स्वच्छ भारत
एक कदम स्वच्छता की ओर
TEXTILE INTELLIGENCE CENTRE
IBTEX
INFORMATION BUREAU
TEXPROCIL
TEXPROCIL NEWS CLIPPINGS
An ISO 9001:2015 CERTIFIED COMPANY
ISO 9001:2015
TÜVRheinland CERTIFIED
www.tuv.com ID 9105079408

The Cotton Textiles Export Promotion Council (TEXPROCIL)
Engineering Centre, 5th Floor, 9, Mathew Road, Mumbai 400004. Maharashtra State. INDIA
W. www.texprocil.org E. ibtex@texprocil.org T. +91-22-23632910 to 12 F. +91-22-23632914

IBTEX No. 90 of 2024 June 04, 2024

Currency Watch			
USD	EUR	GBP	JPY
83.49	91.01	106.85	0.54

INTERNATIONAL NEWS	
No	Topics
1	Global home textile market to reach $195.3 billion in 2032
2	Global textile market to grow by $346.05 billion from 2024-28: Report
3	China's cotton yarn imports fall back in Apr 2024
4	US' scrutiny of Chinese imports & tariffs threaten inflation battle
5	Singapore Port Congestion Sparks 7-Day Delays Amid Red Sea Fallout
6	New Zealand to sign Indo-Pacific economic framework agreements
7	Global online retail sales to grow at CAGR of 8.9%: Report
8	New Report: Reimagining the Apparel Value Chain amid Volatility
9	The evolving retail landscape, decoding consumer trends in a post-pandemic world
10	Italian textile machinery sector eyes Turkmenistan's growing market

DISCLAIMER: The information in this message be privileged. If you have received it by mistake please notify "the sender" by return e-mail and delete the message from "your system". Any unauthorized use or dissemination of this message in whole or in part is strictly prohibited. Any "information" in this message that does not relate to "official business" shall be understood to be neither given nor endorsed by TEXPROCIL - The Cotton Textiles Export Promotion Council.

11	Vietnam's manufacturing sector shows slight improvement in May
12	Introduce new policies during Budget 2025, urges BGMEA
13	Bangladesh's new Customs Act 2023 set for June 6 rollout
14	Bangladesh-Italy trade tops $3b in 2023: Industries minister
15	Pakistan: Cotton market remains sluggish on low Phutti arrival

NATIONAL NEWS

No	Topics
1	DBS retains India GDP growth forecast at 7% for FY24-25
2	Indian textile industry urges immediate reforms as Modi eyes 3rd term
3	Centre to fund 150 startups with ₹50 lakh each for developing advanced technical textiles
4	CBIC issues instructions for initiating early GST recovery
5	Minister urges farmers to buy cotton seed from authorised dealers only
6	Lucknow gears up for an international business conclave on June 15-16
7	As retail sales growth slow, retailers to cut deep discounts to drive profits

INTERNATIONAL NEWS

Global home textile market to reach $195.3 billion in 2032

Driven by evolving consumer preferences, sustainability concerns and technological innovations, the global home textile market is poised for substantial growth According to IMARC Group's latest report, the market reached a value of $125.6 billion in 2023 and is expected to grow at a CAGR of 5.02 per cent from 2024 to 2032, reaching $195.3 billion by 2032.

A key driver of this growth is the increasing focus on personalized living spaces. With rising disposable incomes, homeowners are investing in high-quality home textiles to create environments that reflect their personal style while providing comfort and functionality. This trend extends beyond mere aesthetics, encompassing eco-friendly and technologically advanced textiles that align with broader societal shifts towards sustainability and innovation.

Sustainability has become a cornerstone in the home textile market, with consumers showing a growing preference for eco-friendly materials and ethical production practices. This demand has spurred innovation in recycling, organic materials, and sustainable sourcing, as manufacturers strive to reduce the carbon footprint of their products.

Technological advancements are also revolutionising the industry, enabling manufacturers to produce high-quality, durable, and innovative textiles at a faster pace and lower cost.

Technologies such as 3D printing, automated weaving machines, and AI-driven design tools are enhancing efficiency and customization options, leading to textiles with enhanced functionalities like improved fabric strength and water resistance.

Among product segments, bed linen holds the largest share in the market due to its essential role in everyday comfort and the frequent need for replacement or upgrade. Polyester emerges as the dominant fabric segment, valued for its durability, ease of maintenance, and versatile aesthetic appeal.

Offline channels currently dominate distribution, as consumers prefer to assess the quality and texture of textiles firsthand. However, the market is experiencing a surge in e-commerce, providing consumers with easier access to a wide range of products from around the world.

In terms of regional breakdown, Asia Pacific emerges as the largest market, driven by its expansive population, rising disposable incomes, and the growing influence of local and traditional textile designs.

In conclusion, the global home textile market is undergoing significant transformation, fueled by rising consumer spending on home renovation, sustainability concerns, technological advancements, and the expanding reach of e-commerce platforms.

Source: fashionatingworld.com– June 03, 2024

HOME

****

Global textile market to grow by $346.05 billion from 2024-28: Report

The global textile manufacturing market is poised to grow at a CAGR of 4.52 per cent or by by $346.05 billion from 2024-2028. As per a market research report by Technavio titled, 'Global Textile Manufacturing Market 2024-2028, most of this growth will be driven by the integration of automation in the textile manufacturing processes.

Automated machinery continues to enhance the quality and efficiency of textile production across various stages, including fiber and yarn manufacturing, weaving, and dyeing. As producers adopt modern technologies in order to boost productivity and quality, traditional methods like spinning and weaving are being supplemented with advanced techniques. Improved finishing processes are resulting in textiles with better durability and comfort.

Sustainability remains the key focus as manufacturers introduce new initiatives to reduce waste and enhance efficiency. Adoption of sustainable materials like polyesters, silks, wools, linens, rayons, acrylics, and nylons is on the rise currently.

Small and medium-sized enterprises (SMEs) are facing significant barriers due to the high initial costs of modern machinery. This financial hurdle impedes the adoption of advanced technologies, potentially stalling industry-wide progress and innovation. Industry leaders can mitigate this challenge by introducing more financing options and government incentives, and entering into new collaborations to support SMEs in acquiring sophisticated textile machinery, says the report.

Producers continue to grapple with increasing raw materials costs such as cotton and synthetic fibers. This issue is being further exacerbated by high production costs for traditional textiles like silk, wool, and linen, despite their strong demand. The report states, there is an ongoing trend towards increasing adoption of automation and digitalisation which bodes well for the future of the textile manufacturing market. Driven by technological advancements and evolving consumer preferences, the textile market in India will continue to thrive, it adds

Source: fashionatingworld.com– June 03, 2024

HOME

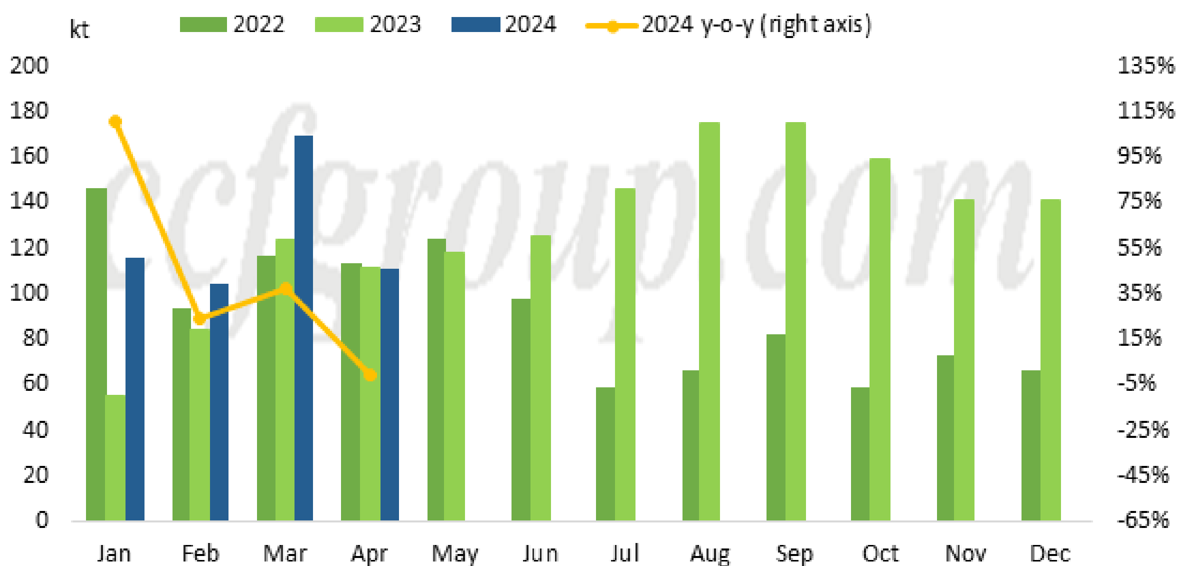
****

China's cotton yarn imports fall back in Apr 2024

I. China's cotton yarn imports totaled 110.9kt in Apr

According to the latest customs data, China's cotton yarn imports in Apr 2024 dropped sharply from the previous high of around 170,000 tons to 110,900 tons, down by approximately 58,800 tons compared to March, a decrease of about 35%. This import level is roughly on par with the volume of cotton yarn imports in April 2023.

Upon the release of this data, market feedback largely aligns with industry expectations. The arrival volumes of cotton yarn from various producing regions in April notably decreased. Additionally, some yarn mills experienced delays in shipment deliveries, causing a postponement in arrivals until April.



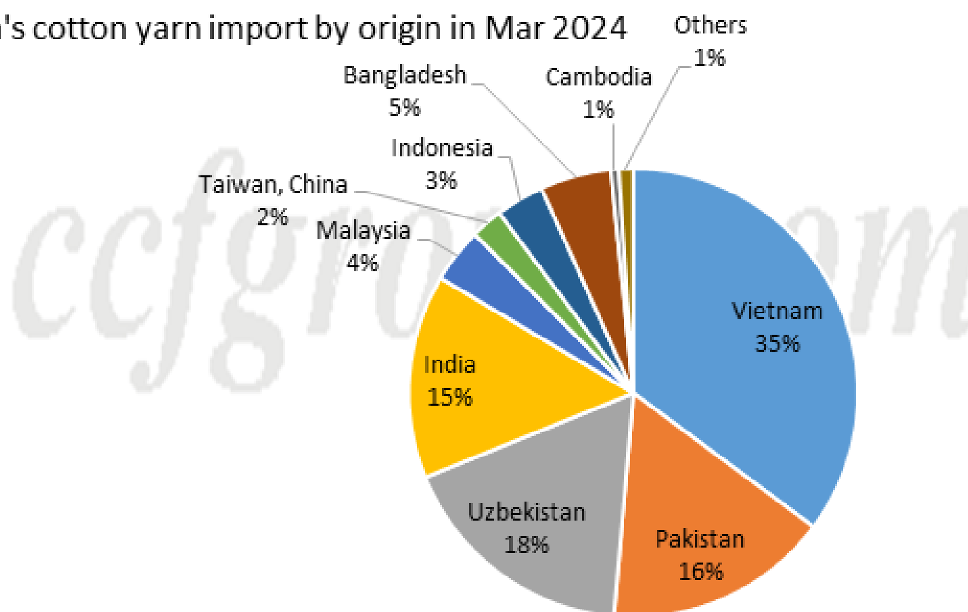
From the perspective of import costs, in April, the unit price of cotton yarn imports rose to around $2.48/kg. As a result, the cost-effectiveness of imports is harder to compare with the previous period. Nevertheless, with the further rise in overseas cotton prices around the Chinese New Year holiday, the window for cotton yarn imports is gradually closing.

Most domestic traders have completed their replenishment processes or are only maintaining the minimum circulation volume for downstream customers. It is expected that the unit cost of cotton yarn imports in May will continue to rise slightly, highlighting the relative disadvantage of imported cotton yarn compared to domestic yarn prices.

II China's cotton yarn imports by origin in Apr 2024

In Apr 2024, Vietnamese yarn leads by a large proportion with a relatively stable import volume of 54,600 tons. Meanwhile, Pakistani yarn sharply declined to 11,400 tons from previous around 30,000 tons (a 10% decrease). The substantial reduction in imports was mainly due to intensive price increases by Pakistani yarn mills after the Chinese New Year.

Uzbekistani yarn also saw a decrease in import volume in April, dropping to 13,700 tons (a 12% decrease), with a month-on-month decline of 53% compared to March. Indian yarn imports in April decreased to around 13,900 tons, reducing by 10,900 tons compared to March. Overall, the domestic demand for cotton yarn imports in China remains sensitive to price, leading to a period of reduced ordering activity during the phase of increasing international yarn prices.



III China's cotton yarn imports by structure in Apr 2024

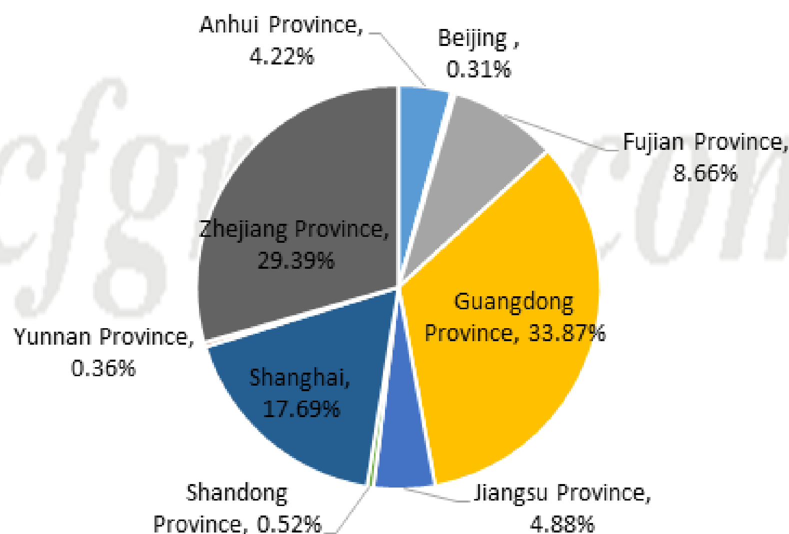
The import share of carded single yarn 8-25s continued to decline to 47.76%, totaling approximately 53,000 tons, with a decrease of over 30,000 tons compared to March. The import share of carded single yarn 25-30s dropped to 2.79%, totaling around 3,099 tons, almost halving due to recent tight supply. The import share of carded single yarn 30-47s in March decreased to 12.51%, totaling 13,810 tons. Overall, there is a trend

of import specifications shifting towards carded single yarn below 8s and combed yarn 30-47s.

In April 2024, China's imports of blended cotton yarn totaled around 13,480 tons, a decrease of approximately 2,000 tons compared to March. However, the overall decrease in blended cotton yarn imports was much smaller than that of cotton yarn imports. About 82.5% of the blended cotton yarn imports came from Vietnam, with the proportion remaining relatively stable. When compared with import volumes in previous years, blended cotton yarn imports typically sees a significant decline in Apr, although the total monthly import volume tends to increase year by year.

Currently, Vietnamese yarn mills are facing continued losses in cotton yarn production, leading to a gradual increase in blended yarn production. In April, Guangdong Province's import share surpassed Zhejiang, totaling 4,565 tons, accounting for approximately 33.9%. Zhejiang's share decreased to 29.42%, while Shanghai's import share surged to 17.71%, placing it in third position. The most significant decrease in blended cotton yarn imports was observed in Fujian Province, totaling 1,167 tons, accounting for 8.66%.

China's blended cotton yarn imports by locations of importers in Apr 2024



Click here for more details

Source: ccfgroup.com– June 03, 2024

HOME

****

US' scrutiny of Chinese imports & tariffs threaten inflation battle

Increased US scrutiny of imports from China amid cooling trade relations between the two countries threatens to tip the scales in the Federal Reserve's battle against inflation, as per S&P Global.

US President Joe Biden's announcement of higher tariffs on Chinese exports of advanced technology products follows a string of duties levied against Chinese exports by Biden's predecessor. It comes amid strained US-China trade relations and ahead of a domestic election day rematch between Biden and former President Donald Trump, increasingly putting the two candidates in competition over protectionist trade policies.

Yet economists warn that the new duties, and tariffs more broadly, may carry an unwelcome consequence: higher prices and a heightened probability of higher-for-longer interest rates. While the Fed is expected to slightly lower benchmark rates this year from their current decades-long high, higher tariffs are likely to feed through to higher prices, complicating central bankers' decisions, according to S&P Global.

Amid recent US and EU efforts to reshore certain critical supply chains, the International Monetary Fund (IMF) warned against the institution of protectionist measures in its April World Economic Outlook report. The IMF stated such measures could 'trigger retaliation from trading partners' and 'generate welfare losses.'

The industries that have so far been tariff targets represent a small percentage of total US imports from China. Measured in dollar value, the US has only imported 2 per cent less from the major Asian economy in the first quarter of 2024 compared to the first quarter of 2023, according to US Census Bureau data.

Although tariffs can have the long-term impact of better economic growth in the domestic economy, near-term effects would run counter to the Fed's plans. The Fed has kept the benchmark federal funds rate at a range of 5.25-5.5 per cent since July 2023 as policymakers aim to bring inflation to 2 per cent annual growth. The consumer price index hit 3.4 per cent in April, a slight acceleration from earlier in the year but drastically lower than the peak of 9.1 per cent in June 2022.

Resilience in the labour market and among US consumers have contributed to the Fed's higher-for-longer approach to interest rates, though the Fed's latest economic projections in March suggested three 25-basis-point rate cuts before year-end.

Fed chairman Jerome Powell this month signalled rates may need to stay higher for longer as inflation has yet to cool to target levels. Fresh Fed projections are due in June, and market watchers have narrowed their expectations to one-to-two cuts by the end of the year, according to the CME FedWatch Tool, which tracks investor sentiment through federal funds futures.

Source: fibre2fashion.com– June 03, 2024

HOME

****

Singapore Port Congestion Sparks 7-Day Delays Amid Red Sea Fallout

The Red Sea crisis has had plenty of knock-on effects to the transportation of ocean freight worldwide, with major global ports now feeling the stress of shifting transit schedules.

Severe congestion at the Port of Singapore is leading to berthing delays for ships lasting as long as seven days, according to data from container shipping analysis firm Linerlytica. Under normal conditions, a vessel waits about a half a day to berth at the port.

The port is the second-largest in the world by total shipping tonnage handled after the Port of Shanghai, handling 39 million twenty-foot equivalent units (TEUs) in 2023, but also is the largest transshipment hub. This is vital for global trade, as ships carrying goods can stop at the gateway to unload goods going to other ports, before loading additional cargo to be transported to their destination port.

"Singapore has 450,000 TEUs of capacity right now waiting to get into the port or get out of the port," said Goetz Alebrand, head of ocean freight Americas at DHL Global Forwarding. "That is even more than during the pandemic for Singapore itself, which is a big hub for intra-Asia and for east-west trade lanes."

According to the Linerlytica report, the severe congestion has forced some carriers to blank their planned Singapore port calls, which will further aggravate the problem at downstream ports that will have to handle additional volumes. The gateway links to more than 600 ports worldwide, with an average 140,000 vessels calling at the port annually.

Container volumes handled in Singapore in the first four months of 2024 amounted to 13.36 million TEUs, an 8.8-percent increase in container volumes over the same period last year, the Maritime and Port Authority (MPA) of Singapore said Thursday. From May 1 to May 23, the port received 999 ships, compared with just 639 in April, according to data from S&P Global Commodity Insights.

The MPA said in a note that off-schedule arrivals have largely been to blame for the vessel-bunching effect, in which multiple ships reach a port at the same time, or within a short period. The authority contends that the

average wait time for a berth is now two to three days while highlighting that it is only for container ships.

In the statement, the MPA said it has worked with the country's transportation ministry and the port's operator, the Port Authority of Singapore (PSA), since late 2023 to add more manpower and container handling capacity to help prepare for higher vessel arrivals.

One such change implemented by the PSA was the reactivation of shuttered berths and yards that have previously been decanted at Keppel Terminal. This move upped the number of containers the terminal could handle weekly, from 770,000 TEUs to a total of 820,000 TEUs currently. Additionally, the port expects three new berths to begin operating at the Tuas Port container terminal later this year, with the PSA accelerating the commissioning of the docks to help increase overall container handling capacity in the near term. The new berths supplement the eight existing ones already operating in the terminal.

Congestion has become more of a worldwide concern again, particularly in Asian and Western Mediterranean ports. Roughly 7 percent of global container capacity is presently caught up in port congestion, Alebrand told Sourcing Journal.

"Usually we say in a normal cycle, the usual average is about 2 percent to maybe 4 percent," Alebrand said.

According to Linerlytica's analysis, southeast Asia is the worst bottleneck accounting for more than a quarter (26 percent) of congestion while northeastern Asia is close behind at 23 percent.

On Monday, Maersk said in a customer advisory it was experiencing "substantial" delays in vessel schedules due to severe terminal congestion in Mediterranean and Asian ports. The congestion has resulted in extended waiting times at various ports, impacting the ocean carrier's ability to maintain regular schedules.

As a result, Maersk will introduce blank voyages in the coming weeks, starting with MSC Amelia under service AE11, departing from Qingdao on July 1, and MSC Mirjam under service AE15, departing from Busan on July 2.

The Port of Singapore's observance of off-schedule volumes extending the wait times for a berth plays into the wider congestion fears. The share of container ships arriving on time worldwide slumped to roughly 52 percent in April, falling 2.5 percentage points month over month and 12 percentage points below year-ago totals, according to maritime trade advisory service Sea-Intelligence.

At the time, the 2023 spring schedule reliability totals were a substantial improvement from pandemic-era lows of about 30 percent from early 2022.

Transit times overall have been seeing major jumps as the on-time rates fall. Sea-Intelligence also noted in another recent report that the average minimum transit time from the two sub-regions of Asia (north and southeast) to the three sub-regions of the Mediterranean (east, west and central) in the January-to-March period increased by 39 percent compared to the average during July-to-December 2023.

Source: sourcingjournal.com– June 03, 2024

HOME

****

New Zealand to sign Indo-Pacific economic framework agreements

New Zealand's trade minister Todd McClay and climate change minister Simon Watts are set to travel to Singapore tomorrow to sign three significant Indo-Pacific Economic Framework (IPEF) agreements. The IPEF, comprising 14 partners, represents 40 per cent of global GDP and accounts for 50 per cent of New Zealand's exports. Key markets for Kiwi exporters involved in the framework include Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, South Korea, Malaysia, The Philippines, Singapore, Thailand, the US, and Vietnam.

Minister McClay will take part in the full IPEF Ministerial meeting, which includes discussions on a comprehensive Indo-Pacific trade agreement. He will also participate in the formal signing of the overarching IPEF Agreement and the Fair Economy Agreement. These agreements aim to enhance anti-corruption efforts and labour standards across the region, alongside promoting increased international tax cooperation to foster a secure and transparent investment climate in the Indo-Pacific region.

Meanwhile, Minister Watts will attend a Clean Economies Investors forum, which will include a signing ceremony for the Clean Economy Agreement. This agreement seeks to bolster cooperation on climate goals by mobilising investment in technologies and solutions for energy, industry, and transport. Watts will be joined by a select group of New Zealand clean tech companies invited to pitch to the region's top investors at the inaugural Clean Economy Investor Forum.

"The third IPEF pillar focuses on increasing trade efficiency. The negotiation of this pillar presents further opportunities for New Zealand to work with partners to reduce non-tariff barriers (NTBs) and drive greater certainty for exporters. Working with IPEF countries to increase investment flows and trade will help New Zealand meet the aspirational target of doubling exports by value in 10 years," said McClay. "The IPEF agreements and the investor forum reflect a growing consensus that technology, trade, and investment flows need to feature explicitly in a concerted regional response to climate change," said Watts.

Source: fibre2fashion.com– June 03, 2024

HOME

****

Global online retail sales to grow at CAGR of 8.9%: Report

Total global online retail sales will grow from $4.4 trillion in 2023 to $6.8 trillion by 2028, at an 8.9 per cent compound annual growth rate (CAGR), according to a report by research and advisory company Forrester.

Despite the growth in e-commerce, 76 per cent (or $21.9 trillion) of global retail sales will still occur offline in 2028. Consequently, retailers must continue investing in omnichannel strategies that offer a seamless shopping experience, both online and offline, as per the 'Global Retail E-Commerce Forecast 2024 to 2028' report, which provides a five-year forecast for total, online, and offline retail sales across 40 countries.

The report highlights that retail e-commerce maturity varies globally. Advanced economies, including the US, the UK, and South Korea, are more mature due to higher internet penetration and digital literacy.

However, as smartphone adoption and mobile commerce become more widespread, emerging markets in Asia Pacific, Eastern Europe, and Latin America are catching up. This rapid adaptation is transforming the global e-commerce landscape, presenting new opportunities for businesses and consumers alike.

Looking ahead at 2024 and beyond, Forrester expects continued growth momentum for online retail sales globally. Noteworthy highlights from the report, broken down by global regions, include:

In the US, online retail sales are expected to reach $1.6 trillion by 2028, accounting for 28 per cent of total US retail sales. E-commerce is more mature in the US compared to Canada, with Canadian online retail sales expected to reach $83 billion by 2028.

Canada lags behind the US in e-commerce penetration due to lower population density, a smaller market size, and slower consumer adoption. In Latin America, online retail sales in the top six countries—Brazil, Mexico, Argentina, Colombia, Peru, and Chile—will grow from $109 billion in 2023 to $192 billion by 2028.

In Western European countries—including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK—online retail

sales are expected to grow from $508 billion in 2023 to $773 billion in 2028, with online retail penetration increasing from 15 per cent to 20 per cent. The UK will continue to be the biggest market for retail e-commerce, followed by Germany, France, Italy, and Spain. In Eastern Europe, online retail penetration is half that of Western Europe.

Forrester forecasts that online retail sales for the top five Eastern European countries—Russia, Poland, the Czech Republic, Romania, and Hungary—will increase from $72 billion in 2023 to $126 billion in 2028, with Russia and Poland leading the region.

In Asia-Pacific, online retail sales for the top five countries—China, South Korea, Japan, India, and Australia—are expected to increase from $2.2 trillion in 2023 to $3.2 trillion in 2028, with China leading the region. China and South Korea are the top two countries globally in terms of e-commerce penetration and will each have online retail penetration of more than 40 per cent by 2028.

In Southeast Asia's top six countries—Indonesia, Thailand, Vietnam, Malaysia, the Philippines, and Singapore—retail e-commerce sales reached $93 billion in 2023 and will rise to $193 billion by 2028, capturing 17.4 per cent of total retail sales. Indonesia leads the region in online retail penetration, followed by Malaysia and Singapore. The Philippines and Vietnam will see a CAGR of more than 20 per cent over the next five years, outpacing other countries in the region.

"The growth of online marketplaces, social commerce, livestream selling, and direct-to-consumer commerce will accelerate global online retail sales growth over the next five years," said Jitender Miglani, principal forecast analyst at Forrester.

"However, e-commerce maturity and growth opportunities vary vastly by region. Retailers and brands must therefore have a thorough understanding of the key drivers of retail and e-commerce growth in their priority markets and tailor their strategies appropriately, to succeed."

Source: fibre2fashion.com– June 03, 2024

HOME

****

New Report: Reimagining the Apparel Value Chain amid Volatility

The new study released by Mckinsey & Co. was based on a survey of chief procurement officers (CPOs) from "apparel companies that collectively spend about $110 billion annually on sourcing" and follow-up in-depth interviews with 25 CPOs conducted in late 2023. Key findings:

#1 Fashion companies face increasingly challenging sourcing scenarios complicated by "ongoing supply disruptions caused by shifting demand, material price volatility, geopolitics, global trade issues, rising competition, and regulatory changes." Compared to many other sectors, the apparel supply chain is particularly volatile, and disruptions can have amplified ripple effects throughout the supply chain. For example, an 11% decline in yarn exports could lead to a 30% drop in the production utilization rate of fabric mills.

#2 Fashion companies further prioritized "end-to-end" process efficiency in response to the shifting sourcing environment. For example, nearly 70 percent of respondents expect to "improve sourcing cost in the near term," they plan to "improve efficiency across all facets of sourcing, including lower product costs, reduced sourcing expenses, and accelerated go-to-market processes." Other practices to control sourcing costs include "using analytics to examine product cost breakdowns and identifying opportunities to improve fabric unit costs and material consumption," "using digital platforms and data-driven insights to inform sourcing decisions and collaborating with suppliers to pinpoint cost savings opportunities."

#3 Strengthening relationships with key suppliers remains critical. About 71 percent of surveyed brands consider "consolidating the supplier base" a medium to high priority for their strategy in the next five years. Surveyed fashion companies also indicate that deeper relationships, including "long-term volume commitments, shared strategic three- to five-year plans, and collaboration partnerships," accounted for 43 percent of their total apparel supplier base in 2023, up from 26 percent in 2019. In comparison, suppliers based on "transactional relationships" only accounted for 3% of the total in 2023, a substantial decrease from 22% in 2019.

As the report noted, building strategic partnerships with core suppliers and "innovative niche suppliers" based on trust and transparency "resulted in a more robust, resilient, and agile supplier base" for fashion companies. More importantly, deeper importer-supplier partnerships extend beyond cost-saving measures but increasingly emphasize "sustained value creation."

#4 Fashion companies continue to diversify their sourcing base geographically and pursue nearshoring to "improve speed, cost, and agility." Specifically, between 2019 and 2023, respondents reduced their sourcing value from China (down from 30% to 22%) and sourced more from South Asia (up from 23% to 34%). At the country level, more than 40 percent of respondents plan to further increase sourcing from Bangladesh, India, and Vietnam. That being said, the report found that nearshoring remains "flat" in sourcing value in the US (about 17%) and in the EU (about 25%) from 2019 to 2023.

#5 To expand apparel nearshoring, several bottlenecks remain to be solved: 1) lower labor productivity in the region resulting in higher "total landed costs," 2) challenges with yarn and fabric availability, and 3) the supplier bases in nearshoring countries can manufacture a more limited array of products.

The report also noted that "both local suppliers and Asian companies with a presence in Central America and Mexico have invested in improving their productivity and building local capacity for making yarns and fabrics," which is helpful in addressing the challenges.

#6 Sustainability will continue to affect fashion companies' sourcing decisions. For example, 80 percent of respondents said that "environmental, social, and governance certifications; transparency and traceability; and sustainable material usage have become prerequisites in supplier selection." Fashion companies commonly used scorecards (92 percent) and third-party audits (78 percent) to ensure suppliers' compliance with sustainability requirements. There is also an increasing need for data transparency on sustainability. However, "data is important, but organizations must understand how to use it to create value."

Further, 86 percent and 70 percent of respondents said they would use recycled polyester and recycled cotton in their apparel products over the next five years.

#7 Digital innovation will deepen further in the sourcing and product development area. Popular tools include 3D modeling and digital sampling, Fabric libraries, and Product Lifecycle Management (PLM) system.

However, prioritizing process redesign, data quality enhancement, and the integration of systems are essential to enable efficient operations. For example, one company developed a single material ID library with more than 30,000 materials from approximately 300 suppliers, allowing the company to aggregate more than 6,000 cost sheets in less than a minute.

Source: shenglufashion.com– June 03, 2024

HOME

****

The evolving retail landscape, decoding consumer trends in a post-pandemic world

The retail industry is undergoing a significant change, driven by factors like rise of e-commerce, evolving consumer preferences, and a lingering pandemic. Understanding trends are crucial for businesses to navigate this dynamic landscape ad thrive in the future.

Consumer trends reshaping retail

Omnichannel experience reigns supreme: Today's consumer seamlessly blends online and offline shopping. They research products online, compare prices, and might even buy in-store or vice versa. A 2023 study by McKinsey & Company found 73 per cent consumers use multiple channels throughout their shopping journey.

While brick-and-mortar stores hold their ground, e-commerce continues to flourish. Insider Intelligence projects US e-commerce sales will reach $1.4 trillion by 2024, accounting for 14.4 per cent of total retail sales. And retailers are adopting omni-channel strategies to thrive. For example, Walmart, a retail giant, has embraced omnichannel retail. They've invested in online grocery pickup and delivery services, while integrating their physical stores with their e-commerce platform. This allows customers to research products online, check in-store availability, and even pick up online orders at their convenience.

Rise of value-conscious consumers: Inflation and economic uncertainty are causing a shift towards value-driven purchases. As per National Retail Federation (NRF) report, discount stores are projected to see the highest growth in 2023 at 5.7 per cent, compared to 3.9 per cent for department stores.

Focus on sustainability: Consumers are increasingly environmentally conscious and seek out sustainable brands and products. A IBM study revealed that 60 per cent consumers are willing to pay a premium for sustainable products. The Body Shop is a leading example of a brand committed to sustainability. They use ethically sourced ingredients, offer refillable packaging options, and actively campaign for environmental causes. This resonates with their customer base who value environmental responsibility.

Experience counts more: Consumers are increasingly seeking experiences over mere possessions. And retailers are responding by creating engaging in-store environments, offering personalized services, and hosting events. This focus on experience fosters brand loyalty and encourages repeat visits. As Paco Underhill, author of 'Why We Buy' opines, "Retail is no longer just about transactions; it's about creating connections with customers."

The power of social media: Social media platforms are not just for connecting with friends anymore. They've become powerful tools for brands to reach new audiences, showcase products, and influence purchase decisions. Influencer marketing and user-generated content are major drivers of sales in the social media age. Platforms like Instagram and TikTok are increasingly influencing buying decisions.

Studies by eMarketer show an increase in social commerce, where consumers discover and purchase products directly through social media. Gary Vaynerchuk, social media strategist explains, "Social media is a conversation, not a monologue. Brands need to listen to their customers and engage with them authentically."

The bottomline is, future of retail is all about personalization, convenience, and experience. Retailers who can adapt to these evolving consumer trends and leverage data effectively will be the ones to thrive in the ever-changing retail landscape.

Source: fashionatingworld.com– June 03, 2024

HOME

****

Italian textile machinery sector eyes Turkmenistan's growing market

From June 24 to 28, a delegation of Italian textile machinery manufacturers, spearheaded by ACIMIT and the Italian Trade Agency, will embark on a crucial institutional mission to Turkmenistan. With a series of slated meetings in Ashgabat, the delegation aims to leverage the burgeoning opportunities within Turkmenistan's textile industry.

Turkmenistan, with cotton as its third-largest export, is poised for a robust textile sector expansion. Local authorities are keen on transforming the abundant raw material into finished products, signaling substantial investment prospects in modern machinery and technologies. The demand for textile machinery is on a swift rise to facilitate this developmental surge.

ACIMIT's data underscores Turkmenistan's increasing reliance on textile machinery imports, with a notable 7.3 per cent annual growth rate observed between 2009 and 2023. Projections extend this trend, foreseeing a 5.5 per cent annual uptick from 2024 to 2027.

Marco Salvade, President of ACIMIT, stresses the imperative for technological advancement to compete globally in the textile arena. The institutional mission aims to foster collaborative avenues between Italian expertise and Turkmenistan's textile aspirations.

Significantly, Italian exports to Turkmenistan surged from 600,000 euros in 2022 to approximately 13 million euros in 2023, highlighting the growing demand for Italian textile machinery.

Salvade emphasizes the mission's dual focus on showcasing technological prowess and forging partnerships with influential local institutions, pivotal in shaping supply chain strategies.

Source: fashionatingworld.com– June 03, 2024

HOME

****

Vietnam's manufacturing sector shows slight improvement in May

Vietnam's manufacturing purchasing managers' index (PMI) remained steady at 50.3 in May, indicating a second consecutive month of slight improvement in business conditions within the sector, according to S&P Global. The sector's health has shown only minor fluctuations throughout the first five months of 2024.

New orders increased solidly again in May as a strengthening demand environment helped firms to secure new customers and bring in new business. The rate of expansion was slightly softer than that seen in April, however. Meanwhile, new export orders also increased, albeit to a lesser extent than total new business.

The expansion of total new business encouraged manufacturers to raise their production volumes for the second month in a row. Moreover, the rate of growth quickened to the fastest since September 2022, as per S&P Global.

Despite the increases in new orders and output, manufacturers recorded a second successive monthly fall in employment midway through the second quarter. Anecdotal evidence suggested that employee resignations and extended absences had been behind the drop in workforce numbers, which was solid and the most pronounced for almost a year.

Despite the drop in staffing levels, firms were able to keep on top of workloads in May and reduced outstanding business following a marginal increase in the previous survey period.

While employment continued to fall, another expansion of purchasing activity was registered in May as firms responded to rising output requirements. The increase was the second in as many months, and more marked than in April.

Where companies purchased inputs during the month, they were faced with a sharp increase in prices. In fact, the rate of inflation quickened markedly and was the fastest since June 2022. A number of respondents indicated that currency weakness had added to material prices, while there were some reports of higher oil and fuel costs. Around one-quarter

of respondents signalled an increase in input costs, against 5 per cent that posted a decrease.

The sharp rise in input costs fed through to an increase in selling prices, the first in three months. The pace of charge inflation was the joint-steepest in 15 months, on a par with that seen in October 2023.

After having been unchanged in April, suppliers' delivery times lengthened marginally in May. Panellists linked delivery delays to goods shortages and difficulties caused by geopolitical issues.

Meanwhile, stocks of both purchases and finished goods continued to fall, with current sequences of depletion extended to nine and five months respectively.

Factory expansion plans, the launch of new products and the prospect of continued growth of new business all supported confidence in the year-ahead outlook for production. Sentiment was broadly unchanged from that seen in April, remaining below the series average to signal relatively muted optimism.

Source: fibre2fashion.com– June 03, 2024

HOME

****

Introduce new policies during Budget 2025, urges BGMEA

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has urged the government to introduce new policies during the forthcoming budget for the next fiscal year (FY25). A few of the key proposals urged for by BGMEA include reducing the tax at source on exports to the previous rate of 0.50 percent, from the current 1 per cent, and maintaining this rate for the next five years.

These proposals were outlined by SM Mannan Kochi, President, BGMEA during a view-exchange meeting with journalists at a hotel in Dhaka. At this meeting, BGMEA also called for an extension of the government incentives for the apparel sector until 2029. Additionally, they proposed a reduction in the tax on cash incentives from the existing 10 per cent to 5 per cent.

The meeting was attended by the entire newly-elected BGMEA board, which assumed office on April 4 this year. Prominent figures such as Atiqul Islam, former President, BGMEA and Mayor, Dhaka North City Corporation (DNCC); Abdus Salam Murshedy, former President, BGMEA and MP, and Siddiqur Rahman, Commerce Secretary, Awami League Industries.

Source: fashionatingworld.com– June 03, 2024

HOME

****

Bangladesh's new Customs Act 2023 set for June 6 rollout

On June 6, a new customs act (Customs Act 2023) will come into effect in Bangladesh, aiming to enhance fiscal discipline, accountability in import revenue collection, and trade facilitation even as the government issued a gazette regarding this on May 30, signed by chairman of the National Board of Revenue (NBR), Abu Hena Md Rahmatul Muneem.

This new law will replace the existing Customs Act of 1969.

Several existing provisions have been revised and incorporated into the new law to hold customs agents, exporters, and importers more accountable, underlined media reports citing concerned NBR officials.

The Customs Bill of 2023 was introduced in parliament by law minister Anisul Huq on October 25 last year. Following its introduction, the bill was referred to a parliamentary standing committee for detailed scrutiny, with the committee tasked to report within seven days.

The bill was eventually passed by a voice vote.

Framed in Bangla, the new law includes up-to-date provisions on revenue collection to foster growth in import and export trade, facilitate business activities, and promote the development of new industrial sectors.

The previous law, written in English, incorporated international best practices related to customs as part of a broader reform and modernisation programme undertaken by the government and the NBR.

This reform aimed to promote international standards of customs management in international trade and import-export activities.

Source: fibre2fashion.com– June 03, 2024

HOME

****

Bangladesh-Italy trade tops $3b in 2023: Industries minister

The bilateral trade between Bangladesh and Italy exceeded $3 billion last year, said Industries Minister Nurul Majid Mahmud Humayun.

"We believe there is ample scope to expand our bilateral trade further. We also see huge prospects for Italian investment in our textiles, leather and leather products, renewable energy and waste-to-energy, agro-processing, automotive vehicle and engineering, maritime and IT sectors," the minister said at Italy's National Day reception in the capital's Gulshan on Sunday.

Italian Ambassador to Bangladesh Antonio Alessandro and his wife received the guests at the reception.

Nurul Majid said, "The people of Bangladesh share the feelings and compassion of our Italian friends in celebrating Italy's National Day."

He expressed appreciation for Italy's early recognition of Bangladesh's independence in 1972 and their recent celebration of 50 years of diplomatic relations.

The minister pointed to a significant upgrade in the partnership, mentioning Prime Minister Sheikh Hasina's 2023 visit to Italy and increased collaboration in various sectors.

Nurul Majid also praised Italy for welcoming Bangladeshi expatriates, calling them a "bridge between our two countries."

He further expressed appreciation for their skilled worker recruitment programme, saying, "We thank the Italian government for successfully including Bangladesh in the Flussi Decree for the third year after 2021."
Ambassador Alessandro highlighted the strong ties between Italy and Bangladesh, and said, "Italy is proud to host the largest Bangladeshi community in continental Europe. This community contributes significantly to the well-being of both Italy and Bangladesh."

He acknowledged the impressive social progress Bangladesh has made, noting, "Bangladesh has been a success story of the developing world, and Italy is proud to have contributed to it."

"Italy wishes to continue to be a partner of Bangladesh in its transformation into a smart and modern state," Alessandro said.

He identified climate change, labour standards, and migration as key challenges for Bangladesh.

"Italian companies are interested in Bangladesh and follow developments in all sectors, including energy, space technologies, textiles, and leather," he added.

He encouraged further improvements in the business environment, particularly in areas like taxation and regulations.

"Bangladesh's strength lies in water. Like in Italy, a sustainable and effective maritime system is key to the future. There are many opportunities for cooperation in this area that I would be glad to explore during my term in Dhaka," said the Italian ambassador.

He also acknowledged Italy's commitment to education and said that the government provides some scholarships to Bangladesh every year. He highlighted additional opportunities through universities and regional governments.

Moreover, Italy attracts many Bangladeshi recipients of Erasmus+ scholarships.

The reception was attended by politicians, leading business leaders, top civil and military bureaucrats, representatives of department partners, members of civil society, and journalists.

Source: tbsnews.net – June 03, 2024

HOME

****

Pakistan: Cotton market remains sluggish on low Phutti arrival

The local cotton market remained bearish on Saturday, with trading volume staying low.

According to Cotton Analyst Naseem Usman, the reason behind low trading volume is slow arrival of Phutti. He stressed his hope that trading volume will improve after Eid - ul- Azha.

The rate of new cotton in Sindh is in between 19,000 to Rs 19,5000 per maund. The rate of cotton in Punjab is in between Rs 20,000 to Rs 20,500 per maund. The rate of new Phutti is in between Rs 88,00 to Rs 9,800 per 40 kg.

200 bales of cotton from Kotri were sold at Rs 19,000 per maund.

The Spot Rate remained unchanged at Rs 19,700 per maund, and Polyester Fiber was available at Rs 367 per kg.

Source: brecorder.com– June 04, 2024

HOME

****

NATIONAL NEWS

DBS retains India GDP growth forecast at 7% for FY24-25

Singapore-headquartered DBS Bank expects India's economic growth to stay in the 7 percent handle in the April-June 2024 quarter. Thus, foreign bank also retained its India GDP growth forecast for current fiscal at 7 per cent.

"Stable global growth, public and household capex investments, rural recovery, a normal monsoon, and better composition of trade backs our optimistic view", Radhika Rao, Senior Economist at DBS Bank said in a research note.

This came on the heels of the Central Statistics Office (CSO) on Friday last announcing that the country's fourth quarter (Jan-Mar 2024) GDP rose 7.8 per cent year-on-year and economic growth for full fiscal 2023-24 grew at robust 8.2 per cent.

"4QFY24 (i.e., 1Q24) real GDP growth rose 7.8 per cent yoy, exceeding market and our expectations, down from a revised 8.6 per cent yoy. On the supply end, GVA came in at 6.3 per cent yoy in the final quarter. The unusually large wedge between GDP and GVA (~150bp) boiled down to the sharp 22 per cent increase in net indirect taxes in the quarter. We note that on average this gap has been around ~30pp in most years", Rao said.

High frequency data for April and May suggest the underlying growth momentum was positive, even as investments and government spending likely slowed ahead and during the various election phases, she added.

Exit polls point to Modi 3.0

Exit polls suggest that the incumbent National Democratic Alliance (NDA) will return to power with a clear majority for a third consecutive term, led by the Bharatiya Janata Party (BJP) which is expected to secure an absolute majority on its own count.

On average, polls point towards 350-370 seats for the NDA, leaving the opposition INDIA alliance with 140-150 seats. Exit polls have got the direction right in the past two rounds, said a DBS Research note.

DBS also highlighted that the actual margin of victory for NDA might be wider than what the polls suggest. This is given the tendency of exit polls to modestly underestimate the actual result in 2014 and 2019, it added.

Also this time around, the polling agency that correctly predicted the magnitude of victory of the coalition last time around is estimating ~400+ seats. Amongst the states, beyond the usual strongholds, the BJP appears to have made headway in AP, Karnataka, Odisha, West Bengal. Some ground might be lost in Haryana and Rajasthan, while UP offers a stronger footing.

"If these polls are matched with the actual count, this points to a strong pro-incumbency wave and showcases strong support for the ongoing policies by the country's voters," DBS note said.

Aside from political stability, the economic agenda is likely to be focused on the final budget in July in the near-term and further out on capex commitments, fiscal consolidation, and reforms targeted at the factors of production. Onshore markets are likely to welcome this outcome, marked by small gains on the rupee, equity markets, while 10Y yields stay below 7 per cent, according to Rao.

Source: thehindubusinessline.com– June 03, 2024

HOME

****

Indian textile industry urges immediate reforms as Modi eyes 3rd term

Narendra Modi's government is poised to begin its third term at a critical juncture for the Indian textile sector, which is currently facing multiple challenges that require immediate attention. Initial trends suggest that the Bharatiya Janata Party (BJP)-led National Democratic Alliance (NDA) government will return to power. The textile industry has outlined a comprehensive set of priorities for the new administration, including SOS demands to boost sluggish exports and stimulate overall industry growth.

Rakesh Mehra, chairman of the Confederation of Indian Textile Industry (CITI), told Fibre2Fashion, "The new government will have to take steps to support growth in the downstream industries of the textile sector. The fabric and garment industry should grow for the overall development of the textile industry." He suggested that the government should relook its policy of quality standardisation of fibre and yarn.

Quality control orders (QCOs) should be implemented on end-products like garments, home furnishings, and other textile products. Currently, India is losing the potential benefit of value addition in downstream industries as it has implemented quality standards on raw materials. Mehra stressed that downstream industries should have ensured availability of quality raw material at competitive prices so they can stay competitive in domestic and global markets.

Mithileshwar Thakur, secretary general of the Apparel Export Promotion Council (AEPC), said that the new government should consider a new version of the production-linked incentive (PLI) scheme for those products of the textile industry which were left out in the previous version. He suggested that e-commerce could be a new driver for Indian textile exports, but it needs policy intervention for specific requirements in e-commerce trade.

Duty should be removed on textile machinery imports. Currently, around 5 per cent duty is applicable on textile machinery. India also needs to liberalise man-made fibre imports to enable the domestic industry to compete with fabric imports into the country. The industry also needs support for skill development for workers in the industry.

Ashish Gujarat, former president of the South Gujarat Chamber of Commerce and Industry (SGCCI), told F2F, "The new government should relook at its policy of quality control orders (QCO) on fibre and yarn. The Indian industry is losing value addition as they are not competitive against cheaper fabric and garments. The domestic industry immediately needs to focus on raw material of global standard at competitive prices." He said that the government should implement quality control orders on garments and other textile products.

Gujarat also mentioned that micro and small industries need a Technology Upgradation Fund (TUF) scheme for the modernisation of the production process. The scheme was discontinued two years ago as the government was not in favour of providing capital subsidy for fixed investment. It floated the PLI scheme which is linked with production in the following years.

Gujarat argued that at least ₹100 crore (~$11.99 million) investment is required in specific products of the MMF segment. Micro and small industries cannot invest such huge capital. The purpose of PLI is also different from TUF. The new government should come up with a new TUF scheme at least for micro and small industries as they are bigger job creators in the country.

The Indian textile industry also expects an immediate extension of the interest equalisation scheme as it is going to end on June 30, 2024. The scheme was initially launched in 2015 and was extended from time to time. The government provides 3 per cent subvention to MSME exporters and 2 per cent for exporters in other eligible sectors.

The industry also expects to raise the rate of subvention as the repo rate increased from 4.4 per cent to 6.5 per cent in the last few years. The Director General of Foreign Trade (DGFT) is also consulting industry bodies to improve the scheme as the Ministry of Finance is looking to improve the financial system for foreign trade so it can yield expected results in terms of higher exports of various products from India.

A prominent Delhi-based trader from the yarn trade said that India could not improve its exports of textile products due to various reasons. The new government will have to move fast by policy intervention to drive Indian textile exports.

Indian exporters are unable to export high-end textile products as they do not have enough infrastructure to tap potential markets. For example, India could not tap the Japanese market as Indian exporters are unable to meet the quality standards of Japanese importers. Indian products have to face competition from cheaper textile products of average quality exported from third-world countries. These nations are benefitting from cheaper labour and import-free market access in developed countries.

A Ludhiana-based businessman said that the new government should finalise free trade agreements with Britain and the European Union as soon as possible. It will improve the competitiveness of Indian textile exports. The industry will have duty-free access to these promising markets.

Source: fibre2fashion.com– June 04, 2024

HOME

****

Centre to fund 150 startups with ₹50 lakh each for developing advanced technical textiles

New Delhi: The Union textiles ministry is planning to give grants of up to ₹50 lakh each to 150 startups that are engaged in making technical textiles such as Kevlar and Spandex, said two people aware of the development.

The ministry will also not seek any share of the profits from the business that is generated.

The funding is part of a ₹375 crore allocation for FY25 from the National Technical Textiles Mission (NTTM).

Technical textiles such as Kevlar, Spandex, Nomex and Twaron have application in sectors such as aerospace, defence, automobiles, healthcare, construction and agriculture.

Fifth largest market

As per a KPMG report, the Indian technical textiles market is the 5th largest in the world and stood at $21.95 billion in 2021-22, with production amounting to $19.49 billion and imports $2.46 billion. In the past five years, the Indian technical textiles market has grown at 8-10% per annum and the government aims to accelerate this to 15-20% over the next five years.

The global technical textiles market was estimated at $212 billion in 2022 and is expected to reach $274 billion by 2027, growing at a CAGR of 5.2% during 2022-27, driven by increasing demand cross industries and the rapid development of new applicative products, according to the KPMG report.

The government's focus on supporting startups in this sector aligns with its broader goal of promoting innovation and entrepreneurship in the country.

Additionally, the textiles ministry has relaxed the royalty cap on this scheme. Generally, every fund provider takes a percentage of the profits that the start-up earns as ‘royalty’, in return for their investment. This relaxation will make it easier for start-ups to grow, one of the people cited above said.

Towards global leadership

NTTM was launched in 2020 with the aim to position India as a global leader in technical textiles by promoting research, innovation, and the use of technical textiles in various sectors.

In addition, the government has launched a production linked initiative or PLI for textiles, the PM MITRA Parks scheme, introduced quality control regulations and developed over 500 standards to promote the technical textiles.

The second person said start-ups interested in availing the fund will need to deposit 10% of the total fund allocation in advance. For example, to get ₹50 lakh from the ministry, the start-up must deposit ₹5 lakh of its own money. This ₹5 lakh will not be deducted from the ₹50 lakh fund.

“As of now, 10 startups are set to be approved next week, with the remaining startups to be selected in phases over the next few months," this person said.

Artificial teeth

Mint reported on 14 April that the textiles ministry is working on developing fabric-based artificial teeth to make dental implants more affordable. The plan involves using dental resins made from polyester to replace expensive ceramic, polymer, and composite implants, with research being conducted by institutions like AIIMS and IITs. Fabric-based teeth are already used in countries like Germany and the US to cut costs.

Gaurav Duraisamy, director of Tailor & Circus, a start-up manufacturing innerwear from eucalyptus tree fibers, said, "The textiles ministry's initiative will encourage start-ups to turn their concepts into reality. I'm also looking forward to participating to avail the benefits of the scheme."
Mint also reported on 19 March that the government is planning to bring new quality control orders (QCOs) for textiles products, including technical, protective and build-tech textiles to put a check on substandard imports from China.

Technical textiles comprise PPE kits, and masks among others; while protective textiles comprise safety kits for firefighters and construction workers.

As of now, bedsheets, pillow covers, shoe covers, napkins, baby diapers, orchard protection covers, fencing nets, and insect nets among others have been brought under the QCO' ambit. The government has set a target to bring over 2,000 products under the QCO in the coming years.

Moreover, India is the world's third largest exporter of textiles and apparel and ranks among the top five global exporters in several textile categories, with exports expected to reach $65 billion by FY 2026.

The move comes as India negotiates free trade agreements (FTAs) with several countries. These deals will ultimately lower import duties on manufactured items, which requires India to be on guard against imports of substandard goods.

Queries emailed to textiles secretary, spokesperson of textiles ministry and Startup Association of India remained unanswered till press time.

Source: livemint.com– June 03, 2024

HOME

****

CBIC issues instructions for initiating early GST recovery

The CBIC has said the Principal Commissioner or commissioner level officers can issue directions to recover GST dues before the stipulated three months of serving of demand order.

Under the GST law, if a taxable person does not pay the amount specified in an order passed under the CGST Act within three months from the date of service of such order, the tax officer can initiate recovery proceedings only after the expiry of this period.

However, in exceptional cases where it is necessary in the interest of revenue, the proper officer, after recording the reasons in writing, may ask a taxable person to pay the amount within a period shorter than three months.

The Central Board of Indirect Taxes and Customs (CBIC) said, it has been brought to its notice, that some of the field formations are initiating recovery before the specified period of three months from the date of service of the order, even in the cases where the taxable person has not been specifically required by the proper officer, for reasons to be recorded in writing, for payment of such amount within a lesser period.

"Therefore, in order to ensure uniformity in the implementation of the provisions of law across the field formations, the board hereby issues the following instructions to be followed in cases where it is necessary, in the interest of revenue, to initiate recovery before the period of three months from the date of service of the order," the CBIC said.

Generally, recovery proceedings are undertaken by the jurisdictional Deputy or Assistant Commissioner of Central Tax.

In cases where early recovery is deemed necessary, the jurisdictional Deputy or Assistant Commissioner must present the case, along with the reasons for early recovery, to the jurisdictional Principal Commissioner or Commissioner of Central Tax, the CBIC said.

If satisfied with the reasons, the Principal Commissioner or Commissioner must record these reasons in writing.

Upon recording the reasons in writing, the Principal Commissioner or Commissioner, may issue directions to the concerned taxable person to pay the specified amount in less than three months from the date of service of the order.

Moore Singhi executive director Rajat Mohan said, this instruction strikes a balance between safeguarding revenue, and maintaining ease of doing business.

By providing clear guidelines, and mandating proper documentation for early recovery actions, the instructions enhance transparency, and predictability in tax administration.

"It is also hoped that state tax administrations will issue similar instructions to address the challenges faced by taxpayers under state jurisdictions. This coordinated approach would further streamline tax compliance, and foster a fairer tax environment across the country," Mohan added.

Source: thehindubusinessline.com– June 02, 2024

HOME

****

Minister urges farmers to buy cotton seed from authorised dealers only

Minister for Agriculture Tummala Nageswara Rao has stated that a total of 84,43,474 packets of cotton seeds, each weighing 450 grams, are placed in districts and farmers have already purchased 25,10,430 packets.

In an interaction with the authorities of Agriculture Department on Monday, he said various parts of the State were witnessing pre-monsoon rains for the last three days and the meteorological department had forecast the onset of monsoon in another 3-4 days. He instructed the authorities to ensure supply of green manure, cotton and other crops seed in required quantities.

He told the authorities to review the company-wise supply of seed to the State and follow it up with the companies to ensure that the remaining stocks reached the State in the next 3-4 days. The Minister said farmers had purchased 84,412 quintals of green manure seed against the availability of 97,109 quintals as on June 3. By the same date last year, they had purchased 37,960 quintals.

He appealed to farmers to purchase cotton seed only from authorised dealers as sufficient quantities were made available and not to procure them from private persons.

It had come to the notice of that government that farmers in some districts bordering neighbouring States were purchasing green manure seed in large quantities and moving them to those States and action would be taken against persons involved in it.

He also stated that cases were registered against 33 persons for selling cotton seed without permission and 118.29 quintals of seed worth over ₹2 crore was seized from their possession. Cases were registered against two dealers on the charges of black-marketing the seed.

Source: thehindu.com– June 04, 2024

HOME

****

Lucknow gears up for an international business conclave on June 15-16

Lucknow is gearing up for an international business conclave this month to bolster Uttar Pradesh's target of a $1 trillion economy, and pitch the state as the hub for global trade and commerce.

The event, set to be held on June 15-16, is expected to be attended by business leaders, investors, ambassadors, and high commissioners from 40 countries.

The International Business Conclave 2024, organised by the state's Associated Chambers of Commerce and Industry (Assocham), will focus on trade with Gulf, Asian, European, and Latin American countries.

"The Summit will facilitate collaboration between the domestic industry and foreign companies. It will also boost the startup ecosystem in the state," said D P Singh, president, Assocham.

He said the event will showcase UP's economic potential and investment opportunities and attract foreign and domestic investment.

"The conclave will bring business leaders and key stakeholders in the presence of delegates from around the globe to explore and collaborate for exponential growth," he added.

Some of the participating countries include Austria, Thailand, Russia, Bangladesh, Indonesia, Mauritius, Zimbabwe, Kenya, Cuba, Sri Lanka, Vietnam, Ecuador, Iran, Seychelles, Mauritius, Fiji, and Zambia.

The sectors to be highlighted include agriculture, textile & handloom, food processing, renewable energy & hydropower, infra, pharma & chemical, mining, IT, and electronics.

Source: business-standard.com– June 03, 2024

HOME

****

As retail sales growth slow, retailers to cut deep discounts to drive profits

The deals on clothes, electronics and footwear that have been enticing shoppers to splurge may reduce significantly, as retailers including Aditya Birla Fashion and Retail (ABFRL), Arvind and V-Mart have ruled out deep discounts in a move to spur profits.

Madura Fashion, which manages brands such as Louis Philippe, Van Heusen, Allen Solly and Peter England, said that during the second half of the previous fiscal, especially the fourth quarter, it managed to reduce discounts by 500 basis points to drive profitable growth.

"We also realised that we were quite alright on inventory and we didn't see much elasticity and in discounting," Vishak Kumar, chief executive officer at Madura Fashion, told investors. "We kept that tight and that was part of the cost reduction efforts also." In FY24, retail sales growth rate fell year-on-year every month, reflecting weak consumer sentiment across segments such as apparels, footwear and quick service restaurants (QSR). FY24's comparatively slower growth rate of 4-7% sustained this year as well, with April seeing a 4% increase, the Retailers Association of India (RAI) said after a survey of the country's top 100 retailers.

For the last year and a half, retailers have tried to counter slowing demand with constant discounting. But the price cuts haven't helped much.

Department store V-Mart, which operates in smaller towns, said it has shifted focus to internal capability, which is scalable, replicable and sustainable. "So, those are certain things that we are trying to do, not putting any kind of steroids in the overall process so that we get certain growth just by giving more value to the customer or giving more discount to the customers," Lalit Agarwal, chairman of V-Mart, told analysts. "We are not acting on any of such thought processes of reducing the gross margins."

As Covid eased, pent-up demand led to a boom in sales across athleisure wear, apparel and lifestyle products. Consumers upgraded wardrobes after offices reopened, and eating out and socialising picked up. This led to 13-24% monthly growth throughout FY23.

Shailesh Chaturvedi, managing director at Arvind Fashions, said that after the pandemic, most retailers are moving to a direct-to-consumer model for online sales, which means they control the merchandise, assortment and price instead of ecommerce marketplaces.

"We deliver it at the prices that we want and not heavy discounting, etc. So there's a sort of healthier and long-term business," he said during an earnings call.

Bajaj Electricals chief executive Anuj Poddar told analysts last month that discounting is as high as 5-6% in the market in the electronic product categories the company operates in. He said some of this is being pulled back since it is affecting margins, adding that the company recently increased prices. "We will take a bet that we will take a price hike and, in fact, hopefully not have an adverse volume impact on that, but not all of the 6% can be rolled back right now," Poddar said.

Source: economictimes.com– June 03, 2024

HOME

****