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83.32	91.64	105.91	0.57

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INTERNATIONAL NEWS

Chinese Official Calls for Closer Supply Chain Partnerships ‘With All Countries’

As the U.S. and its allies try to de-risk their supply chains by decoupling with China, Chinese Premier Li Qiang called for more cooperation from Western peers—many of whom are now implementing “China plus one” sourcing strategies or shifting away from the market entirely.

“We are willing to build closer production and industrial supply chain partnerships with all countries,” Li told attendees at the opening ceremony of the inaugural China International Supply Chain Expo (CISCE), adding that the international community must be “more wary of the challenges and risks brought about by protectionism and uncontrolled globalization.”

Li’s speech came less than a day after President Joe Biden first convened with his newly formed council on supply chain resilience, and two weeks after he met with Chinese President Xi Jinping in San Francisco. During that meeting, the heads of state agreed to resume military-to-military communications, reestablish the presidential hotline between Biden and Xi, and work to curb fentanyl production.

The expo, organized by the state-run China Council for the Promotion of International Trade (CCPIT), runs from Tuesday to Saturday, and is Beijing’s latest bid to increase foreign investment in China, which has dropped to historic lows.

In early November, China recorded its first-ever quarterly deficit in foreign direct investment (FDI), with direct investment liabilities running a deficit of \$11.8 billion during the July-September period. That marks the first quarterly shortfall since China’s foreign exchange regulator began compiling the data in 1998.

And this year, Mexico surpassed China as America’s top trading partner, with bilateral trade totaling \$263 billion during the first four months of this year, according to the U.S. Department of State.

The value of announced U.S. and European greenfield investments into China—meaning a company establishes a subsidiary in the country and invests in local facilities—dropped to less than \$20 billion in 2023, down drastically from a peak of \$120 billion in 2018, according to economic research firm Rhodium Group.

An annual survey by the U.S.-China Business Council conducted in June and July showed 35 percent of respondents have cut or paused their investments in China over the past year—a record high and far above the 22 percent who said that in last year’s survey. Of those that reduced or stopped these investments, 73 percent blamed an increase in costs or uncertainties from tensions with the U.S.

And when compared to just three years ago, 83 percent of the 117 respondents—two-thirds of which have operated in China for more than 20 years—said they were less optimistic of the current business climate in China.

Approximately 20 percent of the foreign companies exhibiting at the expo were U.S.-based, according to the CCPIT, with major tech firms including Amazon, Apple, Tesla, Intel and Qualcomm in attendance.

China’s concerns at the event come as fewer Chinese products are entering the U.S. Chinese imports into the U.S. in October totaled 886,842 20-foot equivalent units (TEUs), down 11.6 percent from their highs in August 2022, according to a recent report from Descartes Systems Group.

China represented 38.4 percent of total U.S. container imports in October, the Descartes report said, a decrease of 0.9 percent from September and down 3.1 percent from the high of 41.5 percent in February 2022.

Many apparel and fashion brands have been scrambling in recent years to eliminate goods and raw materials sourced from China from their supply chains, namely due to allegations of forced labor in the country’s Xinjiang Uyghur Autonomous Region (XUAR).

Under the Uyghur Forced Labor Prevention Act (UFLPA), U.S. importers bear the burden of proof that their products have not been produced either fully or partly in the region.

The fashion industry's moves appear to be making an impact. According to the Department of Commerce's Office of Textiles and Apparel (OTEXA), year-to-date textiles and apparel imports from China through September 2023 tumbled 18.8 percent to 22.6 billion square meters equivalent (SME). The total dollar value plummeted even further—26.8 percent—to \$19.2 billion.

Earlier this year, 40 percent of respondents to USFIA's annual Fashion Industry Benchmarking Study said they sourced less than 10 percent of their apparel products from China, up from 30 percent in 2022 and 20 percent in 2019.

On top of that, 61 percent said they no longer used China as their top supplier in 2023, up from 50 percent last year.

Geopolitical tensions including an ongoing trade war with the U.S. and concerns over a future Chinese invasion of Taiwan also have played a role in the supply chain shift. Since entering the White House in 2021, the Biden administration has kept in place Trump administration-imposed tariffs on Chinese imports.

Source: sourcingjournal.com— Nov 28, 2023

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UK, S Korea announce launch of negotiations to upgrade bilateral FTA

The United Kingdom and South Korea recently announced the launch of negotiations to upgrade their bilateral free trade agreement (FTA).

The first round of negotiations will commence in Seoul on January 22 next year, and further rounds of negotiations will be organised thereafter.

The announcement was made in a joint statement issued at the end of a meeting between Kemi Badenoch, UK secretary of state for the department for business and trade, and Bang Moon Kyu, South Korean minister of trade, industry and energy in London during the official visit of President Yoon Suk Yeol to the United Kingdom.

Negotiations will build on and improve the existing agreement, further promoting trade and investment between two like-minded nations and ensuring our growing trade and investment relationship continues to thrive, the joint statement said.

Both sides will work to agree on a new 'rules of origin' chapter that reduces the costs businesses face when exporting and recognises existing and future supply chains, enabling United Kingdom and Korean industries to take full advantage of the FTA.

Both the countries will work towards a modern and comprehensive digital chapter, which will future proof their trade relationship by including elements that facilitate more efficient and secure trade through the use of digital technologies, ensure free and trusted cross border data flows, avoid unjustified data localisation requirements and prohibit customs duties on electronic transmissions, including content transmitted electronically.

Both sides also committed to deepening and broadening cooperation across a range of emerging trade agendas.

Both will work towards content related to supply chains that will facilitate further integration between the economies of both sides and ensure customs procedures are as predictable and streamlined as possible.

Cooperation on energy will seek to help deliver against their respective climate change ambitions. Support for small and medium-sized businesses will aim to maximise the utility of the new agreement.

Source: fibre2fashion.com– Nov 28, 2023

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China-Malaysia firm to invest \$14.5 mn for mattress factory in BEPZA

Vernon & Oliver Furniture Company Limited, a China-Malaysia owned company, is set to invest \$14.55 million in the Bangladesh Export Processing Zones Authority (BEPZA) to produce mattresses. This company will be the first mattress manufacturing industry among the export processing zones (EPZs) and BEPZA EZ.

An agreement to this effect was recently signed between BEPZA and Vernon & Oliver Furniture Company Limited at BEPZA Complex, Dhaka. The new factory will produce 1.8 lakh pieces of spring mattress and foam mattress annually. The venture will provide employment opportunities to around 600 Bangladeshis, BEPZA said in a press release.

BEPZA has encouraged investors to produce diversified products in order to reduce the single dependency on garments. The authority has so far approved a total of 24 enterprises including this one to establish industries in BEPZA EZ and most of them will produce diversified products. The total proposed investment of these enterprises is \$510.2 million.

Source: fibre2fashion.com– Nov 28, 2023

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Canada Goose Extends Manufacturing Footprint to Europe

Canada Goose now controls a clothing manufacturer on European soil.

The Toronto-based luxury parka purveyor has famously produced most of its wares close to home in Canada, where it runs seven production facilities north of the border. Now, the acquisition of Paola Confectii Manufacturing's operating assets gives Canada Goose tighter control over its knitwear offerings, which the six-year-old Romanian supplier has helped produced for the Inuit champion since 2017.

Though parkas propelled Canada Goose to celebrity acclaim, the brand is banking on a broader array of lifestyle offerings for growth. That's why the company spent the past several years funneling resources into categories such as clothing beyond its famous cold-weather jackets, plus footwear to complete the look. In an era when many apparel companies are content to contract with their factories, Canada Goose has a proven track record of keeping suppliers close. That's why it acquired Baffin, the Ontario shoe manufacturer, three years before unveiling its first foray into footwear back in 2021.

The deal for Paola Confectii is straight out of this playbook. Working with the producer for the past six years gave Canada Goose plenty of time to take a good look under the hood and gain the confidence to cement the relationship.

Canada Goose chairman and CEO Dani Reiss said as much in a statement on Tuesday.

"Our vertically integrated supply chain has always been one of our core competencies," he said. "This strategic investment advances our renowned manufacturing infrastructure and validates the performance luxury brand we are today. It also demonstrates the confidence we have in our emerging categories and our plans to develop these categories into even more meaningful contributors to our business."

Paola Confectii is the manufacturing talent behind Canada Goose's HyBridge Knit Jacket, the men's and women's merino wool bestseller that goes for a cool \$750. Knitwear is key to the firm's apparel business, which added more than \$70 million in sales for the company's fiscal 2023; the

transaction suggests the category will produce even bigger numbers in the near future. Canada Goose believes the “closer partnership” with the European maker will “enhance product margins and supply control while deepening in-house product expertise.”

Canada Goose didn’t disclose the deal’s financial terms. General manager Giannino Lessi and technical director Paola Zaffalon will remain in charge of Paola Confectii, which will continue operating as usual. Open Supply Hub data suggests that the manufacturer has previously supplied brands including Benetton and Another Tomorrow.

In February, Canada Goose outlined the three pillars propping up its five-year growth strategy. It aims to attract more women and Gen Z consumers, more than double its retail footprint while enhancing digital, and execute in areas of opportunity, including rainwear, apparel, footwear, eyewear, luggage and home.

“As we grow, we will expand our categories, geographies and capabilities with a keen eye toward investing where we see a high return, protecting our brand and delivering high quality, profitable growth,” Reiss said at the time. “As I look at the next five years, I am confident in our long-term financial plan, introduced today, to reach \$3 billion in revenue, and an adjusted EBIT margin of 30 percent through the execution of our three strategic growth pillars.”

Source: sourcingjournal.com– Nov 28, 2023

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New policy could boost cheap wool imports in New Zealand

Greg Smith, CEO of Bremworth, suggests the recent New Zealand government directive mandating the use of woolen fibers in buildings might encourage the influx of inexpensive imports from the UK and other nations, potentially posing challenges for local sheep owners.

Smith believes, this shift could result in a doubling of wool prices in New Zealand, presenting both opportunities and risks. While addressing conflicts in global perceptions of New Zealand's sustainability practices, it may also contradict its established image as a major wool producer worldwide.

Moreover, the directive could instigate a transformative change in the farming landscape, attracting new participants to the market. This change could particularly benefit numerous tenants in New Zealand's public housing, facilitating the construction of their homes.

Smith also anticipates that this move could stimulate increased investments in research and development, fostering the production of sustainable construction materials. Additionally, the government policy is expected to significantly diminish the volume of plastic waste entering landfills, encouraging investments in the development of new materials and alternatives to synthetics.

Source: fashionatingworld.com– Nov 28, 2023

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Maldives signs trade, economic cooperation agreement with Turkiye

Maldives and Turkiye recently signed an agreement on trade and economic cooperation in Ankara as visiting Maldivian President Mohamed Muizzu met his Turkish counterpart Recep Tayyip Erdogan.

Maldivian economic development minister Mohamed Saeed and Turkish trade minister Omer Bolat signed the agreement in the presence of the two presidents.

This is Muizzu's first official visit abroad as president.

The two presidents reviewed progress in wide range of collaboration areas and agreed on a road map for expanding cooperation.

Muizzu noted that the strong partnership between the two sides will be expanded to new areas, including trade, investment, renewable energy and higher education, an official release from the Maldivian government said.

Source: fibre2fashion.com– Nov 29, 2023

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Turkiye's ITM 2024 Exhibition activates online invitation system

The International Textile Machinery (ITM) 2024 Exhibition, which will host textile technology leaders in Türkiye, will open its doors to visitors between June 4–8, 2024. The online invitation system for the event has been activated, which will facilitate the participation of hundreds of manufacturers from all over the world including global sector investors and trade delegations. Visitors will be able to buy online invitations at advantageous prices of up to 50 per cent until December 31, 2023.

Visitors must first log in to the designated website and fill in the visitor information form. After the registration process, an e-invitation will be sent by e-mail. With this e-invitation, the visitors will be able to enter the ITM 2024 Exhibition without waiting in line by taking their badge at the entrance of the fairground, organisers TUYAP, Textile Machinery and Accessories Industrialists Association (TEMSAD), and Teknik Fuarcilik said in a joint press release.

After ITM 2022, which hosted 1,280 companies and 64,500 professional visitors from 102 countries, attention shifted to ITM 2024, which will break records with the number of exhibitors and visitors. ITM 2024 will be held at the Tuyap Fair and Congress Center in Türkiye.

Visitors to ITM 2024, where innovations from every field of textile from weaving to knitting, yarn to digital printing, finishing to denim will be exhibited, will discover innovative, nature-protecting, pioneering technologies in digitalisation for a sustainable future.

Company owners, managers, employees, and sector representatives who visit ITM 2024 will have the opportunity to see the latest technological innovations for the first time and 'touch the firsts'. Company owners who will be able to get information from experts about the technologies they will use in their factories will develop their products and direct their investments.

Source: fibre2fashion.com– Nov 28, 2023

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Vietnam adapting to trade defense to go global

The Trade Remedies Authority (Ministry of Industry and Trade) has informed about the recent lawsuit notice against warm-water shrimps imported to the US from Vietnam. Due to a large number of direct subsidy programs that they are enjoying (e.g. corporate income tax incentives, exemption of receivables, land rent exemption and reduction incentives export promotion and investment support programs, agricultural insurance premium support), these products are severely harming the domestic shrimp production industry there.

In October 2023, the Department of Commerce of the US, Turkey, and Indonesia carried out trade defense investigations on a quantity of imported merchandise from Vietnam like the anti-dumping one on extruded aluminium and products from imported aluminium, welding wire products made of base metals, and on textile products.

Chairman Vu Duc Giang of the Vietnam Textile and Apparel Association commented that domestic exporting companies are now facing not only trade defense lawsuits but also green trade barriers imposed by international markets such as regulations on greening manufacturing procedures, reducing fossil fuel consumption, recycling production waste, and using eco-friendly materials.

“Since the beginning of this year, over 3,000 textile enterprises in Vietnam have had to close as they could not satisfy requirements on greening their manufacturing process. Even large-scale companies find trouble upgrading their production technologies while handling their orders. This means the new rules in the export market are extremely harsh”, said General Director Pham Van Viet of Viet Thang Jeans Co. Ltd.

To better adapt to the new situation, the Ministry of Industry and Trade has directed the Trade Remedies Authority to closely monitor the markets and timely provide requested documents to the nations carrying out trade defense investigations.

Deputy Minister of Industry and Trade Do Thang Hai shared that many businesses have not been well-prepared for such lawsuits, nor have they stored sufficient legal documents for their manufacturing process, leading to their passiveness when being sued. As a result, an extremely high rate

of trade defense tax of up to 400 percent has been imposed on certain merchandise.

The good news is many companies are now better prepared, with their own judicial departments to specifically take care of such situations, and win the game to escape that tax.

Chairwoman of LNS International Corporation Nguyen Thi Kim Huyen commented that Vietnamese products when entering the markets of the US or European nations have encountered various obstacles, stemming from low price competitiveness. A long geographical distance leads to disadvantages of shipping time and cost, not to mention difficulties in product preservation, especially agricultural merchandise with no artificial preservatives.

To successfully export Vietnamese products, businesses have to ensure standard packaging with sufficient information on nutritional ingredients in the target language, along with warning information about products if any.

As to state management on this matter, many companies voiced that the tardiness in launching the national e-commerce trading floor is the main reason why domestic businesses lose valuable opportunities to expand their market. They themselves have to seek ways to connect to renowned e-commerce trading floors like Amazon, TikTok, or Walmart for their own channel there. But these are not formal national ones, leading to trouble in authenticating brand names and limited chances to approach potential customers worldwide.

“The purchasing trend of global partners at present is through e-commerce trading floors. Hence, the earlier the national trading floor is introduced, the more effective it is to help domestic companies to increase their export market share”, said General Director Pham Van Viet.

In related news, on November 27, the Ministry of Industry and Trade organized the Vietnam-EU Trade Forum under the theme ‘Sustainability – the Pathway to Create Future Value Chains’. Head Ta Hoang Linh of the European-American Market Department (under the Industry and Trade Ministry) shared that exporting goods to European markets is becoming more challenging due to new technical barriers.

Such important regulations as the Border Carbon Adjustment Mechanism (CBAM), EU Deforestation Regulation (EUDR), and the Corporate Sustainability Due Diligence Directive (CSDDD) will have significant impacts on trading activities between Vietnamese businesses and their EU counterparts. Drastic adaptation measures must be applied for domestic companies to survive there.

Source: vietnamnet.vn– Nov 28, 2023

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Extend refinancing facility to textiles, BTMA urges Bangladesh Bank

Mohammad Ali Khokon, President of the Bangladesh Textile Mills Association (BTMA), has called on Bangladesh Bank to extend its refinancing facility to the textile industry, aiming to facilitate its modernization.

The Central Bank introduced a TK 10 billion refinancing scheme in 2021 to modernize and enhance the country's export-oriented sectors. This scheme offers loans at a rate of 5 to 6 percent for a period of three to ten years, with a grace period of one year.

BTMA has also urged the commerce ministry to include the country's textile sector in the new export policy for 2023-26. The current Export Policy for 2021-24 prioritizes denim, MMF, home textiles, décor, terry towels, and recycled products, overlooking crucial sectors like spinning, fabric manufacturing, dyeing, printing, and finishing.

The primary textile sector in Bangladesh has seen an investment of approximately \$16.00 billion, contributing around 13 percent to the country's GDP. According to BTMA data, this sector generates over 84 percent of the country's export earnings. The export earnings for the fiscal years 2018-19, 2019-20, 2020-21, 2021-22, and 2022-23 amounted to \$21.9 billion, \$18 billion, \$20.9 billion, \$28.8 billion, and \$31.03 billion, respectively.

Source: fashionatingworld.com– Nov 28, 2023

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Bangladesh aims to diversify UK exports & reduce RMG reliance

Diversification of export goods to focus on the UK consumer market, export of skilled manpower and leveraging the China Plus One policy were the key topics of a recent dialogue between representatives of a Bangladesh trade federation and the Bangladesh high commission in the United Kingdom.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) president Mahbul Alam led a business delegation to London and met Saida Muna Tasneem, Bangladesh's high commissioner there.

Both sides reaffirmed their commitment to collaborate in expanding of exports to the UK market.

Alam said dependence on the readymade garment sector should be reduced and opportunities in agricultural products, leather goods, jute products, flowers and fruits should be explored, Bangladesh newspapers reported.

Non-garment products are being identified for exported to the United Kingdom, he said, requesting more cooperation from the high commission in attracting foreign investors and raising the country's export revenues.

Around 91 per cent of Bangladesh exports to the United Kingdom last year come from readymade garments, Tasneem said.

Source: fibre2fashion.com– Nov 28, 2023

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NATIONAL NEWS

China mysterious disease outbreak: Indian exporters fear likely impact

Amid the looming threat of a medical emergency due to a spike in respiratory illness cases in China, Indian exporters are closely monitoring the situation and are apprehensive about the potential repercussions on trade if the situation worsens.

Considering that China is India's largest import partner and several industries depend on raw materials from the neighbouring country, a further deterioration in the situation could adversely affect trade. This concern is particularly telling at a time when global trade has slowed due to ongoing geopolitical tensions and macroeconomic factors, such as high inflation.

China is also India's fourth-largest export destination.

The surge in China's respiratory illness became a global issue last week when the World Health Organization sought more information about China, citing a report on clusters of undiagnosed pneumonia in children by the Program for Monitoring Emerging Diseases (ProMED), news agency Reuters reported on Tuesday.

To compound the issue, China, the world's second-largest economy, is already slowing down and grappling with a crisis in its real estate market. Ajay Sahai, director-general and chief executive officer of the Federation of Indian Export Organisations, said that the situation in China is a serious cause for concern, given that global trade is already facing numerous headwinds.

"The intensity and spread of the disease are on exporters' minds, particularly in sectors such as iron and steel, aluminium, copper, steel, marine, and certain agricultural commodities," Sahai said.

Arun Garodia, chairman of Engineering Export Promotion Council India, stated that if the situation in China is not contained soon, India's trade with China will start being affected as early as next month.



“The Chinese economy has not been doing well, evident from a decline in our exports to the country. As far as engineering goods are concerned, both exports and imports may be impacted since several machinery and industrial equipment are imported from China,” Garodia explained.

Similarly, the textile sector may also be negatively impacted, as pigments, paint tools, and other items are imported from China, according to industry officials.

While engineering exports jumped 7.2 per cent year-on-year to \$8.1 billion in October, outbound shipments to China witnessed a 6.4 per cent contraction to \$213 million. On a cumulative basis, exports of such products to China declined by nearly 3 per cent to \$1.4 billion in April-October, according to government data.

During the first seven months of the current financial year (2023-24), India imported goods worth \$60 billion from China, down 0.4 per cent compared to the same period a year ago. As for exports, they increased by 0.8 per cent to \$8.9 billion.

Key exports to China include coffee, cereals, petroleum products, copper, and cotton, among other items. Key imports include machinery, plastics, chemicals, and textile-related items.

Source: business-standard.com– Nov 28, 2023

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Home textile players are pinning hopes on festive fervour in FY2024

Home textile players may have reasons to rejoice in FY 24 amid signs of recovery in major markets such as the US.

Rating agency ICRA expects four big players to report a 7-8% year-on-year increase in revenues to Rs 215 billion for FY2024, with an expected recovery in demand conditions and restocking by big retailers from the US market to realign their inventory levels. The four listed home textile companies in ICRA's sample are Welspun, Trident, Himatsingka and Indo Count, accounting for about 35–40% of domestic textile exports.

KK Lalpuria, Executive Director & CEO, Indo Count Industries, says they are optimistic about the prospects for demand recovery and a significant uptick in FY 24. “The sustained 58% share in the US market during the initial months of FY 24 indicates a continued strong foothold. This consistency is a positive indicator, hinting at a stable demand trajectory,” he says.

Lalpuria anticipates premium and sustainable home textile products would be poised for brisk business in the upcoming period. Conversely, they foresee more moderate sales in conventional, mass-produced textile products. “While there will always be a market for standard offerings, the discerning consumer base is showing a greater inclination towards unique, value-added products.

Hence, focusing on differentiated and environmentally conscious products allows us to stay ahead of market trends and cater to changing consumer demands,” he adds.

India's home textile exports reported a double-digit decline of 18% and 12% in FY2023 and 4M FY2024, respectively, amid high raw material expenses and energy inflation, coupled with a muted demand scenario in the US and the EU markets.

The US remains the largest market for Indian home textile exports, with a 56% share in FY2023 and 58% share in 4M FY2024. Given the high dependence on the US market, the strength in retail sales there remains a key demand driver for Indian exporters.

The US retail inventory levels for furniture, home furnishing, electronics and appliance stores have come down from CY2022 levels, with destocking being almost over for the big retailers.

ICRA, thereby, expects retailers to start buying in the subsequent months to restock their inventory and improve the home textile players' order book position as well as revenues for FY2024.

Kaushik Das, Vice-President & Co-Group Head, Corporate Sector Ratings, ICRA, says, "As our channel checks indicated, with the festive orders coming in from Q2 FY2024, the order book position is estimated to have improved for home textile exporters.

The long-term growth prospects of the sector are encouraging, with the Government of India's promotional steps (including the proposed FTAs with the UK and the EU, along with the FTA agreements signed with Australia and the UAE) and the longer-term benefit of China Plus One shift in textiles sourcing by big retailers."

According to ICRA, the product-wise breakup of the home textiles exports indicates that value-wise, bed, table, toilet, kitchen linen remains the largest product category in exports with 32-33% share in FY2023 and 4M FY2024, followed by carpets & floor coverings with 31% share in FY2023 and 4M FY2024.

Moreover, the credit rating agency says as raw material costs account for 55-60% of the total operating cost for home textile exporters, the increase in yarn prices has exerted some pressure on their profitability in FY2023. "Indian cotton yarn prices had averaged 19% higher in FY2023 compared to the past five-year average.

However, between April and September 2023, average cotton yarn prices were 25% lower than the average cotton yarn prices in FY2023. This has eased cost side pressures for home textile exporters," it states.

Overall, the agency expects 250-350 bps improvement in home textile exporters' operating margins, to 14.5-15.5% in FY2024, with rationalisation in raw material costs and benefits from a higher scale trickling in.

Attesting to such trends, Lalpuria says the recent trend of a 25% decrease in average cotton yarn prices between April and September 2023, as compared to the elevated levels witnessed in FY2023, is expected to alleviate cost-side pressures for home textile exporters within the industry.

He, however, advises that this development be seen more prudently. “Other contributing factors such as transportation costs, global trade dynamics, and any potential fluctuations in demand also need to be kept in consideration. While the decrease in cotton yarn prices is a positive signal, navigating the overall cost landscape requires a holistic strategy that considers various elements impacting the industry,” he adds.

Source: economictimes.com– Nov 28, 2023

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Mechanism to file appeals under GST amnesty scheme now available on GST portal

The Finance Ministry has come out with a detailed procedure for filing an appeal under the amnesty scheme for GST assesses. Officials expect that this scheme will facilitate a large number of taxpayers who could not file appeals in the past within the specified time period.

Based on the recommendation, a notification was issued on November 2. Now, the GST Network has provided the mechanism to implement amnesty for taxpayers who could not file an appeal under section 107 of the CGST (Central Goods and Services Tax) Act, 2017, against the demand order under section 73 or 74 of the CGST Act, 2017, passed on or before March 31, 2023, or whose appeal against the said order was rejected due to not being filed within the specified time frame.

Taxpayers can now file an appeal in FORM GST APL-01 on the GST portal on or before January 31, 2024, for the order passed on or before March 31, 2023. Furthermore, the taxpayers have been advised to make payments to entertain the appeal by the Appellate officer.

The GST Portal allows taxpayers to choose the mode of payment (electronic credit/cash ledger). Under this mechanism, payment of pre-deposit amount of 12.5 per cent of the tax under dispute needs to be made, of which at least 20 per cent (i.e., 2.5 per cent of the tax under dispute) should be debited from the electronic cash ledger.

Furthermore, the office of the Appellate Authority will check the correctness of the payment before entertaining the appeal, and any appeal filed without proper payment may be dealt with as per the legal provisions.

If a taxpayer has already filed an appeal and wants it to be covered by the benefit of the amnesty scheme, they would need to make differential payments. The payment should be made against the demand order using the “payment towards demand” facility available on the GST portal.

Taxpayers who have previously filed an appeal, but it was rejected as time-barred in APL-02 by the Appellate authority, would be able to refile the appeal. However, if the taxpayers face any issue while re-filing APL-01, a ticket shall be raised on the Grievance Redressal Portal.

If the Appellate authority has issued a rejection order due to the appeal application being time-barred, the taxpayer has to approach the respective Appellate authority office well in advance to comply with the dates in the said notification. The Appellate Authority, after checking the eligibility of the taxpayer for the amnesty scheme, will forward the case to GSTN through the State Nodal Officer.

Also, it is important to note that for APL-04 issued cases, no direct representations will be entertained by GSTN or through the Grievance Redressal Portal. APL-04 issued cases must be compulsorily forwarded through the State Nodal Officer. After receiving the case from the State Nodal Officer, GSTN will enable the taxpayer to file an appeal against the concerned order.

Source: thehindubusinessline.com– Nov 28, 2023

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MSMEs seek review of MDA policy

Ahmedabad: Gujarat-based MSME units, which participate in different exhibitions, are facing difficulties in getting subsidy under the market development assistance (MDA) policy.

The district industries centres (DICs) process the applications submitted by MSMEs, however the grant amounts often fall significantly short of the requested subsidies. The GCCI has also raised the issue with the state government.

In a letter to the industries department recently, the Gujarat Chamber of Commerce and Industry demanded that the assistance should be given in time.

A senior member of the GCCI said, “We have received representations from our member units regarding the subsidy allocation for exhibitions under the MDA policy.

The grant amounts often fall short. This has persisted for the past two years, causing distress among MSMEs and the DICs.”

“During the October-December 2022 quarter, various DICs submitted requests for Rs 11.31 crore in subsidies. However, only Rs 4.37 crore has been granted. As a result, DICs have increasingly been reluctant to process claims, leading to a backlog,” he added.

Gujarat-based chemicals, textiles, plastics, engineering sector companies participate in various national and international exhibitions and get significant orders. The industry has been demanding a review of the subsidy-allocation process under the MDA policy.

Source: timesofindia.com– Nov 28, 2023

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E-commerce volumes surge by 23% during Black Friday sales: Unicommerce

Black Friday, an American retail tradition, has firmly cemented its place in the Indian market as a major e-commerce sales event. Consumers are extending their post-Diwali shopping spree to benefit from Black Friday and related sales like Cyber Monday.

There has been a sharp 23 per cent increase in e-commerce order volumes compared to the Black Friday sale weekend of 2022, according to e-commerce tech firm Unicommerce. This data is based on the analysis of the orders processed on its platform.

E-commerce firms, retailers, and marquee brands are enticing customers with deals that were previously exclusive to Diwali. The sales and discounts were available both online and offline for Black Friday on November 24 and Cyber Monday soon after.

The Black Friday weekend brought cheers for online sellers. Over 8.5 million order items were demanded on the Unicommerce platform during the 2023 Black Friday sale weekend. Unicommerce received an average of 1,500 orders of item demand every minute. More than 10 sellers received demand for over 100,000 order items during the four-day weekend, and over 100 sellers received demand for more than 10,000 order items through the Unicommerce platform.

The Black Friday surge was not limited to metro cities alone. Tier-III cities reported the highest growth of 43 per cent, followed by 19 per cent growth for Tier-I cities and 16 per cent in Tier-II cities, according to Unicommerce.

Fashion and beauty products maintained their status as dominant categories during the Black Friday sale, continuing to attract a significant portion of consumer interest.

Additionally, there was a noticeable uptick in volumes for fast-moving consumer goods and eyewear segments, indicating a diversification in consumer preferences during the sales season.

Tata Group's e-commerce venture Tata CLiQ, lifestyle platform Tata CLiQ Luxury, and beauty business Tata CLiQ Palette had a plethora of attractive offers for the Black Friday Sale. Apart from offers on global and Indian brands across categories, the platforms also expanded their assortment with the introduction of new brands and collections.

“At Tata CLiQ, the footwear category has grown from the previous year during this sale. In addition, western and winter wear in the apparel category has done very well,” said Gopal Asthana, chief executive officer, Tata CLiQ.

“Tata CLiQ Luxury saw significant growth in categories like eyewear, home, and watches. Apart from these, Indiluxe, a boutique offering premium and luxury home-grown brands across categories, witnessed over 100 per cent growth.”

Asthana said that Tata CLiQ Palette also had a successful Black Friday sale, with products in the skincare, fragrances, and make-up categories being popular purchases.

Queries to e-commerce firms Amazon and Flipkart to share insights about such sale events remained unanswered.

While during the Diwali festival sales, marketplace growth outpaced direct-to-consumer brands, the trend was reversed during the Black Friday weekend.

Brand websites reported robust growth, with order volumes rising by 28 per cent during the weekend, according to Unicommerce. The marketplaces reported a relatively lower growth of 19 per cent. The growing popularity of Black Friday has made it a crucial sales period for both online marketplaces and individual brands in India.

During the Black Friday and Cyber Monday promotions, NeceSera, an eco-friendly loungewear brand, experienced a surge in sales, boasting a 172 per cent increase compared to the previous year.

“Notably, the upswing in customer spending was noticeable, particularly in Tier-I cities, showing a 1.5x increase, while Tier-II cities like Guwahati, Vadodara, Jaipur, etc, witnessed a substantial 2x surge in sales,” said Riddhi Jain, founder and chief executive officer (CEO), NeceSera.

“Interestingly, Tier-II cities exhibited notably higher average order value compared to Tier-I cities, unlike the trend throughout the year.” Jain said the growing popularity of the Black Friday weekend in India stems from customers saving on categories often missed during the bustling festival season.

Mini Sood Banerjee, assistant director and head of marketing, Amorepacific Group (India), the South Korean cosmetics brand, said that Black Friday stands out as the most widely embraced sales event in both the US and across the globe. Its influence has extended to India, providing Indian consumers with the opportunity to indulge in discounts on their favourite brands.

“The strategic timing of this sale, coinciding with Diwali, has led to a noticeable increase in sales. This year, our outreach for Laneige (cosmetics brand) has surpassed that of the previous year,” said Banerjee.

“Collaborating with influencers for Nykaa Pink Friday, we successfully reached a broader audience, introducing Laneige to new consumers.”

Anchit Nayar, executive director and CEO, Nykaa Beauty, said that Nykaa’s flagship Pink Friday sale is witnessing tremendous customer engagement.

“With leading international brands offering deals for the very first time, we are thrilled to be the ultimate beauty destination for millions of consumers online and across our 165 stores,” said Nayar.

“From luxury international cult favorites to home-grown bestsellers, Pink Friday promises to cater to all kinds of beauty shoppers, further solidifying Nykaa’s position as a premier destination for unparalleled beauty experiences.”

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