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Currency Watch			
USD	EUR	GBP	JPY
83.48	90.58	106.93	0.52

NATIONAL NEWS	
No	**Topics**
1	India-UK FTA: Labour Party expected to favour continuation of talks
2	Growing imbalance in India-Russia trade likely to be on Modi’s agenda
3	Budget 2024: Sitharaman can help weave Indian textile industries' golden fortune with PLI extension to garment sector, MSME funding
4	Government change in UK won't impact proposed FTA
5	Tariff hikes on Chinese goods and Red Sea crisis are fuelling container shortages, impacting exporters
6	GST collection hits ₹1.74 lakh crore in June; Finance Ministry stops monthly data release

INTERNATIONAL NEWS

Canada's New Greenwashing Law Stands to Impact US Brands

With the emphasis on sustainability growing alongside consumer awareness, greenwashing—or making false or misleading claims about the positive environmental impact of a product—has become rampant.

According to recent data compiled by Zippia, 72 percent of North American and 58 percent of global companies admit to embellishing their ecological performance for commercial gain.

Now, the Canadian government is looking to put an end to the deceptive practice with new legislation targeting greenwashing. An update to the country's Competition Act via Bill C-59 enacted on in late June includes a provision regulating environmental claims in product marketing.

According to the amended law's section on deceptive marketing practices now stipulates that companies are no longer allowed to make environmental claims without solid data or certifications to prove their validity. Brands will be found in violation if they claim "a product's benefits for protecting or restoring the environment or mitigating the environmental, social and ecological causes or effects of climate change that is not based on an adequate and proper test."

A number of certifications and standards pertaining to sustainability exist in the textile and apparel space, including Oeko-Tex, Forest Stewardship Council (FSC), Global Organic Textile Standard (GOTS), and the Organic Content Standard.

Notably, the Competition Act applies not only to Canadian companies, but to those based in other countries that do business in Canada. Penalties for greenwashing under the law are steep, and can include fines of $10 million to $15 million, three times the value of the profit from the deceptive practices, or three percent of the company's annual revenue depending on the offense.

The Competition Act amendment comes just a month after Canada's Competition Bureau opened an inquiry into activewear giant Lululemon after an environmental non-profit accused the Vancouver-based company of making misleading statements about its environmental impact.

Stand.earth filed the anti-competition complaint, claiming Lululemon is "pouring gas on a burning planet" by "creating more planet-harming emissions each year than half a million cars" while simultaneously touting its "Be Planet" pillar for sustainable investment.

Lululemon isn't the only apparel brand accused of greenwashing in recent years. In March, Asos, Boohoo and George at Asda signed formal agreements to be truthful in their sustainability claims following an investigation by the U.K. Competition and Markets Authority.

A number of European brands such as H&M, Primark and Zara have dropped supposedly eco-conscious labels over the past year in the wake of the European Union's decision to tighten regulations surrounding greenwashing.

In mid-June, the EU's European Council recommended the use of the Product Environmental Footprint to measure the environmental impact of apparel and footwear as part of its position on the green claims directive.

According to the directive, "[C]ompanies should use clear criteria and the latest scientific evidence to substantiate their claims and labels. Moreover, according to the general approach, environmental claims and labels should be clear and easy to understand, with a specific reference to the environmental characteristics they cover (such as durability, recyclability or biodiversity)."

Canada's Competition Bureau, which operates similarly to the U.S. Federal Trade Commission, will enforce its newly amended law. And with environmental groups growing increasingly savvy at uncovering falsified claims by brands, regulators likely will have their hands full fielding complaints.

Source: sourcingjournal.com– July 05, 2024

HOME

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Report: US Textile Mills Faced Weaker Order Demand, Higher Material Costs in June

U.S. manufacturing saw an estimated 8,000 jobs lost last month, according to data released by the Bureau of Labor Statistics (BLS) on Friday. And U.S. textile mills are among the stateside producers that reported an economic contraction in June amid the overall compression in the manufacturing environment.

According to the Institute for Supply Management's latest Manufacturing ISM Report On Business—based on a June survey of purchasing and supply executives, including those working in textile mills as well as apparel, leather and allied products—new orders, production and employment are all tightening.

"U.S. manufacturing activity continued in contraction at the close of the second quarter," said Timothy R. Fiore, chair of the ISM Manufacturing Business Survey Committee, commenting on the overall manufacturing trends. "Demand was weak again, output declined and inputs stayed accommodative."

ISM's Manufacturing PMI, an index that reflects sentiment on new orders, production, employment, supplier deliveries and inventories, was at 48.5 percent in June. Although this represented a 0.2 percentage point drop from May's figure, Fiore noted that aside from a dip in April 2020, the index has steadily remained over 42.5 percent for 50 months now, a sign of overall economic expansion in the nation over this period.

Bucking the broader trend of lower manufacturer-held inventory, textile mills said their inventories were higher in June. Apparel and leather goods producers along with textile mills said their customers' inventories were "too high" in last month, in contrast to the overall decreasing index.

The New Orders Index was at 49.3 percent in June, falling below the threshold that separates growth from contraction. This was, however, above May's 45.4 percent index. Textile mills were among the respondents that said new orders had declined. "Panelists' comments noted a continued level of uncertainty and cautiousness as new order levels and customer inventory accounts continue to underperform," said Fiore.

Amid slower ordering, manufacturers—including textile mills—also noted continued declines in order backlogs, a trend that has held for 21 months. Fabric producers also reported lower production, falling into the broader experience of a production decline as the ISM Production Index decreased to 48.5 percent in June from 50.2 percent the prior month.

Also on the decline is employment with a 49.3 percent index, following May's 51.1 percent index that countered a seven-month-long trend of contraction. Textile firms were among those pulling back on employment last month. ISM said its cross-industry panel are enacting hiring freezes, layoffs and other methods to cut head counts.

Another economic pressure is rising raw material prices, as the ISM Prices Index saw its sixth month of growth in June, with textile mills among those reporting higher input costs. However, the growth slowed from 57 percent in May to 52.1 percent in June.

"Demand remains subdued, as companies demonstrate an unwillingness to invest in capital and inventory due to current monetary policy and other conditions," said Fiore. "Production execution was down compared to the previous month, likely causing revenue declines, putting pressure on profitability."

"As we've regularly said for the past 18 months, the combination of an overly strong dollar and high interest rates are dampening factory jobs growth," Alliance for American Manufacturing president Scott Paul said Friday following the release of the BLS data. "June's numbers bear that out, with a net loss of 8,000 manufacturing jobs. Until the Federal Reserve changes course, we can expect to see a stalled factory sector."

"We're also concerned about the growing and persistent trade deficit in goods. It shows we still have a lot of work to do to build reshoring efforts," he added. According to the U.S. Census Bureau's Wednesday numbers, the U.S. goods deficit grew by $0.9 billion to $100.2 billion in May.

Source: sourcingjournal.com– July 05, 2024

HOME

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Will a Labour government deliver for the UK apparel industry?

Keir Starmer has become the UK's first Labour prime minister since Gordon Brown left Downing Street in 2010. "We did it! You campaigned for it; you fought for it; you voted for it; and now it has arrived, change begins now," he said after his party's victory in the UK general election.

How Labour's win will impact the UK apparel industry

"A changed Labour party ready to serve our country, ready to restore Britain to the service of working people."

The British Retail Consortium (BRC)'s chief executive Helen Dickinson is hopeful of finding ways to unlock apparel retail's contributions to the UK and asserts it should be a "shared endeavour" between the new government and the retail industry.

She congratulates the Labour party on its success in the election and looks forward to "getting down to business" with a new government.

Dickinson highlights how important retail is as a source of employment and investment in the UK and through its scale and reach can make a "big contribution" to Labour's policy goals.

The British Fashion Council (BFC) tells Just Style the first 200 days of this new government will hold the biggest opportunity to cement relationships and "discuss the industry, its priorities and start to educate new members of parliament (MPs) on the huge benefits that a successful fashion sector can bring to the UK,".

It organisation also points out that due to the upcoming summer recess followed by the party political conference recess "not much law" will be made between now and October.

The BFC previously shared five key priorities to deliver opportunities for growth in the fashion sector: Reinstating tax-free shopping while reviewing business rates, trade and exports support, a commitment to Science, Technology, Engineering, Arts and Mathematics (STEAM), as opposed to STEM, which doesn't include the arts and providing skills to workers in the fashion industry and introducing sustainable legislation.

“Ideally, we’d like to see positive action on all of our five priorities, but these things take time, and we’re ready to invest in building that partnership,” says the BRC.

However, GlobalData questions to what extent Labour’s “stability” mantra is just a tactic designed to ensure electoral victory, after which a more radical approach might be unveiled.

A GlobalData report titled 'Global Political Drivers: 2024 UK election briefing,' highlights that labour will confront challenging taxation decisions, but major business tax cuts are unlikely. However, it seems committed to capping corporation tax at 25% and reforming business rates to “level the playing field” for small businesses through rate freezes and expanded relief thresholds.

“One of the biggest things Labour could do for apparel retailers is to reform business rates,” GlobalData retail analyst Neil Saunders tells Just Style. “This punishing tax harms a lot of businesses with physical shops.”

However, Saunders points out that despite the Labour Party’s pledge to “replace" the business rates system, it has provided "very few details" about what it will put in its place.

Dickinson echoes Saunders’ sentiments and argues that retail bears the disproportionate burden of business rates, contributing 22% of the total rates while accounting for 5% of the economy, blocking increased retail investment which she believes could “unlock growth” across the economy.

Yet the party’s proposed labour market changes may slightly increase costs for retailers and other businesses. Labour’s plans include boosting trade unions, raising minimum wages, prohibiting zero-hours contracts and “fire and rehire” practices and removing qualifying periods for benefits such as sick pay and parental leave.

This is expected to lead to higher expenses and less flexible workforce management, especially for roles typically using zero-hours contracts.

Labour’s campaign centred on creating a "pro-business, pro-worker" environment and even suggested a unique process of dealing with economic management in its manifesto called “securonomics” – an approach to strengthen economic foundations meaning a £1.8bn fund to upgrade ports and build supply chains across the UK in partnership with businesses, trade unions, local leaders, and devolved governments.

Labour has not specifically discussed plans for the apparel industry, however Saunders believes the party will want to look at ethics in the supply chain for the industry and adds: “It will likely be balanced in its approach as it will not want to place undue burdens on business.”

Labour does list tackling crime as a priority, but GlobalData sees its retail-specific pledges, such as removing the £200 shoplifting offence limit and creating a specific offence for assaulting retail workers, as “largely symbolic.”

The real impact on retail crime will depend more on its success in addressing court backlogs and implementing preventative crime measures, explains the report.

Dickinson tells Just Style she is keen to see the details of how these policies will be taken forward.

Labour has previously said it remains confident in the UK’s status outside of the EU but hopes to “make Brexit work” and deepen ties with Europe through an “improved and ambitious” relationship.

Saunders mentions any hope of joining the European Single Market is unlikely as the party would deem it too “politically sensitive,” but he suggests Labour may seek to smooth trade with the EU. But, he says: "Quite how this will be done remains to be seen".

Saunders adds that with trade, Labour is likely to push more free trade deals after already announcing it will seek arrangements with India which he believes could help imports of apparel.

GlobalData senior apparel analyst Pippa Stephens believes Labour’s attempts to strengthen the UK’s relationship with the EU should somewhat help “cross-border trading,” and aid lead times and tariffs, “though market access will still be considerably reduced post-Brexit,” she says.

What can retailers expect from a Labour government?

GlobalData retail analyst Oliver Maddison warns the retail sector won't be an immediate priority of the Starmer-led government.

“Of the retail-relevant policies set out in the Labour manifesto, the only one with a prescribed timeframe was a package of labour market reforms to be delivered in the first 100 days,” he says.

Although this would slightly increase labour costs in the not-too-distant future, he notes the remainder has no set timeline and was unlikely to have a significant effect until later in the Parliament. Maddison explains the non-specific structural reforms to business rates indicate that the policy detail is likely to be thrashed out once Labour enters government, backloading the implementation timeline.

Scott Parsons, chief operating officer UK of shopping centre operator Unibail-Rodamco-Westfield describes the election result is an exciting moment for the country and an opportunity to refresh the relationship between business and government and how they work together to deliver for communities.

When it comes to the retail sector, he has two top asks for the new Labour government.

He states: "The first is to do what no previous government has been able to achieve and reform business rates once and for all, and the second is to abolish tourist tax."

Parsons asserts tackling these issues effectively will not only help save our high streets but it will also unlock growth across the UK, allowing us to better compete on the global stage.

He continues: "Labour’s commitment to working with business leaders is refreshing and I invite our new Prime Minister and his team to meet with me on behalf of the hundreds of British and global retail brands at Westfield London and Westfield Stratford City to help turn both asks into a reality.”

The Labour manifesto reaffirms its intention to reform the apprenticeship levy into a “growth and skills levy,” to give companies more liberty to upskill their workforce, however no specific timeline is given.

"In such cases, retailers may be able to have greater input on the precise shape of policy outcomes through a greater scope for consulting with policymakers," Maddison points out.

According to Stephens, this may also solve the fundamental problem of the skills gap as it would allow retailers to upskill colleagues throughout their careers, "aiding staff retention and helping them adapt to major changes in the industry such as the implementation of AI."

With Labour's plans to boost creative industries through apprenticeships and arts education, Stephens sees this as helping to increase the amount of talent filtering into the fashion industry.

Maddison imagines the effect of some of Labour's policy agenda on retail will likely only begin to manifest much later, depending on its efficacy in achieving more structural goals.

Short-term outlook and impact on apparel consumer spending

Labour's victory could see consumer confidence translate into more apparel retail spending.

Over a third (35.9%) of consumers expect to increase retail spending if Labour wins, according to GlobalData's recent 'UK Retail update Q2 2024' webinar with GlobalData's retail research director Patrick O'Brien putting it down to "enthusiasm enthused by the future".

However, he warns that history shows a post-election boost could be short-lived as the "after-election" year tends to be worse than the year before it.

"Consumer confidence may be fairly high, but retail volumes have been shrinking," says O'Brien. "The incoming Starmer government may be able to buck the trend, though he's unlikely to be pulling any rabbits out of hats to increase spending in a meaningful way."

Maddison agrees and shares the effects of Labour's policy agenda on retail will likely "take time to come to fruition."

Labour's victory and the UK's new government presents both opportunities and challenges for the apparel industry. However, the true impact will depend on how quickly and effectively its proposed policies are implemented, and how the industry and consumers adapt to the change that lie ahead.

Before the UK general election, Just Style analysed the stance of the five major political parties in the UK- Labour, Conservatives, Liberal Democrats, Green and Reform UK – on key issues related to the apparel industry.

Source: globaldata.com– July 05, 2024

HOME

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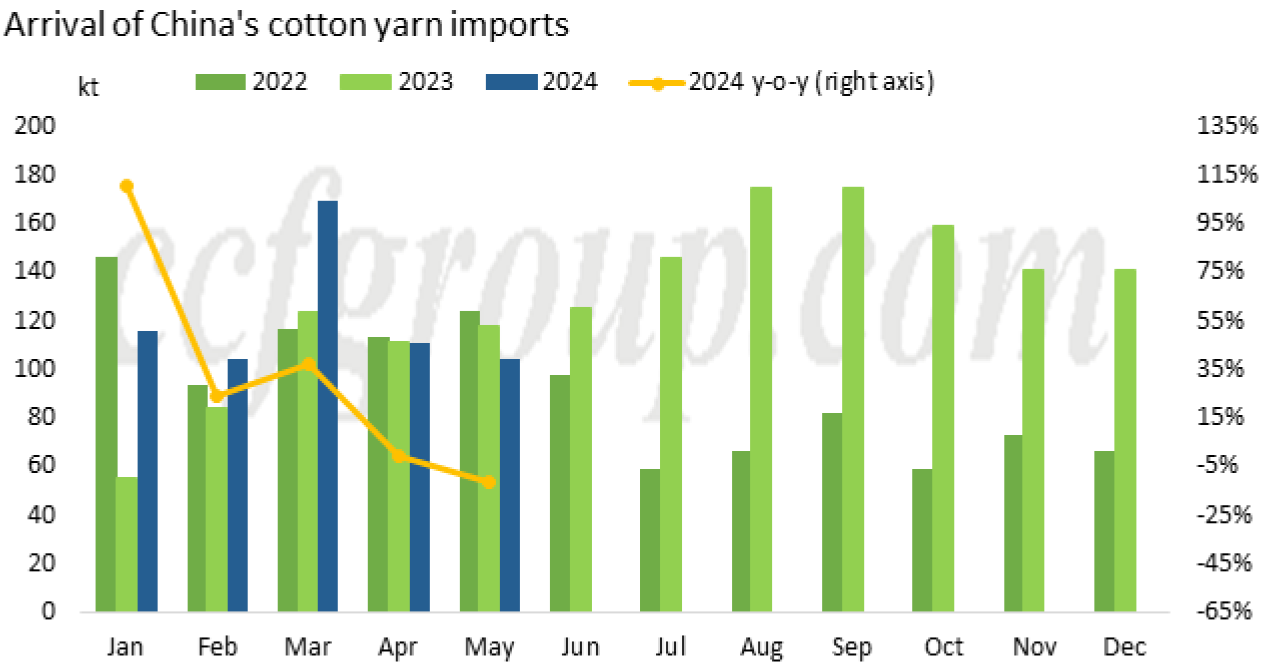
China's imports of Uzbekistani cotton yarn increases despite the overall decline

I. China's cotton yarn imports totaled 103.9kt in May

According to the latest customs data, China's cotton yarn imports in May 2024 dropped to around 103.9kt, a decrease of about 7,000 tons compared to Apr. The import volume showed a different trend compared to the same period last year, with a reduction of about 14,000 tons compared to May 2023. From Jan-May 2024, China's total import of cotton yarn reached 604.8kt, still higher by 110kt compared to the cumulative import volume of the same period last year.

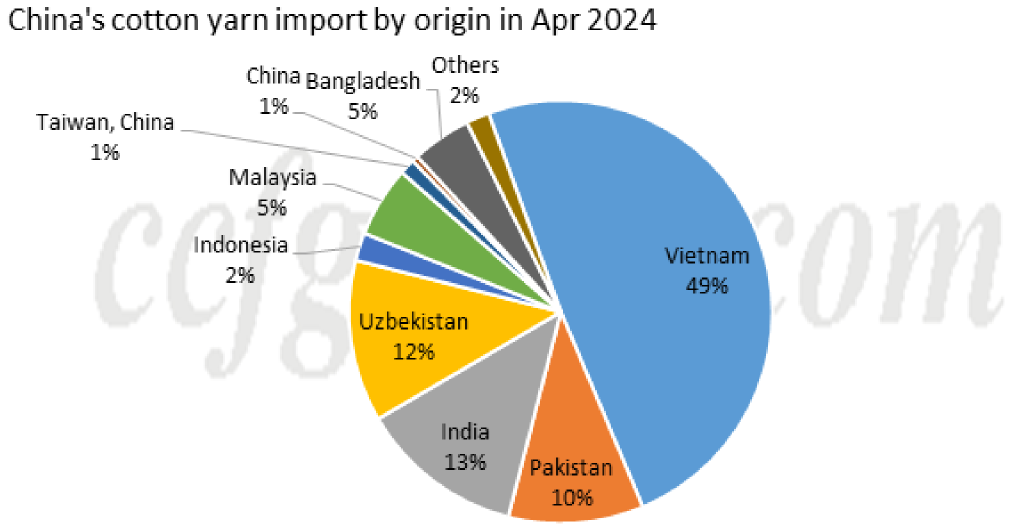


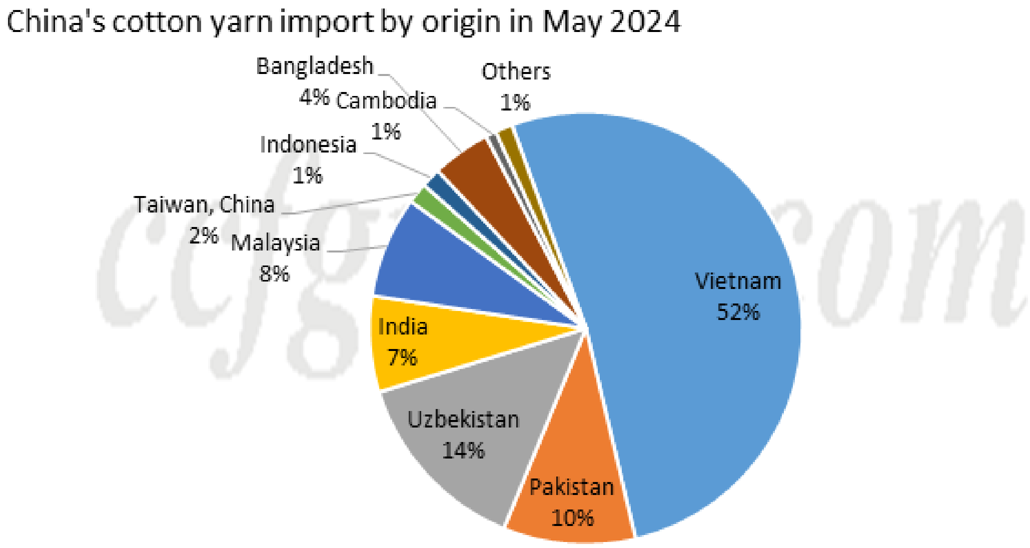
II China's cotton yarn imports by origin in May 2024

In May, apart from Uzbekistan, there was a slight decline in the arrival volume of cotton yarn from Vietnam, Pakistan, and India compared to the previous month.

Vietnamese cotton yarn arrival totaled 53.9kt, accounting for approximately 52% of the total. Uzbekistani import of cotton yarn reached 14.6kt, increasing its share to 14%. Pakistani imports decreased to 10.2kt, maintaining a share around 10%; while Indian yarn imports dropped significantly from nearly 14kt in April to 7.5kt, showing the most pronounced fluctuation.

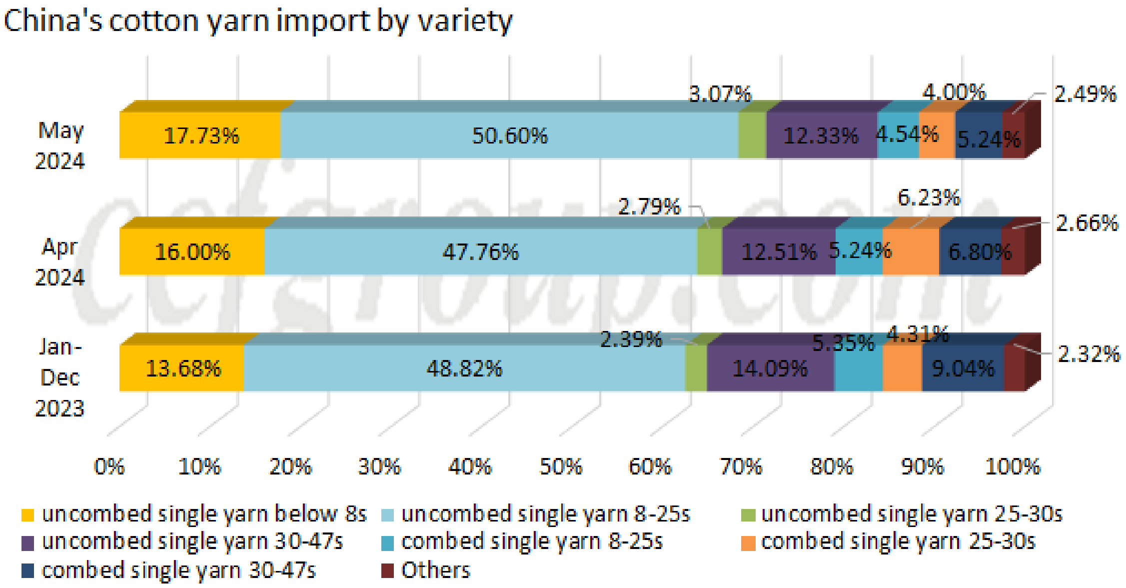
When international cotton prices initially declined, overseas yarn mills raised prices to recover their losses, except for Uzbekistani yarn which remained relatively advantageous in terms of cost and profit, leading to a relatively stable operation in import volume.





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

Since the beginning of this year, the Chinese market's preference for imported cotton yarn has once again shifted towards carded yarn. In May, the import share of carded single yarn 8-25s exceeded half of the total, totaling approximately 52.6kt. The share of carded single yarn below 8s also increased to 17.73%, amounting to 18.4kt. In comparison, the share of combed single yarn 8-47s decreased to 13.78%, with an import volume of only 14.3kt in May.



Region	Amount of carded yarn below 8s (tons)	Share	Region	Amount of carded yarn 8-5s (tons)	Share
Vietnam	11612	63.05%	Vietnam	25896	49.27%
Pakistan	4640	25.19%	Pakistan	5503	10.47%
Bangladesh	960	5.21%	Uzbekistan	5393	10.26%
India	410	2.23%	Malaysia	4829	9.19%
Malaysia	252	1.37%	India	4305	8.19%
Indonesia	234	1.27%	Bangladesh	3585	6.82%
Taiwan, China	206	1.12%	Taiwan, China	1370	2.61%
Cambodia	98	0.53%	Cambodia	719	1.37%

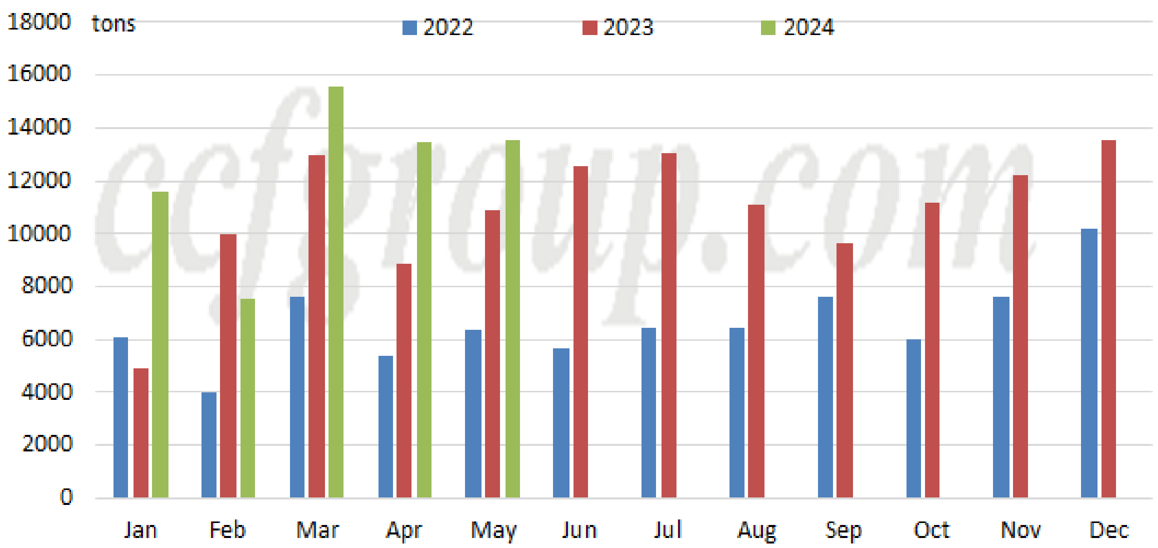
Region	Amount of carded yarn 30-47s(tons)	Share	Region	Amount of carded yarn 25-7s(tons)	Share
Uzbekistan	7740	60.45%	Vietnam	3933959	72.32%
Vietnam	3813	29.78%	India	1064452	19.57%
Indonesia	647	5.05%	Malaysia	261400	4.81%
Malaysia	560	4.37%	China	72576	1.33%
India	43	0.34%	Thailand	38803	0.71%
Pakistan	2	0.02%	Indonesia	26477	0.49%
			Japan	5401	0.10%

Vietnamese cotton yarn not only occupies the top spot in China's imported carded cotton yarn below 25s but also holds over 70% of the market share in the combed single yarn 30-47s. Due to the relatively firm Indian cotton prices, Indian yarn has lost its price advantage in the combed yarn sector, making import operations challenging due to prolonged price difference of domestic and international markets. Furthermore, the high-priced Indian combed yarn stocks imported last year are mostly facing the dilemma of selling at a loss, which has to some extent undermined the confidence of domestic traders in subsequent operations. Uzbekistan, on the other hand, continues to expand its advantage in the carded yarn 30-47s, with import volumes of ring-spun yarn in May totaling 7.74kt.

IV. China's blended cotton yarn imports in May 2024

In May 2024, China's imports of blended cotton yarn totaled around 13.6kt, showing a slight increase of over 700 tons compared to April. This increase contradicts the declining trend in cotton yarn imports. However, despite the rise in imports, the prices of imported blended yarn in the domestic spot market have significantly declined. Among the imported blended yarn in May, yarn from Vietnam accounted for a substantial 11.5kt. The three most in-demand specifications were carded yarn 8-25s (45%), combed yarn 25-30s (13.37%), and combed yarn 30-47s (13.53%). With the recent weakening of US cotton, overseas prices for imported blended yarn have also gradually decreased, prompting some domestic buyers to replenish inventory in small quantities.

China's blended yarn imports in 2022-2024(HS code:5206)



Source: ccfgroup.com– July 05, 2024

HOME

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New textile circularity partnership to boost green growth in Indonesia

The Global Green Growth Institute (GGGI) Indonesia, the ministry of National Development Planning (Bappenas), Bandung Polytechnic of Textile Technology (Politeknik STTT Bandung), and PT Daur Langkah Bersama, also known as Pable, have signed an agreement to mark a partnership for a sustainable future in the textile industry.

The partnership aims to support Indonesia's textile sector in adopting a circular economy approach, a priority and ambition of Bappenas. According to a study in 2023, the textile industry employed 3.98 million people and, in the first quarter of 2024, contributed 5.84 per cent to Indonesia's Gross Domestic Product (GDP).

The Finnish ministry of foreign affairs has committed to supporting GGGI Indonesia in its collaboration with key government institutions and sustainability-forward initiatives like Pable, a textile-to-textile recycling company, to make a circular economy a reality. Through GGGI Indonesia's Green Transition Investment Programme (GTIP), the partnership aims to reverse the environmental impact of textile waste, introduce the potential of circular textiles, create green jobs, and organise training programmes, GGGI said in a press release.

Bappenas recently published Indonesia's Circular Economy Roadmap and National Action Plan, which emphasises addressing textile waste as one of the five prioritised sectors with the potential to adopt a circular approach. "We found that textile waste in Indonesia is estimated to reach around 2.3 million tons per year and will continue to increase by 70 per cent if there are no interventions. This partnership was initiated not only to manage textile waste but also as a collaborative effort to develop a circular textile ecosystem, which includes the creation of financial schemes and capacity building of circular textile industry players in Indonesia," said Priyanto Rohmattullah, Bappenas director of the environment.

The partnership will involve Bandung Polytechnic of Textile Technology, a trade school specialising in textile production, and provide opportunities to strengthen their existing technical and vocational study and training (TVET) programmes. This will, in turn, result in improved skills and knowledge of textile recycling techniques and more job opportunities.

“In the long run, the programme aims to support local businesses accessing various markets with stringent sustainability standards,” said Yorkie Sutaryo, GGGI Indonesia GTIP Indonesia lead.

One of GTIP’s key partners is Pable, a local company whose business model centres on innovative textile-to-textile recycling techniques. Pable’s expansion plan aligns with the increasing market demand for recycled products, allowing Pable to generate socio-economic benefits for society and contribute to Indonesia’s economic growth at the same time.

“Pable has successfully proven that a circular approach is applicable to Indonesia’s textile sector through a transparent recycling process. We hope this partnership will help us expand our sustainable business practices, reach new audiences, and open more doors of opportunity for those wishing to dive deep into Indonesia’s textile recycling sector. We believe that the circular economy could help protect our planet,” said Aryenda Atma, founder and chief executive officer (CEO) of Pable.

The partnership under GTIP will also allow Pable to access technology transfer facilitated by the Finnish ministry of foreign affairs, further bolstering Pable’s contribution to transforming textile waste into recycled products for the global or Indonesian market.

Source: fibre2fashion.com– July 05, 2024

HOME

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Textile Innovators Aim to Turn the Tide for Thailand's 'Sunset Sector'

The apparel and textile export sector in Thailand has in recent years been described as a "sunset sector," but an oft-repeated sentiment at the GFT 2024 Expo in Bangkok on June 26-29 was that the industry could see the sun rise yet again.

The four-day trade show at the Bangkok International Trade and Exhibition Centre (BITEC) was tagged as a one-stop shop for industry solutions, with many exhibitors agreeing that it remains the most comprehensive textile exhibition in the ASEAN region.

With more than 200 exhibitors and approximately 10,000 attendees, this year's theme centered on "The Right Match: Weaving Business With the Right Partners."

The organizers underscored the urgency of forging better partnerships to ensure Thailand's future in the industry.

"When an industry is in a critical situation, people should come together to survive. We have seen that happening here—and there are new trends too. There has never been so much representation of the younger generations in our show," RX Tradex marketing director Natkon Woraputthirunmas told Sourcing Journal. The group organizes the GFT event.

"The people who came to GFT are manufacturers and those who want to meet the fashion brands. It's the only annual gathering for the garment and textiles industry to come together to talk about how the industry is going, how to build brands, for the market to come together, and there is a lot of sense of cooperation," he said.

Thailand exported approximately $6.03 billion-worth of apparel and textile materials in 2023, down from $6.85 billion in 2022. According to the office of Industrial Economics in Bangkok, textile and apparel exports and domestic sales are expected to grow in 2024 with production increasing due to the government's economic stimulus measures and policies, as well as the recovery of the tourism sector.

"However, factors to be monitored include geopolitical conflicts, continuous increases in policy interest rates of major economies, the global economic slowdown, inflation in many countries, and energy shortages in Europe," the organization noted in a recent report.

"These factors may be pressing factors that cause the economy of trading partners to slow down. Furthermore, an increase in electricity prices and labor wages will affect the production costs of the textile and clothing industry, to ease the burden of expenses on the people both in the short and long term," it read.

Thailand is expected to see 2.6-percent GDP growth in 2024, up from 1.9 percent in 2023. GDP is projected to rise to 3 percent in 2025, according to the Bank of Thailand's June reporting.

Innovative technologies and products, including machinery, were on display at GFT. Exhibitors and attendees also said they were keen to learn about factory upgradation.

Texturized printmaking technology in the form of a 2,400 DPI-resolution machine capable of printing up to 180 cm wide was showcased by the Thanasarn Intergroup, along with Tajma's TMCR- VO912F embroidery machine, featuring automatic thread tension adjustment. Epson's eco-friendly DTG printers were also among the tech showcases.

There was a strong showing in the China pavilion, and seminars spanned topics like global industry opportunities, capturing popular trends, and economic supremacy through growth. Both in discussions and the showcase, it became apparent that the industry views sustainable innovation as the way forward.

"It is time for us to take it in a new direction, with a different focus," Setthapong Srisuphonvanij, president of the Thai Textile Merchant Association (TTMA) told Sourcing Journal.

"What is happening is that changes are taking place towards more creativity and technology, which is fast becoming the trademark of the industry in Thailand. There is a changing demand in modern clothing markets, and the need for specialty textiles to meet consumer needs," he said.

Chaiyos Rungcharoenchai, founder and CEO of Perma Corporation, whose stall attracted a stream of visitors, explained that there was “an explosive level of interest in unique initiatives.”

“It is being a lot about innovation,” he said, citing the group’s anti-bacterial polyester staple fiber, which is made through the embedding of nano zinc-oxide for odor control. “We avoid the use of coatings and chemicals in production, making it non-irritating and suitable for sensitive skin. The integration of zinc in the fiber production process ensures durability against washing and regular use maintaining the fabric’s condition over time,” he added.

The fiber’s application ranges from socks to denim.

Meanwhile, ZS International’s DryDye Fabric dyeing technology claims to reduce energy consumption and recycle 95 percent of CO_2 and dye powder waste, and NYL-One Yarn turns fishing nets into nylon yarn and apparel.

Amornpol Huvanandana, co-founder and CEO of Moreloop, said he gave up a career in banking to pursue his vision of changing the industry with an online marketplace for surplus fabric and factory waste, which can be bought by smaller companies for use in new products.

TTMA’s Srisuphonvanij observed that the industry spirit was galvanized by the presence of such innovations. “As sourcing chains find changing patterns in 2024, the idea is to be a sunrise industry again,” he said.

Source: sourcingjournal.com– July 05, 2024

HOME

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US Retail Job Market Softening, Data Shows

The U.S. labor market is softening, and with that shift so too is employment in retail.

The Bureau of Labor Statistics (BLS) said on Friday that total non-farm payrolls rose by 206,000 in June. Most of the job gains were in government, health care, social assistance, and construction. In retail trade, employment fell by an estimated 9,000 jobs after trending up earlier in the year. Warehouse clubs, supercenters and other general merchandise retailers added 5,000 jobs. The losses were primarily in furniture, home furnishings, electronics and appliance retailers, where 6,000 jobs were cut in June.

The unemployment rate in June rose slightly to 4.1 percent, up from 4.0 percent in May, and remains above the pre-Covid average of 3.7 percent in 2019. The jobless rate a year ago was 3.6 percent.

With an upcoming U.S. presidential election and President Joe Biden's re-election on the line, Acting Secretary of Labor Julie Su pointed to the some positives in the latest data.

"With 13.2 million jobs added since President Biden took office and an average of 244,000 jobs added per month over the past three months, this progress continues the steady, stable economic growth that benefits working families," Su said in a statement. "The Biden-Harris administration has implemented an investment agenda that prioritizes expanding the middle class and leaving no one behind. The solid job market continues to deliver employment and earnings opportunities for our growing workforce, with average hourly earnings increasing 4.4 percent over the year."

In addition to noting a "new historic high" for labor force participation rate for prime working-age women at 77.8 percent, Su emphasized that "Bidenomics is rooted in the notion that growth must be broadly shared by diverse communities throughout this nation."

But the ADP National Employment Report on Wednesday showed that job creation by private employers slowed for the third straight month in June, adding just 150,000 positions.

“Job growth has been solid, but not broad-based,” ADP chief economist Nela Richardson said. “Had it not been for a rebound in hiring in leisure and hospitality, June would have been a downbeat month.”

Sarah House and Michael Pugliese, economists at Wells Fargo, reported that while the 206,000 gain in non-farm payrolls were solid, the employment report was a “clear signal” that the American labor market is weakening. “June job growth topped consensus forecasts by [16,000], but this was more than offset by [111,000] of downward revisions to job growth in April and May,” they noted.

In addition, the economists noted that the cooling in the labor market extends beyond the data in the monthly report. Digging deeper, they said the number of job openings per unemployed person is “back to its pre-pandemic level,” while the share of workers who quit their jobs, along with small business hiring plans, “are below pre-pandemic averages.”

The two economists also noted that temporary help employment dropped a 49,000 in June and is down 515,000 from is March 2022 peak, another indication that labor demand is weakening. And the moderation in hiring alongside nominal wage growth—up 0.3 percent in June—could keep downward pressure on overall consumer spending and inflation.

They also believe that the sagging labor market could bolster a case for the Federal Reserve to begin reducing its fed funds rate beginning as early as its Sept. 18 meeting. They are forecasting two 25 basis point rate cuts, one in September and the other in December.

Source: sourcingjournal.com– July 05, 2024

HOME

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Italy's retail trade sees modest growth in May 2024

In May 2024, Italy's seasonally adjusted index for retail trade showed an increase of 0.4 per cent in value and 0.2 per cent in volume compared to the previous month, according to the Italian National Institute of Statistics (Istat). However, retail trade in clothing experienced a notable year-on-year (YoY) decline of 0.6 per cent.

Over the three months leading to May 2024, the value of sales increased by 0.1 per cent, while the volume of sales saw a slight decline of 0.1 per cent compared to the previous three-month period. Despite the overall growth in retail trade value, several categories faced downturns. Shoes, leather goods, and travel items fell by 0.8 per cent, while furniture, textile items, and household furnishings decreased by 1.6 per cent.

The value of retail trade, which had fallen in April, was up 0.4 per cent YoY in May, although the sales volume dropped by 0.8 per cent. Large-scale distribution grew by 0.9 per cent YoY, small-scale distribution rose by 0.2 per cent, and non-store retail sales fell by 1.6 per cent, as per Istat.

Online sales, which had grown in April, declined in May 2024, showing a contraction of 1.4 per cent compared to May 2023.

Source: fibre2fashion.com– July 06, 2024

HOME

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Australia increases minimum wage for workers by 3.7%

Australia's workplace tribunal Fair Work Commission has announced a 3.75 per cent increase to the national minimum wage and minimum award wages, effective from July 1, 2024. This adjustment aims to support workers amidst rising living costs and economic changes.

The national minimum wage increased to $915.90 per week, equivalent to $24.10 per hour. Additionally, award minimum wages rose by 3.75 per cent.

The commission has also stated that other award wages, including those for juniors, apprentices, and supported wages based on adult minimum wages, will receive a proportionate increase. The new wage rates are valid from the first full pay period on or after July 1, 2024.

Source: fibre2fashion.com– July 05, 2024

HOME

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Bangladesh registers 12.31% drop in apparel exports to the US during Jan-May'24: OTEXA

In the first five months of 2024, Bangladesh's apparel exports to the United States, its largest market, declined by 12.31 per cent in value to $2.90 billion.

According to data from the Office of Textiles and Apparel (OTEXA) under the US Department of Commerce, in terms of volume Bangladesh shipped 6.22 percent fewer garments, equating to 956.55 million sqm, down from 1.01 billion sq m in the corresponding period the previous year.

In contrast, Bangladesh's key competitors, China and Vietnam, outperformed it in the US market. US apparel imports from Vietnam reached $5.41 billion in January-May 2024, showing a smaller year-over-year decrease of 1.48 percent. China's apparel exports to the US also declined by 5.81 percent, amounting to $5.43 billion. Overall, US apparel imports dropped by 6.0 percent, from $31.51 billion to $29.62 billion in the first five months of 2024.

Exporters attribute Bangladesh's declining export share to several domestic issues, including long lead times, inconsistent energy supplies, and high production costs. These factors have given Vietnam an edge in the US market, they argue. Mohammad Hatem, Executive President, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), notes, buyers are now placing orders with shorter lead times, favoring countries like China and Vietnam with more reliable energy supplies and quicker turnaround times.

The current gas crisis in Bangladesh hampers factories' ability to operate at full capacity, making it challenging to meet production deadlines. Additionally, the lack of a deep-sea port causes delays in import and export activities.

Rising gas prices and recent wage hikes are also eroding Bangladesh's production cost competitiveness. Hatem points out, in many cases, they are forced to decline orders because the offered prices are below production costs. Furthermore, he mentioned difficulties with non-cooperative banks.

Bangladesh is also losing out to Vietnam in capturing redirected orders from China. Vietnam benefits from several advantages, including shorter lead times, lower tariffs for the US market, strong connectivity with China, and substantial Chinese investments in Vietnamese manufacturing.

OTEXA data shows, during the same period, US apparel imports from Cambodia increased by 7.75 percent to $1.28 billion. In contrast, India's apparel exports to the US declined by 2.06 percent to $2.08 billion, and Indonesia saw a 10.49 percent drop to $1.64 billion.

Source: fashionatingworld.com– July 05, 2024

HOME

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Bangladesh reports 55.4% drop in value addition in RMG during July-Mar'23-24

During July-Mar 23-24, Bangladesh reported a 16 percentage points decline in value addition in the readymade garment (RMG) sector to 55.4 per cent. This decline raises concerns among exporters regarding Bangladesh's eligibility for the Generalised System of Preferences (GSP) Plus facility in the European Union (EU) market following its graduation from Least Developed Country (LDC) status.

According to recent data from the central bank, Bangladesh's apparel exports totaled $27.30 billion in the last three quarters of FY24, significantly lower than the previously reported $37.20 billion. This revision includes a substantial decrease of $6.49 billion in knitwear exports and $3.41 billion in woven exports.

The discrepancy between the central bank's data and the Export Promotion Bureau (EPB) stands at $10.81 billion for July to April of FY2024. Additionally, RMG-related import payments have been revised upwards to $12.17 billion, highlighting one of the lowest recorded value additions in recent years, significantly lower than the previously reported 71.5 per cent.

In response, industry leaders have urged the government to reconsider its export targets, arguing that the FY24 fell short due to inaccuracies in export figures.

Concerns have been raised about meeting the double-stage value addition requirements for the GSP Plus facility in the EU market, given the declining value addition in Bangladesh's apparel sector.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) points out, a close competitor, Vietnam may now be far ahead following the revision of export data.

This disparity underscores challenges such as gas and electricity shortages affecting local fabric and yarn supplies, potentially leading to increased reliance on imported raw materials and impacting local value addition efforts.

Dr. Ahsan H Mansur, Policy Research Institute, emphasises on the need for comprehensive government support, including improved port facilities, simplified customs procedures, and uninterrupted energy supplies, to help achieve ambitious export targets by 2027. He stressed diversifying the export basket to boost export volumes and competitiveness.

Exporters remain concerned about Bangladesh's standing in the global apparel market, particularly with Vietnam's competitive gains and the challenges posed by local infrastructure and value addition constraints. Efforts to address these issues will be crucial in maintaining Bangladesh's position as a leading apparel exporter and securing future market advantages.

Source: fashionatingworld.com– July 05, 2024

HOME

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NATIONAL NEWS

India-UK FTA: Labour Party expected to favour continuation of talks

The India-UK Free Trade Agreement (FTA) negotiations are expected to stay on track despite a change in government in the UK as there is "bipartisan" support for the deal in the country, official sources said.

Trade experts, too, believe that the talks will remain largely on course although the new Labour government, could have a harder stand on some issues such as labour that may be settled through mutual compromises.

"The interest in the UK in forging an FTA with India is across parties. The Labour Party's wish to continue FTA negotiations with India has been made amply clear in its election manifesto," an official tracking the matter told businessline.

The UK's Labour Party, led by Keir Starmer, has come back to power after 14 years of Conservative rule. Starmer, so far, has given indications that his party would not be against the proposed India-UK FTA that was initiated by former UK PM Boris Johnson and is in its crucial last lap. The trade pact is estimated to double bilateral trade to $100 billion by 2030.

Apart from the election manifesto, Starmer expressed his support for the India-UK FTA in his address at the India Global Forum last year. "What my Labour government will seek with India is a relationship based on our shared values of democracy and aspiration. that will seek a free trade agreement (FTA). We share that ambition...but also a new strategic partnership for global security, climate security, economic security," he said.

High-profile deals

The Labour government will have to complete high-profile deals like the one with India to ensure its credibility, said Biswajit Dhar, former Professor at JNU.

“There will, of course, be some hard negotiations over Mode 4 (movement of workers), given Labour’s hard stand on immigration. At the end of the day, I expect that there will be some compromises on both sides that could see the deal through,” Dhar said.

The Labour Party is expected to recognise the benefits of the India-UK FTA, as it opens access to a large and growing Indian market, said Ajay Srivastava from research body Global Trade and Research Initiative. “The India-UK FTA is nearly finalised, and with a few minor adjustments like curtailing number of visas for India professionals, the Labour Party may likely give its approval. This could set the stage for the agreement to be signed as early as October this year,” he said.

The tricky areas in the negotiations include rules of origin, market access for vehicles (including EVs) and Scotch, easier work visas for Indian workers, liberalisation of financial services and tightening of intellectual property rights.

Source: thehindubusinessline.com– July 05, 2024

HOME

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Growing imbalance in India-Russia trade likely to be on Modi's agenda

The growing imbalance in India-Russia trade, tilted heavily in Russia's favour, is likely to be a priority area of discussion between Prime Minister Narendra Modi and Russian President Vladimir Putin in Moscow next week, Foreign Secretary Vinay Kwatra has indicated.

Modi will be in Russia on July 8-9 for the 22nd India-Russia summit, where a wide range of issues such as defence, trade linkages, culture, education, civil nuclear cooperation and people-to-people contacts, will be on the agenda, Kwatra said.

"In 2023-24, India's exports to Russia were at $4 billion while Indian imports were close to $60 billion. Trade remains in imbalance which is a matter of priority in our discussions with the Russian side," the Foreign Secretary said at a press briefing on Friday on Modi's visit to Moscow.

When asked how the trade imbalance could be addressed, Kwatra said that attempts have to be made to increase exports from India in all sectors, whether agriculture, manufacturing pharmaceuticals or services. "We will try that exports from India should increase as fast as possible, so that the the trade imbalance can be rectified fast," he said.

India's imports from Russia have been primarily oil, valued at $ 54.5 billion in 2023-24, as it is offered by the country at a discount.

G7 trade sanctions

Responding to a question on the G7 countries economic sanctions targeting trade with Russia, Kwatra said that India has been in talks with the group on the matter. "We have been in very regular touch with G7, essentially to protect and progress our national interests and our national needs when it comes to our economic and political interests–whether it relates to diamonds or other sectors of industry and economy."

The threat of third country sanctions has been acting as an impediment to growth of Indian exports to Russia, especially of items such as computers, electronics and telecom equipment, according to industry and government officials.

US Ambassador to India, Eric Garcetti, recently said that any Indian company that violated global sanctions against Russia would have to be aware of the consequences they face when they were trying to do business with countries in Europe, America and their global allies around the world. He further said that he hoped that India would help identify those companies that are fuelling the Russian war machine (against Ukraine).

On India-Russia defence cooperation, Kwatra said it was a very important segment of the privileged strategic partnership. “Various elements of it, whether it relates to co-production opportunities between India and Russia, whether it relates to supply of spare parts for existing Russian platforms in India, whether it relates to other equipment that might be involved...those could potentially come up for discussion between the two leaders,” he said.

After his Russia visit, Modi will travel to Austria, which will be the first visit by an Indian Prime Minister to that country in 41 years.

Source: thehindubusinessline.com– July 05, 2024

HOME

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Budget 2024: Sitharaman can help weave Indian textile industries' golden fortune with PLI extension to garment sector, MSME funding

India is the world's sixth largest textile and apparel exporter having an 11.4 per cent share in India's overall exports. The government aims to achieve $600 billion of textile exports by 2047 from $44 billion in FY22. However, this one's a bumpy road for the Modi government. Will Budget 2024 be able to push the sector towards its goals?

India also aims for the domestic market to grow to $1.8 trillion from $110 billion in 2022 owing to a rise in e-commerce and fast fashion. Furthermore, the domestic market is seen growing to $250 billion by 2030 and exports to $100 billion.

Global exports of textiles and apparel has grown at a compound annual growth rate of 3.4 per cent in 2018- 2022 but India's exports during this period have grown around 1 per cent only. Geo-political uncertainties, consumption shift to other essential and discretionary spends, adverse demographics, and low overall growth of this segment have led to this slow growth.

Textiles sector stained by a few key issues

The ongoing Russia-Ukraine war, the Red Sea crisis and the Israel-Hamas conflict, have lately made the international trade scenario much tougher for the Indian exporters.

In a report published by CRISIL in February this year, it was noted that the textiles industry is unlikely to be significantly impacted by the Red Sea crisis. However, a prolonged crisis is likely to dent margins and stretch the working capital cycle, it had said.

It is worth to note that the higher freight cost due to the Houthi disruption maybe a hindrance for textile exporters with a lot of trade happening through the Suez Canal. The freight rates increased by nearly 40-50 per cent, as per a TOI report.

Additionally, a global 'weak demand' in textiles is another worrisome factor for the industry. The May 2024 ITMF Global Textile Industry Survey (GTIS) revealed a continued stagnation in the textile business climate and that a weak demand remains the main concern since September 2022.

Inefficiency in PLI

The government, in 2021, had approved the Rs 10,683 crore PLI scheme for textiles for five years to promote the production of man-made fibre apparel, fabrics and products of technical textiles.

The scheme has two parts: Part-1 promotes a minimum investment of Rs 300 crore and minimum turnover of Rs 600 crore per company and the second part envisages a minimum investment of Rs 100 crore and minimum turnover of Rs.200 crore per company.

"As per Quarterly Review Reports (QRRs) as on 30.09.2023, the eligible investment made under the Scheme was Rs 2,119 crore of 30 selected applicants, out of which 12 selected applicants started commercial production, turnover achieved was Rs 520 crore including export of Rs 81 crore and employment generated was 8,214," the government in December 2023.

In a recent PLI review meeting, it was noted that the progress as part of the government's glagship scehem has been slower than anticipated in the textiles sector.

What the budget can do for the textiles sector

With the forthcoming budget, the industry may expect the government to address certain key issues and provide measures from finance minister Nirmala Sitharaman.

Primarily, Modi & Co can provide higher fund allocation to MSME which are 80 per cent of the textile market.

Further, an extension of the PLI scheme for garments sector, which the government is already mulling, may take shape.

Earlier on June 25, Textiles Minister Giriraj Singh said the government is now considering to extend the scheme to the garments sector with a view to boost domestic manufacturing and exports.

Singh said that huge opportunities are there to increase exports and the industry should target $50 billion worth of shipments in the coming years.

The ministry is also looking at reviving Scheme for Integrated Textile Parks (SITP), which aims to create new parks of international standards. Under the scheme 54 textile parks were sanctioned.

Source: economictimes.com– July 05, 2024

HOME

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Government change in UK won't impact proposed FTA

New Delhi: A change in political guard in the United Kingdom is unlikely to impact the proposed free trade agreement deal with India, though some tweaks could be likely, trade experts said.

The Labour Party gained a landslide majority in Thursday's parliamentary elections and dealt a bruising defeat to incumbent Rishi Sunak's Conservative Party. "Smooth transition of current talks will take place as the Labour Party has shown support to the trade deal with India," said Sachin Chaturvedi, Director General, Research and Information System for Developing Countries. The Labour Party holds a different position on social service payments and totalisation issues, he said, adding that this could be an arena of discussion in upcoming rounds of talks.

Arpita Mukherjee, economic policy researcher, India Council on International Economic Relations, said the Labour Party is not looking for a mini trade deal, instead a fully-fledged FTA, which essentially will require political will and comprehensive approach from both sides of the government.

"There needs to be a structured framework for regulatory cooperation with timelines as the basis for FTA among both the nations," she said, adding that it would need to cater specific demands from both the nations.

Ahead of the UK general election, the UK India Business Council (UKIBC) had released its manifesto for stronger UK-India partnership entitled Partnership for Growth. The report recognised India as an increasingly important geopolitical player and a major economy - soon to be the world's third largest - and sets out why the new UK government must prioritise its partnership with India.

The Global Trade Research Initiative (GTRI) said the Labour Party is expected to recognize the substantial benefits of the FTA as it opens access to a large and growing Indian market, bypassing high tariff barriers, and it may give approval to the FTA with minor adjustments like curtailing number of visas for Indian professionals. "This could set the stage for the agreement to be signed as early as October this year," GTRI founder Ajay Srivastava said.

Source: economictimes.com– July 05, 2024

HOME

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Tariff hikes on Chinese goods and Red Sea crisis are fuelling container shortages, impacting exporters

As European Union's 37.6 per cent tariffs on imports of Chinese Electric Vehicles (EVs) kick in from Friday, barely a month before US tariffs are slated to come into effect, India exporters as well as traders globally are hit by unprecedented container shortages.

At a review meeting in the Commerce Ministry last month, exporters brought up concerns of a sudden shortage of containers, pointing at structural weakness that has been hurting Indian goods exports since the COVID-19 pandemic.

Shortages have also resurfaced as voyage time of ships has increased amid the ongoing Red Sea crisis and fresh trade tensions between the US and China. The Indian Express explains why Indian exporters are facing repeated shortages of basic infrastructure for trade.

The trigger for the container crunch

Indian exporters are finding fewer containers for exports amid an increased demand for the steel boxes. This is primarily on account of the demand from Chinese exporters in the backdrop of fresh US and EU tariffs on products from China.

In order to beat the steep US and EU tariffs, which in case of the US go up to as high as 100 per cent on Electric Vehicles (EVs) and 50 per cent on semiconductors that are set to come into effect on August 1, exporters are scrambling to ship as many items as possible. Due to the scale of trade between the US and China, container demand has gone up leaving Indian exporters with fewer containers for exports. This has added to the already short supply due to the Red Sea crisis.

Contribution of the Red Sea crisis

The Red Sea shipping route is still under blockade amid near-daily attacks targeting commercial vessels by Yemen's Houthi rebels that has slashed traffic through the route by 90 per cent compared to December last year as per US Defence Intelligence Agency report.

Last month, a bulk carrier reportedly sank indicating escalation of tensions in the crucial maritime route. This has resulted in more ships taking the longer route via the Cape of Good Hope route and spending more time on the sea blocking a higher number of containers for reuse. The Red Sea crisis has also increased port congestion. Reuters reported that global port congestion has reached an 18-month high, with 60 per cent of ships waiting at anchor located in Asia.

Unprecedented shortages

Tariffs hikes have been a part and parcel of trade between the US and China for several years, especially beginning in the Donald Trump administration but shipping routes and containers did not have the impact as they are seen this time. One reason is that the US under Joe Biden not only kept the Trump era tariffs unchanged, he has targeted EV, the fastest growing traded item as per World Trade Organization (WTO).

This urgency is displayed by Chinese traders also in the backdrop of significant over capacity of EV items in China. But China is set to lose out on two major markets: the US and the European Union. To make matters worse, Canada is also mulling higher duty on Chinese EVs. Indonesia has also announced an import tariff of up to 200 percent on a range of Chinese goods.

Dependence on China for containers

While the reasons for the ongoing container crunch may be different this time around, the root cause of such repeated concerns is India's limited capacity for container manufacturing and complete dependance on China for the steel boxes crucial for global goods trade.

China is the largest exporter of containers and makes up for 95 per cent of the large steel boxes production globally. Much of the container manufacturing in China is done by a handful of highly subsidized state owned enterprises that has sparked security concerns in the US, EU as well as in India.

Realizing high dependence on China for crucial port operation calls for domestic manufacturing of containers began after COVID-19. The US has initiated plans to de-risk its ports from over reliance on Chinese containers and cranes. India also began production after 2021.

Container production in India

The Indian Express had reported in 2021 that state-owned wagon manufacturer Braithwaite, and engineering major Bharat Heavy Electricals Limited had received an order from Container Corporation of India (CONCOR) to develop and produce 1000 containers each.

However, the production did not go as expected. Railway Minister Ashwini Vaishnaw told Parliament last year that CONCOR was facing problems in supply and procurement of domestic containers. Vaishnaw told Parliament in April that CONCOR had placed orders for 19,000 containers on seven indigenous container manufacturers located in Andhra Pradesh, West Bengal, Chhattisgarh, Punjab, Maharashtra, and Gujarat but till 31 March 2023, about 500 containers had been delivered to CONCOR.

Source: indianexpress.com– July 06, 2024

HOME

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GST collection hits ₹1.74 lakh crore in June; Finance Ministry stops monthly data release

Collection from Goods & Services Tax (GST) in June touched ₹1.74 lakh crore, registering around 8 per cent growth of June of last fiscal, official sources said on Monday. From now on, the Finance Ministry has discontinued releasing detailed GST collection data on day 1 of every month. This practice continued for 74 months. No reason has been given for discontinuing the release of monthly GST collection data.

Interestingly, the decision not to release monthly data coincided with the seventh anniversary of the new indirect tax system, which subsumed 17 taxes and 13 cesses of the Central and State Governments. Meanwhile, the Finance Ministry did come out with some data and statements through a series of social media posts to highlight achievements during the last seven years.

While June's collection grew eight per cent year over year, it was flat month over month. May's collection was ₹1.73 lakh crore. According to the latest figures, collection in the first three months has reached ₹5.57 lakh crore. Sources said that better compliance and consumption have improved collection.

Earlier in the day, in a social media post, the Finance Ministry said that with reduced tax rates on household goods after implementation, seven years of GST has brought "happiness and relief to every home" through lower GST on household appliances and mobile phones. The Theme of 7th GST Day is Sashakt Vyapar Samagra Vikas (Empowered Trade, Overall Growth), the Ministry said.

GST compliance and taxpayer base

The GST taxpayer base has increased to 1.46 crore in April 2024 from 1.05 crore as of April 2018. "We have witnessed a quantum jump in taxpayers base along with improved compliance," Central Board of Indirect Taxes and Customs (CBIC) Chairman Sanjay Kumar Agarwal said.

Giving comparative charts of pre- and post-GST tax rates of household goods, the Ministry said GST has enhanced the ease of living with every household saving on expenditure on food items and items of mass consumption after GST implementation.

The rate of food items like unpacked wheat, rice, curd, and lassi, which were taxed at 2.5-4 per cent before GST implementation, is at nil after the GST rollout. Household goods like cosmetics, wristwatches, sanitary plastic ware, doors and windows, furniture and mattresses are taxed at a lower rate of 18 per cent in the GST regime, lower than 28 per cent in the erstwhile excise and VAT regime.

The ministry said mobile phones, TVs up to 32 inches, refrigerators, washing machines, electrical appliances (other than air conditioners), geysers and fans, which attracted 31.3 per cent taxes in the pre-GST era, are now in the 18 per cent tax slab in GST regime.

It further said the compliance burden was reduced for small taxpayers, and the GST Council has recommended to waive off annual return filing requirement for taxpayers with aggregate annual turnover of up to ₹2 crore in fiscal 2023-24.

The quarterly return filing and monthly payment of taxes (QRMP) scheme has reduced the number of returns filed in a year from 24 to 8 for more than 44 lakh small taxpayers; IFF (Invoice furnishing Facility) ensured the seamless passage of ITC (Input Tax Credit), the ministry added.

Source: thehindubusinessline.com– July 05, 2024

HOME

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