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

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INTERNATIONAL NEWS

US real GDP rises at annual rate of 2.1% in Q3 2021: BEA

US real gross domestic product (GDP) increased at an annual rate of 2.1 per cent in the third quarter (Q3) of 2021, according to the second estimate released by the Bureau of Economic Analysis (BEA). In the second quarter (Q2), it increased by 6.7 per cent. In the advance estimate issued in October, the increase in real GDP was 2 per cent.

The increase in third quarter GDP reflected the continued economic impact of the COVID-19 pandemic and the update primarily reflects upward revisions to personal consumption expenditures and private inventory investment, BEA said in a release.

The increase in private inventory investment reflected increases in wholesale trade (led by nondurable goods industries) and in retail trade (led by motor vehicles and parts dealers). The increase in PCE reflected an increase in services that was partly offset by a decrease in goods.

A resurgence of COVID-19 cases resulted in new restrictions and delays in the reopening of establishments in some parts of the country. Government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased.

The full economic effects of the COVID-19 pandemic cannot be quantified in the GDP estimate for the third quarter because the impacts are generally embedded in source data and cannot be separately identified.

Source: fibre2fashion.com– Nov 30, 2021

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Covid Concerns Reignite: Week Ahead

Fashion firms and retailers are holding their collective breath for holiday as concerns mount that Covid cases could again spike up in the weeks ahead—following the same pattern as in 2020.

China is set to impose a seven-week port closure mandate as it doubles-down on its zero-Covid policy. Word surfaced late Thursday that scientists are now watching a fast-spreading Covid variant—named Omicron—circulating in South Africa.

The World Health Organization said it would take weeks to ascertain the effectiveness of vaccines against the new strain. Meanwhile, the European Union and the U.K. were quick to ban flights from the South African region last week, as did the U.S. India issued an advisory to screen foreign travelers, while Singapore is restricting entry from seven African countries. Japan has also tightened controls at its border.

China's zero-tolerance policy saw it immediately implement its new mandatory isolation restriction for returning seafarers. The quarantine also barred crew changes, and there are no port operations during the seven-week period. The new mandate was first reported by Bloomberg.

Because Omicron is an emerging variant, not much is known about the strain. While it might be more transmissible, it is possible that it won't have the severe consequences of other variants. The new variant has more than 30 spike protein mutations, versus an average of three on pre-existing variants. Morgan Stanley issued a CIO (Chief Investment Officer) Brief on Monday that said the number of mutations could mean the virus "may not be stable or 'fit' and die out." The Brief also said it could take two weeks before there is some understanding about the mutations and vaccine efficacy.

While substantially more people are now vaccinated than a year ago and many have also received their booster shots, there still cause for much concern. Even without the emergence of Omicron, the predominant Delta variant is still active around the globe. On Monday, Austria went into lockdown, despite the rollout of vaccines. That move made Austria the first in Western Europe to reinstate lockdown.

On Wednesday, Italy imposed new restrictions for those who are unvaccinated. The country was the first to require proof of vaccinations or negative results from Covid tests for both public and private employees. Beginning Dec. 6 through mid-January, the unvaccinated will be barred from indoor dining and attending public events. Proof of vaccination will also be required for the use of public transportation.

Covid cases are on the rise again across parts of the U.S., as well. The upper Midwest and parts of the South are becoming the new hotspots. New England is also starting to report increases, particularly in Massachusetts and even Vermont, which has the highest vaccination rate in the country.

Consumers were already wary of shipping bottlenecks and shortages of goods on shelves due to backlogs at the ports. That prompted many to begin their holiday shopping earlier this year, according to the National Retail Federation, a retail industry trade organization. NRF is projecting holiday sales to grow between 8.5 percent to 10.5 percent, or between $843.4 billion and $859 billion.

A Goldman Sachs retail study found that 25 percent of consumers intend to wrap up their holiday shopping earlier than usual. Black Friday will complete the holiday shopping season for another 25 percent, with 55 percent planning to finish their shopping around the first week of December.

A report in the L.A Times on Nov. 22 suggested that deteriorating Covid conditions in Colorado possibly could be an early warning for California, mostly because both states have the same vaccination rate. Citing the Centers for Disease Control, Colorado's vaccination rate is at 62.8 percent and California is at 62.7 percent.

A case spike in California could be another hit for the West Coast port system, which is just starting to see an easing of the backlog. One plus is that some deliveries have shifted to other ports around the U.S. In addition, many retailers have already resorted to air freight or even chartering their own vessels to ensure timely delivery of must-have items. But that also means the much hoped-for easing of container prices and shipping expenses might continue for some time into 2022.

Source: sourcingjournal.com– Nov 29, 2021

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USA: RILA Inks Letter to President Biden on Supply Chain Issues

The Retail Industry Leaders Association (RILA) sent a letter to President Biden on Monday offering short- and long-term recommendations for additional actions the administration should take to further alleviate existing bottlenecks in U.S. supply chain.

"We appreciate the administration's recent actions to unfurl the existing disruptions, including the creation of the Supply Chain Disruptions Task Force and the Executive Order on Promoting Competition in the American Economy," RILA wrote. "It is our hope the administration will continue the same forward-thinking action to facilitate a few additional short-term steps to continue to restore the semblance of fluidity especially in southern California."

These include addressing restrictive appointment system requirements that RILA said disadvantages front-line truckers and contributes to chassis and container dislocation, increasing the ability for the efficient return of empty containers with unrestricted acceptance of empties, requiring ocean carriers to accelerate evacuation of the tens of thousands of empty containers clogging the ports, and helping ports address the root causes of import container dwell.

To avert an ongoing cycle of congestion and "ensure that U.S ports remain globally competitive, some essential steps are clear," the letter stated.

"Targeted investment is needed for infrastructure modernization," RILA said. "Address systemic operational challenges in major U.S. ports and enable data sharing and interoperability to facilitate end-to-end visibility."

As primary users of ports and freight infrastructure, shippers should play a role in helping determine effective targeting of funds, the organization representing more than 200 retailers, product manufacturers and service suppliers, said.

"The administration should also continue to strengthen protections for American importers and exporters and bolster the Federal Maritime Commission's work providing oversight of foreign-owned ocean carriers, alliances and terminal operators—sending the message that fair and open supply chains are essential to the American economy."

Biden met with CEOs of companies in a variety of sectors on Monday to discuss the holiday shopping season and his administration's work to move goods to retail shelves.

RILA members Best Buy, CVS, Food Lion, Kroger, Qurate Retail Group and Walmart were participating in the meeting.

Source: sourcingjournal.com– Nov 29, 2021

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Italian firms see Turkey as alternative to Chinese supply chains

Turkey-Italy trade will exceed $20 billion this year and the two nations will increase that to above $30 billion within five years, according to head of the Italian Chamber of Commerce and Industry Livio Manzini, who recently said Italian businesses are also looking for supply chains other than China and there are not many better alternatives than Turkey.

Turkey's investments in Italy are steadily increasing as Turkish firms view Italy as a gateway to the European Union (EU), Manzini told a conference in Istanbul.

Italy will receive an EU support package worth €200 billion ($225 billion), which will revive the Italian economy and boost its imports, he added.

Massimo Gaiani, Italy's ambassador to Turkey, hailed the latter as a 'truly positive partner', a news agency reported.

Source: fibre2fashion.com– Nov 30, 2021

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Jordan gets Italian, UNIDO support to enhance textile value chain

Italy's Design and Training Services Centre (GSC) and the United Nations Industrial Development Organisation (UNIDO) have launched Creative Jordan, a project to support and encourage the textile value chain in Jordan. The aim is to create employment and economic opportunities in Jordan. It will directly target textile manufacturers.

Besides the provision of technical training to actors of the value chain, one of the objectives of this project is to create new successful brands and collections under two fashion brands, JO! By Creative Jordan and Khayt, which are the storytelling umbrella of the fashion sector and be further promoted in the international markets.

Through capacity building and effective linkages, the project will play a key role in enhancing economic opportunities and job creation in Jordan's textile and fashion value chains. The prospective outcome of the project is streamlined to be in line with Jordanian law and with targets set in Jordan's economic growth plan.

The project will enhance income-generation opportunities and job creation in the textile and fashion value chains through capacity building and effective connections in the local market. It will target women and improve their capacities so as to lead an increase in their economic participation, and effectively foster local women empowerment and gender equality. Women will represent at least 40 per cent of the project's direct beneficiaries.

Source: fashionatingworld.com– Nov 29, 2021

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Skill development in focus as Bangladesh RMG units launch training program

Despite being one of the top garment manufacturers in the world, Bangladesh has been suffering from low labor productivity for the last few years.

Lack of training lowers productivity

Both government and non-government organizations have introduced labor-training initiatives in the country. However, these have been grossly insufficient. Data from 2020 Asian Productivity Organizations show, the average productivity of garment workers in Bangladesh is lower than all competing countries except Cambodia.

Its per-worker annual productivity is $10,400 while that of Vietnam is $12,700, India $15,800, and China $23,800. This is mainly attributed to lack of proper training, low wages, unhealthy living conditions, and a lack of proper working environment for women workers, says a report by the Business Standard.

Diversification to boost prices

Low labor productivity further results in low prices commanded by garments in the international market. Bangladesh also risks losing duty-free export status in many countries after moving to being a developing country in 2026.

It also suffers from the changing trends in traditional working styles. To survive, Bangladesh needs to diversify project offerings besides increasing productivity, say experts. Failure to achieve this may result in a negative impact on the industry, says Professor Mustafizur Rahman, Distinguished Fellow, Centre for Policy Dialogue (CPD)

Insufficient government skills programs

Government officials and sector insiders have initiated many plans to address this issue. However, they have done very little groundwork on them. Nazma Akter, Labour Leader and Executive Director, Awaj Foundation believes, the training provided to Bangladesh workers as per the initiatives launched by the government or donors is not sufficient.

Workers' productivity also suffers due to lack of nutritious food which they cannot afford due to low wages, she adds Kalpana Akter, Executive Director, Bangladesh Centre for Workers Solidarity (BCWS), also blames the lack of proper training as well as low wages for low productivity of Bangladesh workers. The lack of a women-friendly environment in workplace as well as a dearth of need based and institutional training are some of the reasons for the low productivity rate in the country, she adds.

Fazlee Shamim Ehsan, Managing Director, Fatullah Fashion and Vice-President, BKMEA states, mental health, nutritional deficiencies, family problems and poor living standards as some of the reasons for workers' low productivity in Bangladesh. He also blames the lack of initiatives by authorities to increase workers productivity in line with an increase in garment exports.

Moreover government initiatives are mostly on paper. The three days of training provided by the National Productivity Organization (NPO) for mid-level management of factories does not increase the productivity rate of Bangladesh workers.

Run by the Ministry of Finance, the Skills for Employment Investment Program also proves inefficient due to lack of transparency while formed in 2019, the National Skills Development Authority (NSDA) program is yet to start.

Workers' skills or productivity cannot be increased through isolated programs at the government or private level, says Labor Leader Nazma Akter. They require an integrated curriculum that should be initiated by the government, she adds.

Industry initiatives to boost skill development

The industry has introduced many initiatives to increase productivity through skill development and other measures. BGMEA has established an innovation centre for the relatively advanced workforce including mid-level management.

However, the centre is yet to be operational. Abdullah Hil Rakib, Director says, Bangladesh has established several in-house training centres to train unskilled workers. They are trained to use modern and automated machines.

Earlier, Bangladesh made low-cost clothes that did not require many skills. However, now it needs to shed its traditional mindset and start using high-tech machines to produce high-value products, point out Economist Dr Nazneen Ahmed. Workers are rarely trained abroad as manufacturers have installed high-tech machines in factories, says Shahidullah Azim, BGMEA.

The concerned foreign companies come to Bangladesh and train workers. Around 70 per cent of Bangladesh's garment exports are achieved by 450 factories that have introduced training programs for workers. The remaining 30 per cent are expected to join soon.

Source: fashionatingworld.com - Nov 29, 2021

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'Bangladesh is a greenfield for investment in apparel sector'

Bangladesh is a greenfield for investment in the growing apparel sector, said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

He was presenting the keynote at "Readymade Garments and Textiles; Weaving the Way" on the 2nd day of the International Investment Summit 2021, Bangladesh on Monday.

In his keynote, Hassan said that the apparel sector currently has 3,500 active clothing factories, $20 million in investment, 4 million workers, and it exports to 167 countries of the world.

"Bangladesh earns 83% of its export earnings from the apparel sector, with 11% contribution to the GDP," he added.

He also said that Bangladesh has 150 LEED Green garments factories certified by the US Green Building Council (USGBC) and 40 out of the world's top 100 garment factories are in Bangladesh.

"500 more factories are in the process of getting LEED certification. BGMEA pledges to the Green Button, which is a global seal of excellence in sustainability by the government of Germany," he added.

He also said that BGMEA was awarded the "2021: USGBC Leadership award" for its outstanding contribution to promoting green factories.

"75% of exports are concentrated in 5 core items. Almost 74% of the products are cotton-based. 80% of our exports are concentrated within the $15/kg price range," he added.

He also said that Bangladesh is working on design development, innovation and end-to-end digital manufacturing. So, the country is a greenfield for investments in textiles and high value-added items.

"P4G funded Circular Fashion Partnership initiative aims to achieve a long-term, scalable transition to a circular fashion system that produces new, low carbon footprint and responsibly-made products."

He also said that the partnership between the Global Fashion Agenda (GFA), BGMEA and Reverse Resources (RR) includes 19 brands, 17 recyclers and 85 manufacturers on board.

Mohammad Hatem, vice-president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) said that there is a shortage of skilled garment workers in the country.

“So, it is important for all technical training centres and vocational training centres in the country to introduce RMG related courses in coordination with the BGMEA and BKMEA,” he added.

He also said that it is important for technologically advanced entrepreneurs to enter the backward linkage industry.

Meanwhile, former BGMEA president and the President of the Bangladesh Chamber of Industries (BCI) Anwarul Alam Parvez said that Bangladesh is an attractive location for investment because of producing basic items, which is 60% of total global demand.

He also said by 2030, Bangladesh will be able to achieve SDG, 30 million new jobs will be created in the country and 70% of the country will be part of the workforce.

“Bangladesh is one of the least polluting countries in the world, emitting only 0.24% of carbon annually,” he added.

He also said that there are a number of world-class ETPs, and the entrepreneurs are very committed. “So, it is a haven for investment, that is why the global investors should invest in Bangladesh,” he added.

Swapna Bhowmick, country manager of Marks and Spencer Bangladesh, said that the entrepreneurs in Bangladesh are very committed, which is very important for investment.

“There are also some areas that are very attractive. Again, the country's investment sector is growing,” she added.

She also said that above all, the people of the country are a fantastic and resilient workforce. That is why investing here will be very fruitful.

Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA) said, in the RMG sector, Bangladesh is the best place to invest. In the knitwear sector, we supported around 95% fabrics and set 4th generation machinery.

"However, in the woven sector, we are lacking behind. We need to import around 65% or sometimes even more fabrics. But now we started setting up manmade fibre machinery," he added.

Former BGMEA president and Dhaka North City Mayor Atiqul Islam said that ten years back, there was no electricity and now, we have electricity more than we need.

"There are some challenges at the port, but we are trying to overcome that. We are developing our infrastructure to attract investors," he added.

According to the session, exporting to over 150 countries and contributing 16% to the GDP, Bangladesh has the world's 3rd largest apparel industry.

Bangladesh ranked 2nd in terms of ethical manufacturing due to world-class safety standards in the apparel industry.

Growing at 9.8% per annum, RMG exports more than tripled between 2008 and 2018.

Exports worth $27.4 billion captured 6.30% of the $435 billion global markets of December 2020.

Shovon Islam, managing director of the Sparrow Group moderated the session.

Source: dhakatribune.com– Nov 29, 2021

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RMG pivotal for next phase of Bangladesh's development: BGMEA

The next phase of Bangladesh's economic growth will hugely depend on the industrial sector where the apparel industry would play the pivotal role, which is why the people of the nation need to protect the industry for the greater interests of our country, said Faruque Hassan, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Hassan also called on brands and retailers to be rational in terms of pricing to make the supply chain resilient and sustainable.

"There is a sharp disconnect between sustainability and pricing mechanisms. Our factories are increasingly investing for safety and sustainability. Besides, in prices of yarn, chemicals and other raw materials in the global supply chain has pushed up production costs in garment manufacturing.

But prices are not being offered in line with the context. The gap is needed to be closed," he said while addressing an event titled 'Sustainability of the Apparel Industry of Bangladesh: Policies, Scopes and Constraints' organised recently by Solidaridad Network Asia and ESTex Foundation in Dhaka.

The apparel industry carries the 'Made in Bangladesh' trademark across the world and the development of the sector means development of Bangladesh and betterment of its people, he said.

Source: fibre2fashion.com– Nov 29, 2021

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Bangladesh: RMG export earnings growth 12pc in five years

Export earnings from readymade garments industries has experienced nearly 12 percent growth in last five years, official data shows.

The export earnings from RMG was 28.15 billion US dollar in 2016-17 which reached to 31.45 billion in 2020-21, according to a keynote presented at Bangladesh Investment Summit yesterday.

Dhaka North City Corporation mayor Atiqul Islam was the chief guest at the session titled “Readymade Garments and Textile: Weaving the Way” at Radisson Blu Dhaka.

Bangladesh Garment Manufacturer Association of Bangladesh (BGMEA) President Faruque Hassan made keynote in the session conducted by Sparrow Group managing director Shovon Islam.

BGMEA former President Atiqul Islam said Bangladesh is the best maker of apparel products as the country has good business environment with political stability.

The city mayor also focused on future Metro transport facilities around the factories in Dhaka for fostering business growth.

In the presentation, BGMEA chief Faruque highlited green factories and investment potential in Bangladesh apparel industries.

“Some 40 out of top 100 garment factories are located in Bangladesh. Some 150 local factories have been certified by US Green Building Council,” Faruque said.

He said RMG sector drives the economy with 83 percent contribution to export basket.

Some 3500 garment factories are generating 4 milion employments backed by $ 20 billion investment, according to BGMEA.

Bangladesh offers 15 cash subsidy of facbric cost to exporters sourcing fabrics locally.

Bangladesh Textile Mills Association (BTMA) President Mohammad Ali Khokon said some 500 spinning mills have been contributing to RMG from backend as primary textile industry.

Marks & Spencers head of country Shawapna Bhowmick emphasised on branding the facilities of Bangladesh for investors across the world.

She said the businesses should increase investment in developments of people to address the future challenges of fourth industrial revolution.

Bangladesh Knitwear Manufacturer and Exporters Association (BKMEA) President Mohammad Hatem, Bangladesh Chamber of Industries (BCI) President Anwar-ul Alam Chowdhury were also in the panel.

Source: dailyindustry.news– Nov 29, 2021

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NATIONAL NEWS

Revival of MSMEs

Government has taken a number of initiatives under Aatma Nirbhar Bharat Abhiyan to support the MSME Sector in the country especially in Covid-19 pandemic. Some of them are:

i) Rs 20,000 crore Subordinate Debt for MSMEs.

ii) Rs. 3 lakh crores Collateral free Automatic Loans for business, including MSMEs.

iii) Rs. 50,000 crore equity infusion through MSME Fund of Funds.

iv) New revised criteria for classification of MSMEs.

v) New Registration of MSMEs through 'Udyam Registration' for Ease of Doing

Business.

vi) No global tenders for procurement up to Rs. 200 crores, this will help MSME.

An online Portal “Champions” has been launched on 01.06.2020 by Prime Minister. This covers many aspects of e-governance including grievance redressal and handholding of MSMEs. Through the portal, total 40,201 grievances have been redressed upto 21.11.2021.

The Ministry of MSME implements various schemes and programmes for growth and development of MSME Sector in the country. These schemes and programmes include Prime Minister’s Employment Generation programme (PMEGP), Scheme of Fund for Regeneration of Traditional Industries (SFURTI), A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE), Credit Guarantee Scheme for Micro and Small Enterprises, Micro and Small Enterprises Cluster Development Programme (MSE-CDP).

To provide further relief to the MSME Sector especially during Covid-19, Government has taken following measures recently:

- The validity of Udyog Aadhar Memorandum (UAM) has been extended up to

31.12.2021 vide notification no. S.O. 2347(E) dated 16.06.2021.

- On 02.07.2021, the Government has included retail and whole sale trades as

MSMEs and they are allowed to be registered on Udyam Registration Portal.

However, the benefits to Retail and Wholesale trade MSMEs are to be restricted to

Priority Sector Lending only.

- Now, street Vendors can also register as retail traders on Udyam Registration

(UR) portal and avail the benefit of Priority Sector Lending.

This information was given by the Minister for Micro, Small and Medium Enterprises Shri Narayan Rane in a written reply to Rajya Sabha today.

Source: pib.gov.in - Nov 29, 2021

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Australia's special envoy Tony Abbott coming to speed up FTA, will visit Delhi, Mumbai

Eyeing interim pact by Christmas

Former Australian Prime Minister Tony Abbott, who is presently serving as Prime Minister Scott Morrison's special trade envoy for India, is likely to visit the country later this week on a three-day tour to meet trade officials and businesses and take stock of the bilateral Free Trade Agreement under negotiations.

The two countries are chasing a time-line of reaching an agreement on a early harvest package, or an interim free trade pact, by Christmas.

"As per plans, Abbott will be in India on December 1-3 and will visit Delhi and Mumbai," an official tracking the visit told BusinessLine.

In September, Commerce & Industry Minister Piyush Goyal and his Australian counterpart, Dan Tehan, decided to conclude an interim or early harvest FTA by Christmas, which would pave the way for a full-fledged Comprehensive Economic Cooperation Agreement (CECA) in 2022.

Inter-Ministerial talks on

"The Australians want the interim pact to cover most areas that have been identified for the final CECA. It would not be possible to take on deep commitments in most at this stage. Inter-Ministerial consultations in India are still on in the areas of goods and services," the source said. If the two sides are not able to meet the December-end deadline, all attempts would be made to formalise the interim trade pact by early next year, the source added.

CECA negotiations

Areas that are to be covered under the bilateral CECA include goods market access, rule of origin, non-tariff barriers to trade in goods (including technical barriers and customs issues), cross-border trade in services, financial services, investment including investor-state dispute settlement, government procurement, intellectual property, including geographical indications, movement of persons, competition policy and sustainable development.

The decision to re-engage on CECA negotiations, which got suspended in 2015, was taken by Prime Minister Narandra Modi and Australian Prime Minister Scott Morrison in June last year as part of the joint statement on a Comprehensive Strategic Partnership.

‘Fresh perspective’

Tehan, during his visit to India in September, said that he and Goyal were bringing “fresh eyes and fresh perspective” into the negotiations. It is possible that Australia may not make stiff demands in sensitive areas such as agriculture and dairy as it was one of the reasons for a stand-off in the negotiations the last time round.

Propelled by diverse sectors such as coal and international education, India was Australia’s seventh-largest trading partner and sixth-largest export market in 2020, according to the Australian government. India’s total trade with Australia in 2020-21 was $12.29 billion.

Source: thehindubusinessline.com- Nov 29, 2021

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Gross GST Collection in FY 2021-22 shows increasing trend

The gross GST Collection in FY 2021-22 post COVID-19 pandemic outbreak are showing an increasing trend. This was stated by Union Minister of State for Finance Shri Pankaj Chaudhary in written reply to a question in Lok Sabha today.

Giving more details, the Minister stated the gross GST collection for FY 2020-21 and 2021-22 (till Oct 2021) as under: -

Month	FY 2020-21 (Rs. in crore)	FY 2021-22 (Rs. in crore)
April	32172	139708
May	62151	102709
June	90918	92849
July	87422	116393
August	86449	112020
September	95480	117010
October	105155	130127
November	104963	--
December	115174	--
January	119875	--
February	113143	--
March	123902	--
Total	**1136805**	**810816**

Giving out the Gross Direct Tax collection figures for the FY 2021-22, the Minister stated that as on 23.11.2021 Gross Direct Tax collection figures for the FY 2021-22 are at Rs. 815262.7 crore showing a growth of 48.11% and 18.15% over the Gross collection figures for the corresponding period in FY 2021-22 and FY 2019-20, respectively.

The Net Direct Tax Collection figures for the FY- 2021-22 as on 23.11.2021 are at Rs. 692833.6 crores showing a growth of 67.93% and 27.29% over the Net collection figures for the corresponding period FY 2020-21 and FY 2019-20, respectively as per **Annexure-I**, the Minister stated.

In relation to the compensation cess, the Minister stated that the GST compensation cess levied under Section 8 of the GST (Compensation to States) Act, 2017 is transferred into a non-lapsable Fund known as GST Compensation Fund which forms part of the Public Account of India as provided in Section 10(1) of the Act.

The States are being compensated for any loss of revenue arising on account of implementation of GST for five years out of the Compensation Fund as per Section 10(2) of the said Act. GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to the states, the Minister added.

The Minister stated that the economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess.

GST compensation of Rs. 1,30,464 crore has been released to all States/ UTs to partly meet the compensation payable for the period April'20 to March'21as the amount in GST Compensation Fund was not adequate to meet the full compensation requirement.

This issue of shortfall in release in GST compensation was deliberated in 41st & 42nd GST Council meetings and accordingly, Centre had borrowed loan of Rs. 1.1 lakh crore from open market and passed on as back-to-back loan to States/UTs to meet their resource gap due to short release of GST Compensation for FY 2020-21.

Similarly, as per deliberation in 43rd GST Council meeting, Centre has borrowed Rs. 1.59 lakh crore loan and passed on to the States/UTs as was done in last year. Taking into account GST compensation released to States as well as back-to-back loan, pending GST compensation to States/UTs is as per **Annexure II**, the Minister added.

Source: pib.gov.in- Nov 29, 2021

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Digitizing and Automating the MSME Sector

The Standing Finance Committee has approved the MSME Champions Scheme with a total

outlay of Rs. 273.24 Cr. As part of this Scheme a 'Digital MSME' component has been included for digital empowerment of MSMEs in the country. In addition to this, there are several Technology Centres under the Ministry are also assisting on technological and automation interventions along with training support. In regard to international trade digitization of local enterprises, the Standing Finance Committee has approved the International Cooperation Scheme comprising of First Time Exporters

and Global Marketing Intelligence System with a total outlay of Rs. 90 Cr.

The Ministry is operating two schemes for setting up business incubators in educational

institutes to facilitate innovation. These are "Support for Entrepreneurial and Managerial Development of MSMEs through Incubators Scheme" and ASPIRE (A Scheme for Promotion of Innovation, Rural Industry & Entrepreneurship) Scheme.

The Government is taking necessary steps through the Digital MSME Scheme, with the

following objectives:

To empower & enable MSMEs to harness IT as a medium of communication to revamp access to the markets to update their managerial and technical knowledge though online content–both static and dynamic.

To give them software interventions, evolving their internal efficiencies by way of intense ICT intake and automating procedure for cost reduction, imparting digital literacy and capacity enhancement for information access, processing, collaboration and dissemination.

III. To offer to the MSMEs a safe and sound bouquet of customized digital solutions which have been designed keeping in mind the diverse requirements of the eco-system, saving them from the travails of indiscreet and indiscriminate adoption of technology.

This information was given by the Minister for Micro, Small and Medium Enterprises Shri Narayan Rane in a written reply to Rajya Sabha today.

Source: pib.gov.in - Nov 29, 2021

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Centre pursuing states to frame rules under all four Labour Codes: Rameswar Teli

The central government is pursuing with the state governments to frame the Rules under all four Labour Codes, the minister of state for labour and employment Rameswar Teli said on Monday in response to a question in the Lok Sabha.

The Code on Social Security, 2020, provides for social security benefits for all workers including in unorganized sectors as well as gig and platform workers while the Code on Wages, 2019 envisages that all workers whether in organised sector or unorganised sector will be entitled for minimum wages, he said.

"It, inter-alia, provides for fixation of minimum wages on time work basis for various wage periods, namely on hourly, daily or monthly basis," he added.

According to minister Teli, "labour" is in the concurrent list of the Constitution and under the labour codes, rules are required to be framed by the central government as well as by the state governments.

"The central government has pre-published the Code on Social Security (Central) Rules, 2020 and the Code on Social Security (Employee's Compensation) (Central) Rules, 2021 for public consultation," he added.

Formal Job Losses

In a separate response, minister of state for labour and employment Rameswar Teli said that as per the payroll data based on Aadhar validated Universal Account Number (UAN) published by Employees Provident Fund Office (EPFO) every month for the organised sector, 77.08 net new subscribers were added to EPFO in 2020-21.

This includes 97.83 lakh subscribers which exited from EPFO establishments while 89.43 lakh subscribers who had previously exited, rejoined EPFO establishments during the year 2020-21 and 85.49 lakh new subscribers joined EPFO establishments. "However, these exits may not necessarily be job losses due to Covid pandemic and or lockdown imposed as evident from addition of new and re-subscribed members," the minister said.

Benefits under PMGKY

For the wage period from March, 2020 to August, 2020, the Pradhan Mantri Garib Kalyan Yojna has helped 2.63 lakh establishments by incentivising them to retain 38.91 lakhs low wage earning members of the Employees' Provident Fund Organisation, the minister of state for labour Rameswar Teli said in response to a question in Lok Sabha. "Benefits amounting to Rs 2567.19 crore were credited during the period," he added.

The government had launched Pradhan Mantri Garib Kalyan Yojna (PMGKY) for employers for prevention of disruption in employment of low wage earning EPF members, by way of payment of employee''s and employer''s share of EPF contributions (24% of wages) by the central government. The scheme covers all the establishments having up to 100 workers and 90% of such employees earning less than Rs 15,000 monthly wage.

e-Shram Portal

Minister of state for labour and employment Rameswar Teli informed the Lok Sabha that as on November 23, 8.97 crore unorganised workers have been registered on e-SHRAM portal which was launched in August this year and made available to the states/ UTs for the registration of unorganised workers.

All eligible registered unorganised workers will get the benefit of an accidental insurance cover of Rs 2.0 lakh for a year free of cost through Pradhan Mantri Suraksha Bima Yojana (PMSBY). "One of the key objectives of the portal is to deliver the benefits of social security schemes of central and state governments through the e-Shram portal," the minister said. The e-Sharam portal is a national database of the unorganised workers seeded with Aadhaar.

Source: financialexpress.com- Nov 26, 2021

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About Rs 52,000 cr GST compensation pending to states till Sept: FinMin

Total GST compensation pending till September 2021 stood at Rs 51,798 crore

Nearly Rs 52,000 crore of GST compensation was due to the states as of September 2021, Parliament was informed on Monday.

Giving details of Goods and Services Tax (GST) compensation released and pending to be released as on November 24, 2021, Minister of State for Finance Pankaj Chaudhary said in the Lok Sabha that Rs 1,10,208 crore and Rs 1.59 lakh crore was released to the states as back to back loan in 2020-21 and 2021-22 fiscals, respectively. Total GST compensation pending till September 2021 stood at Rs 51,798 crore, he said.

This includes Rs 13,153 crore pending to Maharashtra, Rs 5,441 crore to Uttar Pradesh, Rs 4,943 crore to Tamil Nadu, Rs 4,647 crore to Delhi and Rs 3,528 crore to Karnataka.

States of Arunachal Pradesh, Manipur, Mizoram and Nagaland do not have any GST compensation pending from the Centre. In reply to a separate question, Chuadhary said the Centre has released Rs 17,000 crore on November 3, 2021, towards GST compensation to states from the compensation fund.

This is in addition to GST compensation of Rs 43,303 crore released to states and Rs 1.59 lakh crore as back to back assistance during the current financial year.

“During 2020-21 (April 2020- March 2021), the Centre had released compensation of Rs 1,36,988 crore and back to back loan assistance of Rs 1.1 lakh crore,” he said. Under the GST law, states are compensated for any loss of revenue arising on account of implementation of GST for five years till June 2022.

The compensation amount to be paid from the compensation fund which is arrived at by levying cess on top of the highest tax slab on luxury, demerit and sin goods. GST compensation for financial years 2017-18, 2018-19 and 2019-20 has already been paid to the states.

Chaudhary said the economic impact of the pandemic has led to higher compensation requirement due to lower GST collection and at the same time lower collection of GST compensation cess.

Since collections in the compensation fund are falling short of requirement, for 2020-21 and 2021-22 fiscals the Centre has borrowed funds worth Rs 1.10 lakh crore and Rs 1.59 lakh crore, respectively and passed it on to the states as back-to-back loans.

Source: financialexpress.com- Nov 29, 2021

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Zero Defect Zero Effect Scheme

As many as 23,948 MSMEs had registered with intent to adopt the principle of the Zero Defect Zero Effect Scheme (ZED). Under this, the Quality Council of India (QCI) followed the scheme guidelines on a consistent basis.

QCI has completed and submitted all relevant documents and evidences related to the erstwhile ZED Scheme, with the Ministry as the National Monitoring and Implementation Unit (NMIU). QCI was monitoring & implementing the following components of the guidelines: Industry Awareness Programmes, Training Programmes including Master Trainer, Assessor, Consultant, MSME Capacity Building, MSME officials training etc., Content Development for Online Learning Development of Mobile Monitoring Applications for Awareness Programmes and Site-assessments, Accreditation; empanelment of rating agencies & consulting organizations, Conducting Desktop and site-assessments through accredited agencies, other components as mentioned in the scheme guidelines.

This information was given by the Minister for Micro, Small and Medium Enterprises Shri Narayan Rane in a written reply to Rajya Sabha today.

Source: pib.gov.in- Nov 29, 2021

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12 MoUs to attract investments worth ₹14,000 crore ahead of Vibrant Gujarat summit

Most investments in chemicals sector, to collectively generate 28,500 jobs
The Gujarat Government on Monday informed that 12 more Memorandums of Understanding (MoU) would be signed committing investments worth over ₹14,003 crore. The proposed investments will generate collective employment for 28,585 in the State.

The MoUs are being signed as a precursor to the mega business event - Vibrant Gujarat Global Summit (VGGS) planned for January 2022.

Mitsu Private Limited to invest ₹5,000 crore

In the second tranche of the MoUs signed on Monday, largest investment commitment of ₹5,000 crore came from diversified player Mitsu Private Limited for chemicals, pharmaceuticals, API, textiles, engineering and plastics. The company proposes to provide employment to 15,000 people through the investments, which is expected to start in 2025.

Other prominent companies include Aarti Industries Limited and Aarti Drugs Limited with total investment commitment of ₹3,951.1 crore and ₹475 crore from the group in the multiple areas of chemicals, pesticide, specialty and intermediate chemicals to be set up at Jhagadiya, Dahej and Vapi. The projects will generate employment for over 6,000 people.

Gujarat Fluorochemicals Limited has committed ₹2,000 crore for electric vehicle batteries and applications. The company will set up the project by 2024 at Dahej industrial estate providing employment to 1,450 people.

Dyes and colour major, Asian Paints Limited has committed investments worth ₹1,140 crore for integrated paints factory at Ankleshwar providing 3,900 jobs.

Among other companies, Navin Fluorine Advanced Sciences Limited has signed MoU for ₹720 crore in the chemicals space, Pragna Specialty Private Limited for ₹500 crore in chemicals and intermediates, Steve Healthcare Pvt Limited for ₹117 crore in the pharmaceutical medical production and Sanjopin Industries Pvt Limited signed MoU at ₹100 crore for dyes and intermediates. Most of the investments are planned to come up at Bharuch and Dahej.

As a weekly feature, Gujarat Government announces the MoUs signed by the companies promising investment . Last week, 20 companies had inked MoUs worth ₹24,185 crore collectively generating employment for 36,925 people.

Chief Minister Bhupendra Patel conducted roadshows ahead of the summit in New Delhi last week, inviting companies to participate in the summit and invest in the State.

Source: thehindubusinessline.com- Nov 29, 2021

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Industry protests against GST hike on textiles, shoes

Industry in the state is protesting against the rise in GST rates on clothes and shoes from 5% to 12%. The increase will be applicable from January 1, 2022.

Opposing the hike, president of Federation of Rajasthan Trade and Industry (FORTI) said the increase in GST rates on footwear and clothing was contrary to the basic concept of GST.

Agarwal said while implementing the system in 2017, it was said by the central government that most of the items related to the common consumer would be gradually brought in to the minimum slab.

“The government also followed this announcement and after some time, while revising the rates of GST, it was reduced on many consumer goods, but now the GST Council has increased the rates on clothes and shoes. This is against the sentiment.”

A large number of textile and garment manufacturers, stockists, distributors and retailers of Rajasthan are members of FORTI.

Other members of FORTI like its general secretary Naresh Singhal said that roti, cloth and house are included in the basic necessities of citizens. “There is no tax on food and the government is giving subsidy on houses. In such a situation, increasing the rate of GST on primary use items like textiles is an injustice”.

Similarly, the youth wing of the industry body president Dhirendra Raghav says that the delegation of FORTI will go to Delhi and submit a memorandum to the ministers of the concerned ministries.

“We will also meet chief minister Ashok Gehkot and submit the demand for persuading the Centre to reduce the rates on the items,” said Raghav.

Source: timesofindia.com- Nov 30, 2021

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Indian Railways permits 12 ft high containers for cargo movements

Haulage charges would be at part with 2018 notification, says a circular

The Ministry of Railways has decided to permit the introduction of 12 feet high container of 20 feet length for cargo transportation on its network.

In a circular issued on November 15, the Ministry said that the haulage charges for these containers would be at par with the charges notified in 2018 for different weight slabs on a per twenty-foot equivalent unit (TEU) basis.

A TEU is the standard size and a common measure of capacity in the container business.

When commodities notified by the Indian Railways are transported in 12 feet high containers, they will be charged at Container Class Rate (CCR) subject to the existing terms and conditions, the Ministry of Railways said in the circular

Source: thehindubusinessline.com- Nov 29, 2021

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