fiscal, he said while presenting the national budget for fiscal 2023-24 worth over Tk 7.61 lakh crore in parliament today.

Average annual inflation is expected to stand at around 6 per cent, he said.

The Russia-Ukraine war situation had had the biggest impact on inflation, government spending, balance of payments, foreign exchange reserves and exchange rates, he noted.

Kamal said the government's success in dealing with the economic crisis and subsequent speedy recovery along with the protection of people's health in the COVID-19 situation has been globally appreciated.

To achieve the growth target, the government would gradually come out of the contractionary policy and invest in ongoing and new growth-inducing projects, he said.

For this, the budget for the next fiscal has set a higher target of raising the public investment to 6.3 per cent of the GDP, he said.

Developing the logistics sector and reforming financial management will reduce time, cost and complexity in investment and business processing, he said. As a result, private investment, which has decreased slightly in the current fiscal, is expected to rise to 27.4 per cent of the GDP in the next fiscal.

Source: fibre2fashion.com– June 01, 2023

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Pakistan: Italy keen in enhancing bilateral business

Italian Ambassador to Pakistan Andreas Ferrarese Thursday expressed hope that establishment of the Italian Trade Agency (ICE) office in Islamabad and assignment of the first Italian Trade Director to Pakistan would enhance trade cooperation between the two countries.

“I am pleased to share with you exciting news; that is the establishment of the Italian Trade Agency (ICE) office in Islamabad and the assignment of the first Italian Trade Director to Pakistan would be a major step towards enhanced trade cooperation between the two countries”, the ambassador said in his message on the upcoming celebration of 77th anniversary of the Republic Day, National Day of Italy. He told the APP “We shall continue to explore the avenues with a focus on agriculture, renewable energy, textiles, construction and tourism.

Collaboration in fields of textiles, agriculture, livestock, marble, pharmaceuticals, and mass manufacturing will help enhance Pakistan’s industrial scope and increase exports of value-added goods”.

Source: fibre2fashion.com – June 01, 2023

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NATIONAL NEWS

Fashion trends, product design, innovative packaging, high quality of goods and services and high exports to determine India's success story: Sh. Goyal

Union Minister of Textiles, Commerce & Industry, Consumer Affairs and Food and Public Distribution, Shri Piyush Goyal said that fashion trends, product design, innovative packaging, high quality of goods and services and high exports are going to determine India's success story in the future. He said this while chairing the 'National Workshop on Convergence of Five Institutes' held in New Delhi today.

The unique initiative to bring about convergence of the five institutes under the Ministry of Textiles and Commerce and Industry was initiated in 2022. The collaboration between five Institutes namely, Indian Institute of Packaging (IPP), National Institute of Fashion Technology (NIFT), National Institute of Design (NID), Footwear Design and Development (FDDI) and Indian Institute of Foreign Trade (IIFT), has the ability to build a more dynamic and integrated national design and business education ecosystem that benefits students, industries, and society as a whole.

The convergence will lead to integration of knowledge, techniques, and expertise from multiple fields will facilitate transdisciplinary integration among different unique institutions in tune with the objectives of the National Education Policy 2020.

Shri Piyush Goyal said that India's transformational journey since 2014 under the leadership of the Prime Minister Shri Narendra Modi is now recognised globally, and drew attention to Morgan Stanley research report which also recognizes how India has emerged as a key driver for Asian and global growth.

The Minister noted the recently released high GDP growth estimates for FY 2023-24 and attributed it to the visionary guidance of the Prime Minister. Shri Goyal said that these high estimates make every Indian proud as it's a recognition of the efforts made by the Government over the last 9 years across the world.

Shri Piyush Goyal appreciated the presentations given in the workshop by the participants and urged the concerned Ministries to work towards implementation of the ideas in the presentation within allocated timelines. He said that the ideas deliberated upon in the workshop must be given proper shape and implemented for effective utilisation of such workshops.

The Minister said that the National Education Policy 2020 aims to change the mindset pertaining to education by changing the curriculum and making it more inclusive and dynamic. He said that the Policy encourages critical thinking amongst the students to help them in their career. He said that the convergence initiative of the five institutes under the Ministry of Textiles and Commerce and Industry will not only strengthen the institutes but also the Industry academia partnership. He said that this will result in the institutes' success story being determined by minimal strict government interference as self sufficiency is the best module for success.

Shri Goyal said that higher intake must be explored in these institutions as there is a huge demand for designers, fashion specialists, etc. He said that the institutes must work towards developing skills related to finance, entrepreneurship, personality development, ability to face challenges in life, etc. amongst their students. The Minister also suggested that credit systems can be developed amongst these institutions to provide more flexibility for students to move from one institution to another and offer dual degree courses.

Shri Piyush Goyal highlighted the role played by the alumni of these institutions with respect to donation, faculty, mentorship, etc. He stressed upon the need to focus on better placements from these institutes. He also suggested enhanced engagement with the industry for better overall development of the institutes and also offering curriculum which can help the students in the workplaces.

A national workshop was organised by NIFT at New Delhi on 31st May and 1st June 2023. Academia, alumni and industry were invited by each of the institutes to deliberate through joint presentations followed by breakout sessions to go into the details of functionality of common ideas. The first day of the workshop was held at NIFT Campus in New Delhi and Union Minister of Textiles, Commerce & Industry, Consumer Affairs and Food & Public Distribution, Shri Piyush Goyal chaired the session on the second day of the workshop on 1st June 2023 at Vanijya Bhawan, New Delhi. The

session was attended by the senior officials from the Ministry of Textiles and Ministry of Commerce and Industry.

This initiative of convergence was to discuss and ponder upon common issues of these educational institutes such as placements, admissions, policies for students' welfare or ways to incentivize faculty and administration. The idea was to brainstorm and learn from each other's best practices and finding innovative ways to share infrastructure, faculty and international linkages.

Alumni and industry representatives were part of the exercise. The objective is to encourage convergence between the institutes in order to foster an industry-academia interface and build a global professional network through engagement with the alumni of these institutes.

The initiative of convergence can also be looked upon as the first step towards building synergies, asserting India's tremendous brain power and project our identity not just in terms of our traditional culture but also in terms of the tremendous progress we have made in terms of modernity in our professional education, competing with the best in the world, and training professionals in a multidisciplinary context.

These five institutes are specialized institutions and hold a unique place in professional education in the country. Some are known for design and some for their state of the art technology, however, each institute has a specific product/object orientation. The benefits due to convergence are Global competency, Knowledge sharing, Enhancing self-efficiency, Workforce development and Optimum usage of resources.

The five Institutes have held a series of online and offline meetings. Deliberations and work have been done to pave the path to achieve the following objectives: Convergence within Institutes, Student Promotional Schemes, Admission Process and Growth in student enrolment, Creating a Professional Network of Alumni and Industry-Academia Collaboration.

Source: pib.gov.in– June 01, 2023

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Negotiations for the Supply Chains (Pillar-II) Agreement substantially concluded during 2nd IPEF Ministerial Meeting

Negotiations for the Supply Chains (Pillar-II) Agreement were substantially concluded during the second in-person Indo-Pacific Economic Framework (IPEF) Ministerial Meeting held in Detroit on 27 May 2023, hosted by the US.

Once implemented, the Supply Chain Agreement is expected to bring in a number of benefits to India and the other IPEF partner countries. Some of the key benefits expected are: potential shift of production centres in key goods/critical sectors to India; bolstering of domestic manufacturing capacities; giving a boost to Aatmanirbhar Bharat and Production Linked Initiatives schemes; mobilization of investments especially in production of key goods, logistics services and infrastructure; deeper integration of India in the Global Supply and Value Chains particularly of Indian MSMEs; enhanced exports from India; upward mobility in the value chains; mitigation of risks of economic disruptions to India from supply chain shocks/adverse events; creation of a seamless regional trade ecosystem facilitating flow of Indian products; enhanced trade facilitation including through digital exchange of trade documentation, quicker port clearances; joint Research and Development; and workforce development.

India and other partner countries will continue to engage to ensure effective implementation of the Agreement so as to achieve the overall objectives of the Agreement which is to make IPEF supply chains more resilient, robust, and well-integrated, and contribute towards economic development and progress of the region as a whole.

The IPEF Supply Chains (Pillar-II) Agreement is one of the fastest ever concluded plurilateral economic cooperation Agreements. Under this Agreement, IPEF partner countries are seeking to: make supply chains more resilient, robust, and well-integrated through crisis response measures; cooperation for mitigation of the effect of disruptions to better ensure business continuity, and improve logistics and connectivity; promoting investments particularly in critical sectors and production of key goods; and worker role enhancement through requisite upskilling and reskilling, and increasing comparability of skills credentials frameworks across IPEF. It entails cooperative and collaborative efforts among the IPEF partners.

Source: pib.gov.in– June 01, 2023

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India's FY23 real GDP in estimated at ₹160.06 lakh cr

India's real gross domestic product (GDP), or GDP at constant (2011-12) prices, in fiscal 2022-23 (FY23) is estimated to be ₹160.06 lakh crore compared to the first FY22 revised GDP estimate of ₹149.26 lakh crore, according to the National Statistical Office (NSO). The growth in real GDP during FY23 is estimated at 7.2 per cent compared to 9.1 per cent in FY22.

Nominal GDP, or GDP at current prices, in FY23 is estimated to be ₹272.41 lakh crore compared to ₹234.71 lakh crore in FY22, showing a growth rate of 16.1 per cent.

GDP at constant prices in the fourth quarter (Q4) of FY23 is estimated at ₹43.62 lakh crore against ₹41.12 lakh crore in Q4 FY22, showing a growth of 6.1 per cent.

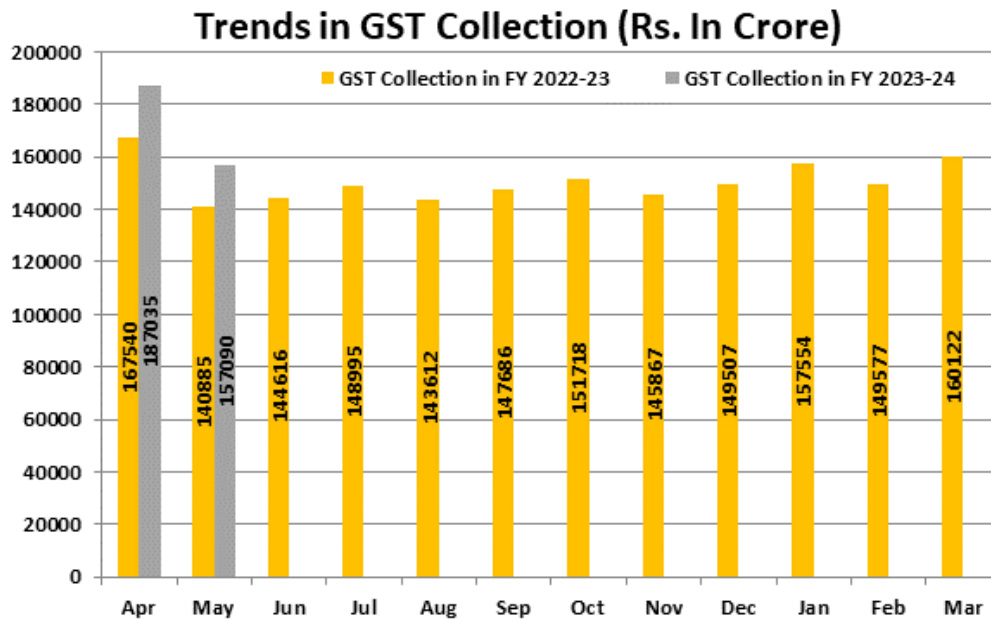
GDP at current prices in Q4 FY23 is estimated at ₹71.82 lakh crore against ₹65.05 lakh crore in Q4 FY22, showing a growth of 10.4 per cent.

Source: fibre2fashion.com– June 01, 2023

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₹1,57,090 crore gross GST revenue collected for May 2023; clocks 12% Year-on-Year growth

The gross Good & Services Tax (GST) revenue collected in the month of May, 2023 is ₹1,57,090 crore of which CGST is ₹28,411 crore, SGST is ₹35,828 crore, IGST is ₹81,363 crore (including ₹41,772 crore collected on import of goods) and cess is ₹11,489 crore (including ₹1,057 crore collected on import of goods).



The government has settled ₹35,369 crore to CGST and ₹29,769 crore to SGST from IGST. The total revenue of Centre and the States in the month of May 2023 after regular settlement is ₹63,780 crore for CGST and ₹65,597 crore for the SGST. The revenues for the month of May 2023 are 12% higher than the GST revenues in the same month last year. During the month, revenue from import of goods was 12% higher and the revenues from domestic transactions (including import of services) are 11% higher than the revenues from these sources during the same month last year.

The chart below shows trends in monthly gross GST revenues during the current year. [Click here for more details](#)

Source: pib.gov.in– June 01, 2023

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Global brands return to Indian garment market after a lull

Indian garment and apparel exporters can finally breathe a sigh of relief as global fashion brands have begun placing orders for the year-end sale in global markets, albeit slightly delayed.

Industry insiders attribute the building momentum to the “anti-China” feeling in the Western markets and the consequent shift in their buying to India. In 2022-23, India’s readymade garment exports amounted to \$16 billion, an increase of 1.09 per cent over the previous year.

A decline in orders was being faced by garment manufacturers, but things are improving. Even though the volume is not as huge as expected, the flow of orders means the apparel and garments should hit stores in markets such as the US and Europe for Christmas and New Year.

However, some of the companies are still in a ‘wait and watch’ mode as there is no clarity on orders among global customers, said sources.

Global brands such as Tommy Hilfiger, Nautica, Ross, Decathlon, Suburbia, Polo Ralph Lauren, and GAP are major customers for Indian garment exporters.

“We are expecting orders in June. While the US is positive, Europe still needs to improve,” said KM Subramanian, President, Tirupur Exporters’ Association.

N Chandran, Chairman and Managing Director of Tiruppur-based Eastman Exports, said, “Yes, the company has already started receiving orders as anticipated.” With revenues of ₹2,000 crore, Eastman Exports specialises in manufacturing knitwear, high-end apparel, and accessories for high-end global fashion brands.

The global economic slowdown, mainly in the EU, has impacted consumer spending, and demand for textile products (irrespective of the company) has declined. However, “it is a passing phase, and we are upbeat about the surge in demand for the next two years at least post the ongoing phase,” Chandran added.

The industry saw a fall in orders compared with the previous year. Large companies are expected to see a decline in turnover of the order of 10-30 per cent. Smaller companies have faced even greater difficulties.

P Sundararajan, CMD of Avinashi, Coimbatore-based SP Apparels, said the apparel industry has started doing well. Retailers are serious about transferring as much business as possible from China to India as they would see a lot of potential in India, he told analysts while discussing the company's annual financial results. "The anti-China thing is still very strong. And we are able to experience it," he added.

FTA talks

The free trade agreement (FTA) talks are still going on. According to information, by the end of June, it should be true for the UK and Canada. This development will be very much in favour of India, he said.

"Today, we are able to compete with duty-free countries like Sri Lanka, Bangladesh, and Pakistan. Despite India not being under FTA, we are able to compete with them. So, when the duty-free structure comes, definitely, there is a possibility that we can gain another 4-5 per cent cost advantage," he said.

According to Vidyuth Rajagopal, Managing Director of Chennai-based Celebrity Fashions, there were initial signs of excess inventory among brands during July and August 2022. The situation was very bad for India's export-oriented industry from November to February.

Rajagopal emphasised the importance of monitoring consumption figures from America during the crucial months of June, July and August. "I hope consumption continues at the same pace over the next 90 days and allows brands to clear inventory," he said.

Source: thehindubusinessline.com– June 01, 2023

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India's urban unemployment rate falls to 6.8% in Q4 FY23: Govt survey

India's urban unemployment rate declined to 6.8 per cent during the fourth quarter of the last fiscal (Q4 FY23) from 7.2 per cent in the preceding quarter, according to the 'Periodic Labour Force Survey' quarterly bulletin for January-March 2023 released by the ministry of statistics and programme implementation.

The unemployment rate was 8.2 per cent during January-March 2022.

Overall, unemployment rate in urban areas has seen a steady decline since January-March 2022.

Unemployment rate among urban male population declined to 6.1 per cent during the quarter compared to 6.5 per cent seen in Q3 FY23. The rate was 7.8 per cent during January-March 2022.

The urban female unemployment rate also fell to 9.2 per cent during the quarter—a decline from 9.6 per cent during the previous quarter. The rate was 10.1 per cent during January-March 2022.

The highest unemployment rate was witnessed in Himachal Pradesh for all age groups—15.2 per cent during January-March 2023. The second-highest rate of 12.5 per cent was recorded in Chhattisgarh. Jammu and Kashmir recorded the third-highest rate at 12.4 per cent.

For male population of all age groups, the labour force participation rate stood at 57.3 per cent during the quarter—a small increase from 57.2 per cent recorded in Q3 FY23, but a decline from 57.4 per cent in January-March 2022.

For female population of all age groups in urban areas, labour participation rate stood at 18 per cent during Q4 FY23—a small rise from 19.1 per cent in Q3 FY23. The figure was 17.3 per cent during January-March 2022.

Source: fibre2fashion.com- June 01, 2023

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