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INTERNATIONAL NEWS

11.5 million US cotton acres seen planted in 2021: NCC

US cotton producers plan to plant 11.5 million cotton acres in 2021, down 5.2 per cent from 2020, according to (NCC) National Cotton Council's 40th annual early season planting intentions survey. NCC's mission is to ensure the ability of all US cotton industry segments to compete profitably in the raw cotton, oilseed, and US-manufactured product markets.

Upland cotton intentions are 11.3 million acres, down 4.9 per cent from 2020, while extra-long staple (ELS) intentions of 161,000 acres represent a 20.7 per cent decline, according to a media statement by NCC.

State-level details, along with the full economic outlook is being released as part of the NCC's US Cotton Economic Outlook presentation during the NCC Annual Meeting's general session.

Source: fibre2fashion.com– Feb 11, 2021

HOME

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Myanmar faces bleak future as garment orders dry up, factories remain closed

Before COVID-19, the Myanmar apparel sector employed over 700,000 workers in over 700 apparel factories. The sector created jobs faster than any other part of the economy, reports, International Labor Organization. However, pandemic-induced slowdown forced many factories to shut down and the recent military coup added more uncertainty to the sector.

Thousands of workers employed in Myanmar's garment factories are currently demonstrating against the military coup, reports Clean Clothes Campaign. Hundreds of protestors are engaged in a standoff with riot police as they march to Yangon University.

In a quandary

This has driven brands operating in the country into dilemma about whether to continue operating in the country or cut all ties with it. A representative for British multinational Marks & Spencer, The Fair Wear Foundation has urged member brands to ensure workers get due payments and have a safe work environment.

Swedish giant H&M is urging suppliers to ensure the safety of employees. The brand is also collaborating with UN agencies, humanitarian organizations, diplomatic representatives, human rights experts and other multinational companies to support positive developments in Myanmar.

Myanmar fashion companies are also rethinking their expansion plans. Adopting a wait and watch policy, so far, they have exported over half of their apparels under the Everything But Arms framework. However, they are unlikely to review Myanmar's eligibility under this act, says Politico

Political instability and strict visa norms discourage US investors

Meanwhile, Myanmar is focusing on the US market which benefits from some preferences under the US GSP or Generalized System of Preferences, program. The country has approved some of Myanmar's individual and military-controlled companies for investments. One of these is Myanmar Economic Holdings which owns the Pyin Oo Lwin garment factory.

Peter Kucik, Sanctions Expert, Ferrari & Associates, believes Myanmar's garment industry holds great importance for Western policymakers and expects the US to adopt a more surgical approach towards the country this time. He says, policymakers should avoid taking any complex measures such as changing trade preferences.

The political instability also prevents foreign high skilled and technical workers from entering the country. Further tightening of visa procedures threaten garment operations. The next few months are likely to be bleak for Myanmar as the country may fail to attract new investments. Its current projects may also face approval problems and the country may not bag new orders.

Source: fashionatingworld.com– Feb 11, 2021

HOME

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Global denim market to grow 6.20%: Report

As per a new Denim Market report, global denim market will grow at 6.20 per cent during the forecast period of 2020 to 2027. Growing demand for recycled denims manufactured using plastics and other materials will create new opportunities in this market, says the report.

Rising urbanization and growing disposable income will enhance the growth of the denim market by 2027 supported by the growing popularity of denim shirts, increasing trend of stretchable denim jeans by blending cotton with synthetic material, easy availability of raw material, rising government initiative to enhance the product manufacturing and increasing promotion of denim wear.

However, this growth is likely to be hampered by the rising prevalence for inexpensive woollen wear, availability of alternatives in the market, fluctuation in the cost of raw material and changing fashion and consumer preference.

The Denim Market analyzes the growth leading denim organizations and their thought process and methodologies to maintain their brand image in this market. The report helps new entrants understand the level of competition in the market and helps them strengthen their roots.

Source: fashionatingworld.com– Feb 11, 2021

HOME

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UK minister faces flak as EU exports fall 68% since Brexit

The way UK Cabinet Office minister Michael Gove has been handling exports to the European Union (EU) since the Brexit transition period ended has attracted a new wave of criticism. The volume of exports made through British ports to the EU reportedly fell by 68 per cent in January compared to the same month last year, and that drop has been largely attributed to problems caused by Brexit.

The Road Haulage Association (RHA) flagged the issue to Gove after surveying its international members.

In a letter to Gove dated February 1, RHA chief executive Richard Burnett pointed out that despite repeated warnings over several months of problems and calling for measures to lessen difficulties, the minister largely ignored them.

One example of the new difficulties facing exports that Burnett highlighted is the need to raise the number of customs agents to help firms with mountains of extra paperwork. There are 10,000 customs agents now, but this is still about a fifth of what the RHA says is required to handle the massive increase in paperwork facing exporters.

Burnett said that in addition to the 68 per cent fall-off in exports, about 65-75 per cent of vehicles that had come over from the EU were going back empty because there were no goods for them to return with, due to hold-ups on the UK side, and because some UK companies had either temporarily or permanently halted exports to the EU.

The RHA also warned in January that a 12-month grace period and urgent financial aid were needed to fix problems with the post-Brexit trade border in the Irish Sea. The UK government has instead allowed for just a six month grace period, meaning the full range of physical checks on imports will begin in July.

“We will have an economy looking to come out of lockdown at the same time as the UK is imposing a range of import controls on EU business that may be no more prepared than UK businesses have been—and possibly less so—and a supply chain that is incredibly reluctant to service the UK. The full Brexit crisis that we were predicting could well come into effect at that point," Shane Brennan, chief executive of the Cold Chain Federation, told a top UK daily.

Last month it emerged that a number of online retailers from the European Union are refusing to deliver goods to the UK because of new Brexit taxes that came into force.

Source: fibre2fashion.com– Feb 12, 2021

HOME

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Malaysia's economy posts biggest annual decline since 1998 crisis

Malaysia's economy fell at a faster than expected clip in the fourth quarter, as stricter coronavirus curbs crimped consumption and slowed the pace of recovery.

Gross domestic product contracted 3.4% year-on-year in the October-December period, the central bank said on Thursday, falling for a third straight quarter and faster than the 3.1% decline forecast in a Reuters poll.

Malaysia's full-year economic performance fell 5.6% in 2020, the worst annual performance since the 7.4% decline in 1998 during the Asian Financial Crisis, according to data from the department of statistics.

"Going into 2021, growth will rebound, supported by a pickup in global demand and normalisation in domestic economic activities," Bank Negara Malaysia governor Nor Shamsiah Mohd Yunus said during a virtual news conference.

Malaysia's economic performance will likely continue to be weighed by the pandemic, especially after a recent surge in cases prompted the government to impose a second lockdown until at least Feb. 18, Capital Economics said in a note.

"The risks are to the downside. Our current assumption is that Malaysia will bring the virus largely under control by next quarter, but if that fails, we will have to cut our forecasts further," said Alex Holmes, Asia economist with Capital Economics.

Capital Economics expects full-year 2021 growth to come in at 7%. Malaysia's cumulative coronavirus infections shot past 250,000 on Wednesday, including 923 deaths.

"There have been many developments, the resurgence of COVID and also progress with the vaccines... but importantly, we still expect growth in 2021 to recover," Nor Shamsiah said. She said monetary policy will "remain accommodative in an environment of modest prices," and that the central bank has sufficient policy space to provide further support if needed.

Last month, the central bank left its overnight policy rate at a record low of 1.75%. It cut its key rate by 125 basis points last year to prop up the coronavirus-hit economy.

The trade-reliant economy had shown tentative signs of a rebound in the third quarter, driven by improving global demand. Full year exports fell 1.4%, though shipments began recovering in the last four months of 2020.

The central bank said it expects inflation to trend higher this year, after 10 straight months of decline largely due to low retail fuel prices.

The headline consumer prices index declined 1.2% in 2020.

Source: financialexpress.com– Feb 11, 2021

HOME

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Cambodia: Trade with EAEU surges 18%

Bilateral trade between Cambodia and the Eurasian Economic Union (EAEU) was worth $67.37 million last year, marking an increase of 18.22 per cent compared to 2019's $56.98 million, according to data from the Ministry of Commerce.

Of that, the Kingdom exported $52.19 million, inching up 0.73 per cent year-on-year from $51.81 million in 2019, and imported $15.18 million, ballooning a colossal 193.57 per cent from $5.17 million.

Comprising five member states – Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia – the EAEU is home to 184.6 million people and represents a combined gross domestic product (GDP) of $4.778 trillion, according to International Monetary Fund estimates for 2020.

Cambodia Chamber of Commerce vice-president Lim Heng told The Post on February 11 that the bloc's vast population and thriving economies represent a vital target market for the Kingdom's goods.

"The pick-up in trade between Cambodia and the EAEU is welcome news, and comes as Cambodia ramps up production of high-quality merchandise for export to international markets," he said.

According to Heng, the better part of the Kingdom's exports to the bloc comprised of agricultural products and textiles, while imports consisted of machinery, tractors and spare parts for agricultural machinery.

Hong Vanak, director of the Royal Academy of Cambodia's International Economics Department, said the trade numbers were a great deal amid the gloom of the Covid-19 outbreak.

He stressed that the bloc would provide the Kingdom a valuable alternative to the EU as a trade destination and countervail some of the disruptive effects of the withdrawal of the 'Everything But Arms' (EBA) trade scheme.

On August 12, the European Commission (EC) officially withdrew 20 per cent of EBA from Cambodia. The suspension affects one-fifth or €1 billion ($1.2 billion) of the Kingdom's annual exports to the bloc.

“The amount of trade will be further unleashed once Covid-19 is over,” Vanak added. “Based on the data, we can conclude that the EAEU is a market that has explored the possibility of buying products from Cambodia – this is precisely what we want. [The numbers] also indicate that Cambodia boasts goods that meet the EAEU’s requirements.”

After signing the agreed minutes on the conclusion of negotiations over the Cambodia-Korea Free Trade Agreement (CKFTA) via video link on February 3, commerce minister Pan Sorasak said the Kingdom is pushing for scoping studies on similar deals with, among others, India, the UK and EAEU.

“We’ve met with a handful of countries to envisage FTA [free trade agreement] negotiations. We’re willing to open up the Cambodian market and allow our people to export products and balance commercial priorities, in a bid to endeavour side-by-side and reap good results,” he said.

Cambodia’s total international trade was valued at $35.81 billion last year, up 2.52 per cent from $34.92 billion in 2019, according to data from the ministry.

Source: phnompenhpost.com– Feb 11, 2021

HOME

****

Pakistan: Declare cotton emergency: LCCI

The Lahore Chamber of Commerce and Industry (LCCI) has urged the government to declare a cotton emergency in the agriculture sector, as a historic fall in cotton production has started affecting the economic chain, a statement said on Thursday.

LCCI President Mian Tariq Misbah, Senior Vice President Nasir Hameed Khan, and Vice President Tahir Manzoor Chaudhry said that catastrophe-like situation in cotton production has severely impacted textiles, directly or indirectly associated with other industries, ginners, and growers.

During a meeting, LCCI Executive Committee Member Muhammad Nadeem Qureshi briefed the office-bearers about the ongoing cotton situation, it added.

The cotton production in the country is consistently witnessing a decline since 2017/18 when it reached 11.9 million bales. The cotton production in 2018/19 declined 17.5 percent to 9.8 million bales, the LCCI office-bearers said, adding that in 2019/20, the cotton production declined 6.9 percent to 9.18 million bales.

Before the decline, cotton production touched a peak of 13.96 million bales in 2014/15. They said the steep decline in cotton production and yield is impacting the textile exports of Pakistan, which declined from $13.58 billion in 2018/19 to $12.78 billion in 2019/20.

Even in the first six months of the current fiscal year (July-December 2020), the textile exports stood at $6.62 billion, compared with $6.82 billion in (July-December 2019). The cotton import bill has also escalated in recent times due to the decline in cotton production.

The LCCI officials said imports of raw cotton went up to $1.34 billion in 2019/20 from $1.18 billion in 2018/19. They urged the government to take measures on war footings to control the situation, as the entire economy would be dwindling if cotton production slips further. They suggested the government for getting Chinese assistance if required.

Source: thenews.com.pk– Feb 12, 2021

HOME

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Pakistan: Coal import costing exchequer 'Rs211b'

The Senate Standing Committee on Trade, while emphasising the need for locally-produced coal in the power generation in order to reduce its import, on Thursday directed for a uniform tariff of gas, being provided to the industries across the country,

The current committee held its last meeting, as it would be reconstituted after the upcoming election of the upper house of parliament, with Senator Mirza Muhammad Afridi in the chair. The meeting was also attended by Prime Minister's Adviser on Commerce Razak Dawood.

During the meeting, committee member Usman Kakar raised the question about the import of coal from different countries. "We import 16.5 million tons of coal annually worth Rs211 billion despite the fact that Sindh, Balochistan and Khyber-Pakhtunkhwa have large coal reserves," he pointed out.

He asked as to why coal was imported. "What is the difference between imported and local coal?"

The special commerce secretary replied that Sindh's coal could be used only for power generation because of high sulphur content.

"Coal is imported to generate cheap electricity," the official said. The committee was also informed that 60% electricity in the United States and China and 70% in India is generated through coal. Kakar said: "We import coal from 20 countries. If we set up our own plants, there will be no need for it."

The chair asked how could the country get rid of imports and start using the local coal. He also directed the commerce ministry to write a letter to the ministers for minerals of the four provinces, in which it should be clarified that local coal should be used through new machinery.

Textiles

The meeting was informed that the textile policy had been sent to the Economic Coordination Committee of the Cabinet, where its approval is awaited. The commerce ministry officials said that the ECC had formed a committee on the textile policy which includes all stakeholders.

Sitting on the committee, Senator Rana Mahmood ul Hassan said that Pakistan imported cotton worth $4 billion. He pointed out that the country's cotton production used to be 15 million bales, but now it has reduced to 7 million bales.

Hassan also said that India was behind Pakistan in cotton production, but it had increased the output to 40 million bales. He lamented the unavailability of quality cotton seen in Pakistan and stressed that the government should guide the farmers in this regard.

The chair observed that Cotton was an essential ingredient for the textile industry. "We have the textiles but the seeds are with the National Food Security Ministry," Afridi said, adding that the food ministry had the authority to conduct surveys on seeds.

The committee also expressed concern over the difference in gas prices. The chairman of the committee said that gas should be supplied to industries across the country at uniform rate. The commerce ministry officials said they would submit the recommendation to the ministry concerned.

Meanwhile, briefing the committee, Commerce adviser Razak Dawood said that the government levied additional customs duty after joining the International Monetary Fund (IMF) programme. He added that the IMF had asked the government to increase its revenue.

Dawood said that the increase in the customs duty was of two, four and seven %. "When we increased the duties, it had a direct effect on our exports. We have reduced the duties and after that we are now competing with Bangladesh in exports.

Dawood also told the committee that he was "working hard to reduce electricity and gas prices". The adviser revealed that five to six meetings in this regard had been held, while there was some progress on the other day.

Source: tribune.com.pk– Feb 11, 2021

HOME

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NATIONAL NEWS

Export Targets

India's exports during the last three years are as under:

Year	Exports (Merchandise +Services) (USD Billion)	Growth (%)
2017-18	498.61	13.31
2018-19	538.08	7.91
2019-20	526.55	-2.14

Source: DGCI&S& RBI

Export targets are set for Special Economic Zones (SEZs)/Export Oriented Units (EOUs). The SEZ units/EOU units are under obligation to achieve positive Net Foreign Exchange (NFE) earning to be calculated cumulatively for a period of 5 years from the commencement of production. The total exports from SEZs and EOUs during the last two years and the current year is as under:

(Rs.in crore)

Year	SEZs export	EOUs export
2018-19	7,01,179	87371.74
2019-20	7,96,669	102492.92
2020-21 (upto 31.12.2020)	5,53,396	65602.04*

* Provisional

Merchandise exports to Europe and other major western countries (USA, Canada and Mexico) exhibited a positive growth trend in 2017-18 and 2018-19. Year-wise exports during the last three years are as under:

As per World Bank data, some of the major sectors that showed a decline in global demand during 2019 (latest data available) include chemicals, fuels, textiles & clothing, machinery & electricals, metals and transportation. Of these, India's exports showed a decline in respect of fuels, textiles & clothing and metals during the same period.

Countries	2017-18	Growth%	2018-19	Growth%	2019-20	Growth%
Europe	60.35	13.16	64.38	6.68	60.56	-5.93
Other Western Countries						
USA	47.88	13.42	52.41	9.46	53.09	1.30
Mexico	3.78	9.30	3.84	1.55	3.62	-5.67
Canada	2.51	25.05	2.85	13.78	2.85	0.01
Total	**54.17**	**13.61**	**59.10**	**9.10**	**59.56**	**0.79**

Source: DGCI&S (in USD Billion)

The following are some of the key steps taken by Government to increase exports:

- Foreign Trade Policy (2015-20) extended by one year, i.e., upto 31-3-2021 due to the COVID-19 pandemic situation.
- Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended by one year, i.e., upto 31-3-2021.
- A new Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP), has been launched with effect from 01.01.2021.
- Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase FTA utilization by exporters.
- A comprehensive "Agriculture Export Policy" to provide an impetus to agricultural exports related to agriculture, horticulture, animal husbandry, fisheries and food processing sectors, is under implementation.
- Promoting and diversifying services exports by pursuing specific action plans for the 12 Champion Services Sectors.
- Promoting districts as export hubs by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.
- Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced.
- Package announced in light of the Covid pandemic to support domestic industry through various banking and financial sector relief measures, especially for MSMEs, which constitute a major share in exports.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Hardeep Singh Puri, in a written reply in the Lok Sabha yesterday.

Source: pib.gov.in– Feb 11, 2021

HOME

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Incentives to Foreign Companies

The Government of India is making continuous efforts under Investment Facilitation for implementation of Make in India action plans to identify potential investors.

Support is being provided to Indian Missions abroad and State Governments for organising events, summits, road-shows and other promotional activities to attract investment in the country under the Make in India banner. Investment Outreach activities are being carried out for enhancing International co-operation for promoting FDI and improve Ease of Doing Business in the country.

Recently, in addition to ongoing schemes, Government has taken various steps to boost investments in India. These include the National Infrastructure Pipeline, reduction in Corporate Tax, easing liquidity problems of NBFCs and Banks, trade policy measures to boost domestic manufacturing. Government of India has also promoted domestic manufacturing of goods through public procurement orders, Phased Manufacturing Programme (PMP), Schemes for Production Linked Incentives of various Ministries.

Keeping in view India's vision of becoming 'Atmanirbhar' and to enhance India's Manufacturing Capabilities and Exports, an outlay of INR 1.97 lakh crore has been announced in Union Budget 2021-22 for PLI schemes for 13 key sectors for a period of 5 years starting from fiscal year (FY) 2021- 22.

These 13 sectors includes already existing 3 sectors named (i) Mobile Manufacturing and Specified Electronic Components, (ii) Critical Key Starting materials/Drug Intermediaries & Active Pharmaceutical Ingredients, and (iii) Manufacturing of Medical Devices and 10 new key sectors which have been approved by the Union Cabinet recently in November 2020. These 10 key sectors are:

(i) Automobiles and Auto Components, (ii) Pharmaceuticals Drugs, (iii) Specialty Steel, (iv) Telecom & Networking Products, (v) Electronic/Technology Products, (vi) White Goods (ACs and LEDs), (vii) Food Products, (viii) Textile Products: MMF segment and technical textiles, (ix) High efficiency solar PV modules, and (x) Advanced Chemistry Cell (ACC) Battery.

The PLI schemes will be implemented by the concerned Ministries/ Departments and will be within the overall financial limits prescribed.

Further, with a view to support, facilitate and provide investor friendly ecosystem to investors investing in India, the Union Cabinet on 03rd June, 2020 has approved constitution of an Empowered Group of Secretaries (EGoS), and also Project Development Cells (PDCs) in all concerned Ministries/ Departments to fast-track investments in coordination between the Central Government and State Governments, and thereby grow the pipeline of investible projects in India to increase domestic investments and FDI inflow.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri SomParkash, in a written reply in the Lok Sabha yesterday.

Source: pib.gov.in– Feb 11, 2021

HOME

****

Scheme to promote MMF apparel, tech textiles in works; India eyes more of global pie: Irani

The textiles ministry is formulating a scheme to promote identified man-made fibre apparel and technical textile products to capture substantial share in global trade, Parliament was informed on Thursday.

In a written reply to the Rajya Sabha, Textiles Minister Smriti Zubin Irani said the Indian textile sector is the sixth largest exporter of textiles and apparels in the world.

The share of the country's textiles and apparel exports in mercantile shipments was 11 per cent in 2019-20.

Taking steps to boost exports, she said, the government has recently decided to extend the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from January 1, 2021.

The Cabinet has approved Production-Linked Incentive (PLI) scheme in the 10 key sectors to enhance India's manufacturing capabilities and exports.

MMF (man-made fibre) segment and technical textiles are included among the 10 key sectors with approved financial outlay of Rs 10,683 crore over a five-year period.

"Accordingly, this Ministry is formulating a scheme to promote identified MMF apparel and technical textile lines to capture substantial share in global trade including US," she said.

In a separate reply, she said during crop year (2020-21), cotton production stood at 371 lakh bales.

Till February 3, 2020-21, the government procured 90.39 lakh bales worth Rs 26,432 crore at minimum support price (MSP), benefitting 18.67 lakh farmers.

Source: economictimes.indiatimes.com– Feb 11, 2021

HOME

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Exporters benefit scheme RoDTEP stuck in inter-ministerial tangle

The proposed Remission of Duties and Taxes on Exported Products (RoDTEP) scheme seems to be stuck in an inter-ministerial tangle. According to reports, the scheme benefits may not be available for certain export sectors and some of these sectors could be petroleum & petro products, gold, precious metals, etc as the government is working on skewed funds.

RODTEP scheme, which seeks to reimburse the input taxes and duties paid by exporters – including embedded taxes, such as local levies, coal cess, mandi tax, electricity duties and the fuel used for transportation – which are not exempted or refunded under any other existing scheme.

The scheme was designed in compliance with WTO permissible rules to extend handholding benefits to exporters and is supposedly kick-started from January 2021, but the rules and the rates of benefits to be extended to exporters are yet to get finalised, which are delaying the scheme to come into action in real terms.

Sources say that since "The scheme was replacing the earlier available MEIS scheme is facing delays as Discussions on these benefits are still on between Commerce and revenue department."

"Important to note here is that the government is very clear on the fact that the objective of the RODTEP scheme is to handhold export sectors which need government support as limited funds are available and it may not possible to accommodate all rates recommended by the GK Pillai panel on RoDTEP rates," sources on the condition of anonymity told CNBCTV18.

Currently, North Block is examining and studying the rates of input duty refunds proposed so far by the GK Pillai committee under the new (Remission of Duties and Taxes on Exported Products) scheme, which include items of leather, textiles, made-ups, automobile parts and iron & steel.

The Pillai panel is understood to have submitted RODTEP rates on 2000 goods already and by end of the month, it is expected to submit rates of the remaining items as well.

The government had appointed former home and commerce secretary -- GK Pillai led panel last year to calculate duty refund rates that can be extended under the RoDTEP scheme.

On February 1, under the Union Budget, the government has decided to allocate Rs 13,390 crores towards RoDTEP scheme to be extended to exporters in the next fiscal as against the MEIS allocations of over Rs 39,097 crore for FY 2019-20 and Rs 15,555 crore for MEIS benefit during the period April 2020 to December 2020. Further Finance Ministry issued orders for issuance of MEIS scrips for FY 2020-21 to be restricted to a maximum of Rs 16,000 crore.

The MEIS, popular amongst exporters across sectors, had to be discontinued as a World Trade Organisation panel. The move came after the US had lodged a complaint against the scheme with the WTO. The WTO panel had ruled against India and had said that the scheme was not in accordance with multilateral trade rules

Exporters and industry are eagerly awaiting the announcement of RoDTEP rates as they complain that it is not possible for them to price their items competitively without knowing the amount of refund they would get.

“It is critical and important that immediate announcement of the RoDTEP rates for all the products be made so as to remove uncertainty and help the trade to factor such rates while negotiating or executing new orders,” said Anita Rastogi, GST and Indirect Tax Partner at PwC.

Ajay Sahai Director-General of Exporters Body - Federation of Indian Export Organisations said, “Exporters want the rates to be announced immediately so that they can finalise their contracts factoring in these rates. Exporters are finding it really tough to close their Spring-Summer orders and unable to book contracts. Exports are losing business.”

Source: cnbctv18.com– Feb 10, 2021

HOME

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Ministry in talks for skilled overseas jobs for Indians

The Ministry of Skill Development and Entrepreneurship has identified job opportunities for about 3.7 million skilled Indian workers abroad in the blue- and grey-collared categories.

The jobs are in 15 countries including the Gulf, the US, Germany, Switzerland, Singapore and New Zealand and Australia, over the next five years. The Ministry is trying to collaborate with its foreign partners to lay down mutually acceptable parameters for the same, a government official has said.

The Ministry is also hopeful that a draft Cabinet note for amending the Apprenticeship Act, 1961, to enhance employment opportunities in pace with changing nature of work space, will be submitted in April 2021 after discussions with stakeholders, MSDE Secretary Praveen Kumar said.

The MSDE and the Ministry of External Affairs are in talks with various stakeholders, to prepare separate strategy papers for different countries in line with their requirements and regulations, Kumar said at a media interaction on Thursday. The on-going talks with partner countries are at various stages, with discussions with some like Japan and the UAE at very advanced levels, he added.

Blue-, grey-collared jobs

In a study carried out by the MSDE, as many as 2.63 million jobs have been identified for Indians in the Gulf countries, 0.3 million jobs in major European countries and another one million jobs in mature migration countries such as the US, Singapore, New Zealand and Japan. “These jobs are in the blue-collared and grey-collared sectors and are not for white-collared workers”, Kumar explained.

A mechanism is under formulation with the UAE to benchmark skill qualifications, assessment, and certification, accompanied by the deployment of certified workforce. India and Japan are also set to finalise the modalities and methodologies for movement of skilled workers from India in the identified sectors to Japan under the specified skill worker scheme in the next meeting of the joint working group.

Preliminary meetings have also been held with Germany and Australia for discussing the issues related to health sector migration and detailed action notes are being made, according to Kumar.

On proposed amendment to the Apprenticeship Act announced in Budget 2021, the official said that the definition of establishment needs to be changed to include any place where any trade/commerce/industry activity is taking place including educational/ training institutions also. This will further expand the institutions available for apprenticeship.

Third Party Aggregators

To relieve the industry from burden of paperwork, the amendment may enable empanelled Third Party Aggregators (TPAs) to support employers in all functionalities of apprentice engagement, stipend payment and other paperwork.

Removal of the penal provisions of monetary penalty for failure to take apprentices as per norms, implementable through a judicial process, and replacing the same with fine by executive authorities is also under consideration.

Source: thehindubusinessline.com– Feb 11, 2021

HOME

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Vocal for Local

Government of India has issued the Public Procurement (Preference to Make in India) Order,2017 as amended on 16/09/2020 to encourage "Make in India" and promote manufacturing and production of goods and services in India with a view to enhancing income and employment. This Order is applicable to all Ministries, Departments, attached or subordinate offices and autonomous bodies controlled by the Government of India and includes Government companies as defined in the Companies Act.

Department of expenditure has amended Rule 161(iv) of General Financial Rules, 2017 regarding Global Tender Enquiry (GTE). As per the amended Rule 161(iv), GTE upto Rs.200 crores are to be issued only with the approval of competent authority.

Unless global tenders are invited, only Class-I local suppliers (suppliers offering items with more than 50% local content) and Class-II local suppliers (suppliers offering items with 20- 50% local content) are eligible to bid.

Only Class-I local suppliers have been made eligible to bid for procurement of items, where there is sufficient local capacity and local competition, irrespective of purchase value.

Pursuant to the Notification of Public Procurement (Preference to Make in India) Order,2017, Department of Telecommunications has also notified its PMI Order dated 29.08.2018 to promote the local manufacture of the telecom items by mandating preference to the local manufactures in the procurement of telecom items. This notification is also applicable to all Central Schemes (CS)/Central Sector Schemes(CSS), for which procurement is made by States and Local Bodies, if that project or scheme is fully or partially funded by the Government of Including Universal Service Obligation Fund(USOF) projects.

In order to enhance India's manufacturing capabilities and exports- Atmanirbhar Bharat, the Government has approved the introduction of Production Linked Incentive (PLI) Scheme in ten sectors i.e. Advance Chemistry Cell(ACC) Battery, Electronic /Technology Products, Automobiles & Auto Components, Pharmaceuticals drugs, Telecom & Networking Products, Textile Products: MMF segment and technical textiles, Food Products, High Efficiency Solar PV Modules, White Goods(ACs and LED) and Specialty Steel.

Ministry of Railways has recently issued revised notifications for wagon items, track items and LHB coaches where , except for a few products , procurement of all components is restricted to local suppliers having more than 50% local content.

For procurement of Electrics for the prestigious Vande Bharat trains, minimum local content is kept at 75%. Similarly, minimum local content requirements for Electrics for EMU and MEMU trains has been kept as 60%. Railways have reduced import of goods, as percentage of total procurement of goods, from 6.05% in 2012-1.6% in 2019-20. Rolling stock, signaling equipment and Track machines are being indigenized in collaboration of local manufacturers.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri SomParkash, in a written reply in the Lok Sabha yesterday.

Source: pib.gov.in– Feb 11, 2021

HOME

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SEZ Policy

The Special Economic Zones (SEZs) policy was launched in April, 2000. The Special Economic Zones Act, 2005, was passed by Parliament in May, 2005 which received Presidential assent on the 23rd of June, 2005. The SEZ Rules, 2006 came into effect on 10th February, 2006. The salient features of the SEZ scheme are:-

- A designated duty free enclave to be treated as a territory outside the customs territory of India for the purpose of authorised operations in the SEZ;
- No licence required for import;
- Manufacturing or service activities allowed;
- The Unit shall achieve Positive Net Foreign Exchange to be calculated cumulatively for a period of five years from the commencement of production;
- Domestic sales subject to full customs duty and import policy in force;
- SEZ units will have freedom for subcontracting;
- No routine examination by customs authorities of export/import cargo;
- SEZ Developers /Co-Developers and Units enjoy tax benefits as prescribed in the SEZs Act, 2005.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri Hardeep Singh Puri, in a written reply in the Lok Sabha yesterday.

Source: pib.gov.in– Feb 11, 2021

HOME

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Scheme for Traders

A number of schemes have been launched for supporting traders. Details of Schemes for supporting Traders are given as under:

1. National Pension Scheme for Traders, Shopkeepers and Self-Employed Persons

Ministry of Labour & Employment has launched “National Pension Scheme for Traders, Shopkeepers and Self-Employed Persons" on 12.09.2019. It is a voluntary and contributory pension scheme. Enrolment to the scheme is done through the Common Service Centres with its network of 3.50 lakh Centres across the country. In addition, eligible persons can also self-enroll through visiting the portal www.maandhan.in.

The traders in the age group of 18-40 years with an annual turn over not exceeding Rs. 1.5 crore and are not member of EPFO/ESIC/MPS/PM-SYM or an income tax payer, can join the scheme. Under the scheme, 50% monthly contribution is payable by the beneficiary and equal matching contribution is paid by the Central Government.

Subscribers, after attaining the age of 60 years, are eligible for a monthly minimum assured pension of Rs. 3,000/-. Life Insurance Corporation (LIC) of India acts as a fund manager and record keeping agency. The LIC is also responsible for managing the pension fund and pension payout. As on 31.01.2021, over 43000 enrolments have taken place under this scheme.

2. Emergency Credit Line Guarantee Scheme (ECLGS)

Emergency Credit Line Guarantee Scheme (ECLGS) was introduced as an emergency measure to combat the unprecedented crisis caused in the wake of Covid-19 pandemic. Under the scheme, credit from Scheduled Commercial Banks, Financial Institutions, Non- Banking Financial Companies is provided to eligible Micro, Small & Medium Enterprise (MSME) units, business enterprises and individual loans for business purposes upto 20% of their outstanding credit as on 29.2.2020.

This additional credit is fully covered by a credit guarantee provided by National Credit Guarantee Trustee Company Ltd. (NCGTC). The loans provided under ECLGS have a 12-month moratorium on repayment of principal. The Scheme has been extended through ECLGS 2.0 for the 26 sectors identified by the Kamath Committee and the health care sector. The entities with outstanding credit above Rs. 50 crore and not exceeding Rs. 500 crore as on 29.2.2020 were made eligible under ECLGS 2.0. The scheme is valid till 31.3.2021 or till guarantees for an amount of Rs 3,00,000 crore is sanctioned, whichever is earlier.

ECLGS is also available to eligible non-MSME enterprises. As informed by NCGTC, as on 25.1.2021, the cumulative sanctioned amount under the scheme is Rs 2.39 lakh crore.

A number of schemes have been launched to promote import and export at international level.Details of the Government Schemes to promote import and export at international level are given below:

1. Remission of Duties and Taxes on Exported Products (RoDTEP)

A new Scheme, Remission of Duties and Taxes on Exported Products (RoDTEP) has been operationalized w.e.f 01.01.2021. Department of Revenue (DoR) and the Department of Commerce (DoC) are working to finalize the modalities related to the scheme, including scheme guidelines, exclusion categories etc.

The Department of Revenue has constituted a RoDTEP Committee to interact with the all stakeholders, including Exporters, Export Promotion Council and Ministries and to recommend to the Government ceiling rates for items/ sectors identified by the Government.

The Committee's work is ongoing. The disbursal of rebate amounts to individual exporters is to be implemented by the CBIC in an end-to-end digitized environment in the form of electronic transferable duty credit scrips, which will be maintained at the Customs server. The RoDTEP Scheme is based on the principle that taxes and duties are not to be exported and will help stimulate exports by making Indian merchandise cost competitive in international markets.

2. Export Promotion Capital Goods Scheme

Under Export Promotion Capital Goods scheme, the export obligation can be fulfilled directly by the authorisation holder or though a merchant exporter. Even exports though merchant exporter is counted for fulfilling export obligation, provided, the Authorization details of manufacturer is indicated in the export documents.

This information was given by the Minister of State in the Ministry of Commerce and Industry, Shri SomParkash, in a written reply in the Lok Sabha yesterday.

Source: pib.gov.in– Feb 11, 2021

HOME

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Export of Textiles and Apparels

Indian textile sector is the sixth largest exporter of textiles and apparels in the world. The share of India's textiles and apparel exports in mercantile exports is 11% for the year 2019-20.

US market is the top market for Indian apparel exports. Taking a major step to boost exports, Government has recently decided to extend the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all export goods with effect from 1st January, 2021.

Cabinet has approved Production-Linked Incentive (PLI) Scheme in the 10 key sectors for enhancing India's manufacturing capabilities and enhancing exports. MMF segment and technical textiles are included among the 10 key sectors with approved financial outlay of Rs 10,683 crore over a five year period.

Accordingly this Ministry is formulating a scheme to promote identified MMF Apparel and Technical Textile lines to capture substantial share in global trade including US. Union Budget announcements 2021-22 include the launch of Mega Integrated Textile Region and Apparel (MITRA) Parks scheme.

To enable the textile industry to become globally competitive, attract large investments and boost employment generation, 7 Textile Parks will be established over 3 years. This will create world class infrastructure with plug and play facilities to enable and create global champions in exports.

This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Source: pib.gov.in– Feb 11, 2021

HOME

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New Foreign Trade Policy likely to include a chapter on ecommerce exports

The new Foreign Trade Policy is likely to focus on encouraging exports through ecommerce as also identifying districts as export hubs while re-looking at products that are restricted or banned for export and import.

The commerce and industry ministry is drawing up the FTP 2021-26, which is likely to be released on April 1 and is expected to have separate chapters dealing with measures for ecommerce, districts as export hubs, and trade in items such as toxic chemicals, micro-organisms and nuclear material. "More HSN (Harmonised System of Nomenclature) codes (tariff codes assigned to a traded good) could be added for products that fall in the 'others' category," said an official.

Products categorised in 'others' category do not have HS codes but are tagged along with parts and accessories of categorised goods. Adding more codes will help reduce India's trade deficit since lack of proper categorisation make these products immune to restrictions. Besides leading to customs duty evasion, this misclassification also results in import of low-quality products.

The issues were discussed at a meeting that Hardeep Singh Puri, minister of state for commerce and industry, had with industry chambers and export promotion councils on Thursday.

The Remission of Duties and Taxes on Exported Products (RoDTEP) scheme will be a significant feature of the policy as it has been implemented from January 1 but the incentive rates are yet to be announced. The RoDTEP will reimburse the input taxes and duties paid by exporters, including embedded taxes, such as local levies, coal cess, mandi tax, electricity duties and fuel used for transportation, which are not exempted or refunded under any other existing scheme.

The policy comes at a time when India is expected to clock $285-290 billion exports in FY21, lower than $314.3 billion in FY20.

As per the official, review procedure for the issue of import and export licenses and clearing of pending license redemption cases too could be part of the policy. Industry body Trade Promotion Council of India has sought trade data mapping with tariff programme in order to monitor and access trade data under various trade agreements and incentive schemes.

Source: economictimes.com– Feb 12, 2021

HOME

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Attracting International Retailers for Textile Requirements

To attract leading international retailers for sourcing their garment and home textiles requirements from India, the Consolidated FDI Policy Circular 2020 mentions:

For Single Brand Product Retail Trading:

Sector/ Activity	% of Equity/ FDI cap	Entry Route
Single Brand Product Retail Trading	100%	Automatic

Further, in respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods purchased, will be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.

For Multi Brand Retail Trading:

Sector/ Activity	% of Equity/ FDI cap	Entry Route
Multi Brand Retail Trading	51%	Government

Further, at least 30% of the value of procurement of manufactured/ processed products purchased shall be sourced from Indian micro, small and medium industries, which have a total investment in plant & machinery not exceeding US$ 2.00 million. In order to work out annual sourcing plans with Bangladesh for increasing exports of textiles as part of strategic engagement, the India Bangladesh Textile Industry Forum (IBTIF) has been institutionalized. The 1st meeting of IBTIF was held on 4-5 February, 2020 under the leadership of Secretary (Textiles).

Ministry of Textiles has conducted a Symposium with Textile Export Promotion Councils and other industry stakeholders for finalizing a list of potential textiles and apparel export products for which exports can be enhanced. The list of potential export products were shared with the Indian Missions abroad for identification of potential buyers in the respective countries. This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Source: pib.gov.in– Feb 11, 2021

HOME

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Scheme for Capacity Building in Textile Sector (Samarth)

Scheme for Capacity Building in Textile Sector (SAMARTH) was approved towards addressing the skill gap in textile sector and also to supplement the efforts of textile industry in providing gainful and sustainable employment to the youth. The objectives of Samarth are as follows:

i. To provide demand driven, placement oriented National Skills Qualifications Framework (NSQF) compliant skilling programmes to incentivize and supplement the efforts of the industry in creating jobs in the organized textile and related sectors, covering the entire value chain of textiles, excluding Spinning and Weaving

ii. To promote skilling and skill upgradation in the traditional sectors of handlooms, handicrafts, sericulture and jute

iii. To enable provision of sustainable livelihood either by wage or self-employment to all sections of the society across the country

The skilling programme under Samarth is implemented through Implementing Partners (IPs) comprising Textile Industry/ Industry Associations, State Government Agencies and Sectoral Organizations of Ministry of Textiles. The details of training targets allocated to various Implementing Partners after physical verification of training centres under the scheme are as follows:

Agency	Training targets allocated (in persons)
Industry/ Industry Associations (Entry Level)	1,36,073
Industry/ Industry Associations (Up-skilling)	30,326
State Government Agencies	90,078
Sectoral Agencies	43,020
Industry Association working with MSME textile industries	34,572

Status of beneficiaries trained so far under Samarth Scheme in Andhra Pradesh is as follows:

S.No.	District	Number of beneficiaries
1.	Anantapur	395
2.	Krishna	53
3.	SPSR Nellore	30
4.	West Godavari	30
	TOTAL	**508***

* 293 beneficiaries completed training, of which 85 have been provided placement.

All training batches ongoing during March, 2020 had to be cancelled due to COVID-19 pandemic and restriction imposed on account of lockdown declared by the Government. Further, the Government had allowed commencement of skill development training programme only from September, 2020.

In view of the impact of COVID-19, the actual physical achievement and utilization of funds have been affected under the scheme. However, a special measure has been initiated during the period to carry out online Training of Trainers (ToT) programme and more than 500 trainers have been certified through online mode.

This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Source: pib.gov.in– Feb 11, 2021

HOME

****

Allocation and Subsidy for Handloom Weavers and Artisans

The Ministry of Textiles is implementing Central Sector Schemes for the development & promotion of Handloom & Handicraft Sectors and welfare of weavers and artisans across the country, under which grants-in-aid is allocated and released to the eligible handloom agencies/weavers & artisans scheme-wise.

Under these schemes, there are components where Ministry of Textiles provides assistance to agencies/weavers & artisans.

These include interest subvention on MUDRA loan and Margin Money, 10% price subsidy on yarn under Yarn Supply Scheme and Government of India share for insurance coverage of weavers under components of converged Mahatma Gandhi Bunkar Bima Yojana (MGBBY)/Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)/Pradhan Mantri Suraksha Bima Yojana (PMSBY). Also 90% amount of procurement of looms and accessories is borne by the Ministry of Textiles under Hathkargha Samvardhan Sahayata component of National Handloom Development Programme (NHDP)& Comprehensive Handloom Cluster Development Scheme (CHCDS).

Scheme-wise funds allocated and expenditure/funds released in the last three years for Handlooms

SN	Name of Scheme	2017-18 (Rs. In crore)		2018-19 (Rs. In crore)		2019-20 (Rs. In crore)		2020-21 (Rs. In crore)	As on 31-Jan-21	Total (2017-18 to 2020-21) (Rs. In crore)	
		Funds allocated	Exp/ Funds released	Funds allocated	Exp/ Funds released	Funds allocated	Exp/ Funds released	Funds allocated	Funds released	Funds allocated	Exp/ Funds released
	Handloom Sector										
1	National Handloom Development Programme (NHDP)	140.24	135.05	138.53	118.72	147.05	141.87	205.00	144.33	630.82	539.97
2	Comprehensive Handloom Cluster Development Scheme (CHCDS)	32.50	31.82	21.50	16.38	21.12	16.22	14.00	5.91	89.12	70.33
3	Handloom Weavers Comprehensive Welfare Scheme (HWCWS)	25.00	24.98	10.05	2.06	19.59	8.04	10.00	-	64.64	35.08
4	Yarn Supply Scheme (YSS)	200.00	199.84	155.41	126.84	166.19	142.21	155.00	53.11	676.60	522.00
	Total	397.74	391.69	325.49	264.00	353.95	308.34	384.00	203.35	1461.18	1167.38

The allocation and expenditure of grants-in-aid released to the eligible handloom agencies/weavers & artisans for the entire country is maintained scheme-wise.

The details of allocation made and grants-in-aid released during 2017-18, 2018-19, 2019-20 and 2020-21 for the above schemes under which handloom/handicraft agencies/weavers/artisans are assisted by the Ministry of Textiles is as follows:

The schemes are implemented in Handloom and Handicraft sectors through the State Govt. agencies, field functionaries of Ministry of Textiles with already available infrastructure, without creating any new posts. The implementing agencies are selected/recommended by the State Governments concerned. The projects are sanctioned based on the viable proposal received from the State Governments. As such there is no cost incurred in this regard.

This information was given in a written reply by the Union Minister of Textiles, Smt. Smriti Zubin Irani in Rajya Sabha today.

Source: pib.gov.in– Feb 11, 2021

HOME

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UP targets 250% increase in exports in 4 years: Siddharth Nath Singh

Aligning itself to the central government's aim of increasing exports, the Uttar Pradesh government has set itself a highly ambitious target of exporting goods worth Rs 3 lakh crore in the next four years from the present Rs 1.2 lakh crore, which is an increase of nearly 250%.

Speaking to FE, Uttar Pradesh's minister for MSME, Investment and Export Promotion Siddharth Nath Singh said to cash in the space that China has been forced to vacate due to geopolitical disturbances, the Uttar Pradesh government had roped in international consultancy firm Price Waterhouse Coopers (PwC) and has prepared an export strategy for the state. While 17 key sectors have been primarily identified, in the first phase, the focus would be on the top five priority products that have export potential and good demand in the global markets.

The identified sectors are electronics and electrical equipment, apparel, machine and equipment, processed food items and organic chemicals. The shortlisted priority products currently contribute to around 63% of the exports from UP and account for around 5% of India's exports.

"We decided to take the professional help of PwC to carve out a comprehensive export strategy for integrating UP with the global supply chain network, keeping in mind the current challenges and global opportunities. We have also tried to find product opportunities where China previously had a major global export share, the chain of which has now been disrupted owing to Covid," he said adding that UP has a market presence in many sectors.

"We need to work on our areas of expertise. In 2020-21, our exports were to the tune of Rs 1.20 lakh crore, which was a jump of over 28% over the previous year. We wish to take this up further to Rs 3 lakh crores in the next four years," the minister said, adding that the state government is working on linking various initiatives including the state's flagship one district one product (ODOP) scheme, which has not only rejuvenated endangered local arts and crafts but has also helped in securing the livelihood of millions of rural people engaged in these activities.

"What is important is that the ODOP scheme has also helped boost the state's exports. We are sure that the scheme will prove to be a gamechanger in our quest for reaching higher exports targets," the minister said.

Source: financialexpress.com– Feb 12, 2021

HOME

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