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INTERNATIONAL NEWS

China's 2021 cotton output falls by 3% to 5.73 mn tonnes

China's cotton output this year stood at 5.73 million tonnes, down by 3 per cent year on year (YoY), according to the National Bureau of Statistics (NBS).

However, cotton yield per hectare rose by 1.5 per cent to 1,892.6 kg per hectare due to favorable weather conditions and field management of cotton growers, the government agency said on its website.

The area under cotton cultivation shrank by 4.4 per cent from last year to around 3.03 million hectares, NBS data showed.

The cotton yield per unit area amounted to 1,892.6 kg/hectare, up by 27.4 kg/ha or 1.5 per cent compared with 2020 figures.

Source: fibre2fashion.com– Dec 17, 2021

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US' clothing retail sales up 35.3% YoY, 0.5% MoM in Nov: NRF

Retail sales continued to grow in November, putting the 2021 holiday season on the home stretch for record spending despite inflation, supply chain disruptions and COVID-19, the National Retail Federation said. Clothing and clothing accessory store sales were up 0.5 per cent month-over-month seasonally adjusted and up 35.3 per cent unadjusted year-over-year.

The US Census Bureau said overall retail sales in November were up 0.3 per cent seasonally adjusted from October and up 18.2 per cent year-over-year. That compares with increases of 1.8 per cent month-over-month and 16.3 per cent year-over-year in October.

Despite occasional month-over-month declines, sales have grown year-over-year every month since June 2020, according to Census data.

NRF's calculation of retail sales – which excludes automobile dealers, gasoline stations and restaurants to focus on core retail – showed November was unchanged from October but up 14.8 per cent unadjusted year-over-year.

That compares with increases of 1.8 per cent month-over-month and 10.6 per cent year-over-year in October. NRF's numbers were up 12.1 per cent unadjusted year-over-year on a three-month moving average.

Consumers have shopped earlier than ever this year, but NRF defines the holiday season as November 1 through December 31, so the November results mark the completion of the first half of the official season.

NRF currently expects that 2021 holiday sales during the two months could grow as much as 11.5 per cent over 2020, exceeding NRF's earlier forecast of between 8.5 per cent and 10.5 per cent growth. Even at the low end of the range, both the amount spent, and the growth rate would set new records.

For the first 11 months of the year, sales as calculated by NRF were up 14.2 per cent over the same period in 2020. That is consistent with NRF's forecast that retail sales for the full year should grow between 10.5 and 13.5 per cent over 2020 to between $4.44 trillion and $4.56 trillion.

"Despite economic headwinds, November retail sales data confirms that consumers continue to spend, as demonstrated by a 14 per cent increase in sales year-over-year," NRF president and CEO Matthew Shay said. "We expect demand will remain strong through December, even though consumers started holiday shopping earlier than ever this year.

Despite the rise of the omicron variant, increased vaccination rates combined with retailers' ongoing safety protocols and procedures have resulted in consumers who feel they can continue to shop safely and conveniently. We believe that holiday sales this year could grow as much as 11.5 per cent over 2020."

Source: fibre2fashion.com– Dec 17, 2021

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China's total retail sales grow 3.9% YoY in Nov

The total retail sales of social consumer goods in China in November reached 4,104.3 billion yuan, a year-on-year (YoY) increase of 3.9 per cent; the growth rate was 9 per cent higher than that in November 2019, and the average growth rate in the two years was 4.4 per cent, as per the data released by the National Bureau of Statistics of China.

The total retail sales of garments, footwear, hats and knitwear decreased by 0.5 per cent YoY to reach 1,484 billion yuan and recorded a 14.9 per cent increase YoY between January to November to reach 12,363 billion yuan.

Among them, the retail sales of consumer goods other than automobiles reached 3,726.6 billion yuan, an increase of 5.4 per cent. Excluding price factors, the total retail sales of social consumer goods in November increased by 0.5 per cent year-on-year. On a month-on-month basis, the total retail sales of social consumer goods increased by 0.22 per cent in November.

From January to November, the total retail sales of social consumer goods reached 39,955.4 billion yuan, a year-on-year increase of 13.7 per cent, an increase of 8.2 per cent over January to November 2019. Among them, the retail sales of consumer goods other than automobiles reached 36,033.9 billion yuan, an increase of 14 per cent.

From January to November, the national online retail sales reached 11,874.9 billion yuan, a year-on-year increase of 15.4 per cent. Among them, the online retail sales of physical goods reached 9,805.6 billion yuan, an increase of 13.2 per cent, accounting for 24.5 per cent of the total retail sales of social consumer goods; Among the online retail sales of physical goods, food, clothing and consumer goods increased by 18.8, 11.1 and 13.1 per cent respectively.

Source: fibre2fashion.com– Dec 17, 2021

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US October denim imports rise

US imports of denim increased 28 per cent in October 2021 compared to a year earlier. As per Commerce Department's Office of Textiles & Apparel (OTEXA) data, imports from Mexico grew 43 per cent.

Shipments from countries of the Central American Free Trade Agreement (CAFTA) rose 29 per cent, led by a 30 per cent from Nicaragua and a 22 per cent gain from Guatemala. Columbia contributed with a 30 per cent rise.

Denim imports from Vietnam remained tepid with a four per cent rise. Top supplier Bangladesh rolled along with a 31 per cent increase in the month while China saw a 17 per cent gain. Imports from Pakistan jumped 51 per cent, Cambodia rose 18 per cent and Sri Lanka was up 43 per cent.

Jeans imports from Turkey increased 61 per cent in October 2021. October increases were posted by Lesotho, Madagascar, India, Macau, Italy and Japan. Declines were seen from Jordan, Ethiopia, Kenya and Tanzania.

CAFTA and US co-production for textiles and apparel supports more than a million jobs and $12 billion in two-way trade. Onshoring and nearshoring are underway, with key CAFTA countries seeing exports up anywhere from 33 per cent to 56 per cent, outpacing even major Asian exporters, a sign that the trade agreement's existing rules are effective.

Source: fashionatingworld.com– Dec 16, 2021

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Japan’s apparel sector resorts to nearshoring

Japan's apparel makers are shifting production back to their country. Among the reasons are pressures from a weaker yen, rising overseas labor costs and shipment troubles caused by the pandemic.

The concept of nearshoring production close to consumer markets is gaining ground in the industry. Moves like this show how the supply chain disruption caused by the coronavirus pandemic has given the apparel industry reason to rethink its production strategy, signaling a shift away from overseas hubs like China and Vietnam.

Manufacturing costs are higher in Japan compared with overseas locations. Yet companies believe that the benefits, including shorter delivery times, can offset extra expenses by cutting waste and lost opportunities. Japan’s textile industry started moving production offshore in the 1970s. But now some of the cost advantages of overseas production have waned.

Monthly wages in China and Vietnam have roughly doubled since 2010. Apparel companies typically have an easier time relocating production than do automakers or other industrial companies because their equipment is smaller.

Japanese company, World Co whose products sell at department stores and shopping centers, will locate most of its high-end clothing production in Japan within three to five years, up from the current level of roughly 40 per cent.

Similarly TSI Holdings, which distributes Jill Stuart women's fashion and Ping golf wear brands in Japan, is considering expanding output at its domestic plants in Yamagata and Miyazaki prefectures. Automation would be used to make jackets, coats and blouses, among other products.

Source: fashionatingworld.com– Dec 16, 2021

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Bank of England raises rate by 0.15 percentage points to 0.25%

The Bank of England's Monetary Policy Committee (MPC) at its meeting ending on December 15, 2021, has voted by a majority of 8-1 to increase Bank Rate by 0.15 percentage points to 0.25 per cent. The MPC sets monetary policy to meet the 2 per cent inflation target, and in a way that helps to sustain growth and employment, UK's central bank said.

The MPC voted unanimously for the Bank of England to maintain the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, at £20 billion.

The MPC also voted unanimously to maintain the stock of UK government bond purchases, financed by the issuance of central bank reserves, at £875 billion, and so the total target stock of asset purchases at £895 billion.

The MPC said that the level of global GDP in 2021 Q4 is likely to be broadly in line with the November Report projection, but consumer price inflation in advanced economies has risen by more than expected.

The Omicron variant poses downside risks to activity in early 2022, although the balance of its effects on demand and supply, and hence on medium-term global inflationary pressures, is unclear. Global cost pressures have remained strong.

Bank staff have revised down their expectations for the level of UK GDP in 2021 Q4 by around 0.5 per cent since the November Report, leaving GDP around 1.5 per cent below its pre-COVID level.

"Growth in many sectors has continued to be restrained by disruption in supply chains and shortages of labour. The impact of the Omicron variant associated additional measures introduced by the UK Government and Devolved Administrations and voluntary social distancing will push down on GDP in December and in 2022 Q1," the central bank's statement said.

"The experience since March 2020 suggests that successive waves of COVID appear to have had less impact on GDP, although there is uncertainty around the extent to which that will prove to be the case on this occasion," the statement added.

Twelve-month CPI inflation rose from 3.1 per cent in September to 5.1 per cent in November. Bank staff expect inflation to remain around 5 per cent through most of the winter period, and to peak at around 6 per cent in April 2022, with that further increase accounted for predominantly by the lagged impact on utility bills of developments in wholesale gas prices.

Indicators of cost and price pressures have remained at historically elevated levels recently, and contacts of the Bank's Agents expect further price increases next year driven in large part by pay and energy costs. CPI inflation is still expected to fall back in the second half of next year.

Source: fibre2fashion.com – Dec 16, 2021

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Cambodia imports fabrics worth $3.5 bn in 1st 9 months of 2021

Cambodia’s garment sector showed decent performance in production, exports and growth in orders, while it imported fabrics worth $3.5 billion in the first nine months this year—an increase of more than 25 per cent, according to the latest World Bank, which said garment exports to the United States rose by 31.9 per cent to $ 3.4 billion in September 2021.

According to a report by the country’s general department of customs and excise, in the first nine months of 2021, exports for garments amounted to $8.24 billion, an increase of about $843.4 million or 11.4 per cent compared to the same period in 2020.

Kaing Monica, deputy secretary general of the Garment Manufacturers Association of Cambodia, said the increase in imports of raw materials for garment production this year was in line with the growth of exports of garments and travel products.

He said the growth in each sector differs slightly with clothing seeing the lowest growth of about 5 per cent between January and September this year, but footwear sector increased by approximately 15 per cent and for travel products by more than 30 per cent compared to the same period last year, Cambodian media reported.

Source: fibre2fashion.com– Dec 16, 2021

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Bangladesh sees benefits in PPE exports

Personal protective equipment (PPE) presents export opportunities for Bangladesh. The ongoing Covid-19 pandemic has provided the impetus. And manufacturing protective equipment is not seen as difficult for a country which is a garment powerhouse. So a sector like this can diversify the export basket.

It is also believed PPE can induce the country to produce more value-added products, says Abul Kasem Khan, Chairperson, Business Initiative Leading Development (BUILD). Bangladesh is already making progress in the PPE sector. This is especially true in the case of 12 products, of which eight are included in the World Health Organisation's list of PPE.

However, there are challenges. Bangladesh needs to develop the PPE industry in a strategic manner by setting up targets, extending the right incentives, ensuring public-private cooperation and following up closely on the progress and constraints.

Key areas to focus on for developing the sector would be ensuring the right products, proper incentives, appropriate policies, knowledge and skills and proper use of technology and logistics. PPEs are highly regulated, with stringent quality requirements and require strong technical knowhow to produce. And this is a key challenge.

The domestic pharmaceutical industry meets 98 per cent of the domestic demand for medicine and exports drugs to 57 other countries, but it imports more than 95 per cent of its required medical devices. Foreign direct investment in the PPE industry would be needed.

Source: fashionatingworld.com– Dec 16, 2021

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Pakistan: Aptma urges PM to restore energy supply to textile industry

The All Pakistan Textile Mills Association (Aptma) has urged Prime Minister Imran Khan to immediately intervene in the restoration of energy, both electricity and gas, supply to the textile industry.

In a statement issued on Thursday, Aptma Chairman Abdul Rahim Nasir said the Ministry of Energy has abruptly suspended gas supply to the textile sector. This disruption in gas supply coupled with a sudden drop in temperatures and high moisture in the air has led to a massive tripping of 132kV transmission lines in the industrial hubs.

The unavailability of electricity and gas have choked the production activity of the textile industry, especially in Punjab and the mills have started closing down their operations at the cost of losing export orders and retrenchment of labour.

Nasir said that the textile mill-owners are running from pillar to post in search of energy, while the relevant departments are inattentive to the issue, as usual; therefore, Aptma has no other option but to request the chief executive of the country for an immediate rescue.

The Punjab-based industry was hit with a double whammy, i.e., increase in gas tariff from $6.5 to $9/MMBTU and outages. He lamented that the Punjab industry is being discriminated against in other provinces, which would be detrimental to the overall growth of the national economy in the long run.

He said 70 per cent of the textile industry is based in Punjab and the gas suspension may bring it to a complete halt. It would also impact the country’s exports negatively, which had witnessed robust growth last year and fetched fresh investment to the sector.

Meanwhile, he said, as many as 96 extension of load/new electricity connection cases of Aptma member mills are pending with the power distribution companies.

Besides, there are serious power supply quality issues hindering smooth operations of the mills. However, no corrective measures have been taken, despite that the member mills have shared their interruption reports with relevant distribution companies, he said.

The present tripping of the 132kV transmission line in the industrial clusters due to thick fog has added insult to injury and the Aptma members are left helpless. Nasir apprehended that the textile industry would be unable to deliver their orders, which would lead to permanent loss, as the industry would fail to honour commitments with the international buyers.

He reminded that the order once lost is lost forever and it would be extremely difficult for the industry to reverse the situation. The Aptma chairman expressed the hope that the prime minister would take stock of the situation and issue directives to the relevant ministries for restoration of gas supply to the textile industry.

Source: dailytimes.com.pk– Dec 17, 2021

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NATIONAL NEWS

FM to meet service, trade sector experts for pre-Budget consultations

Ahead of the 2022-23 Union Budget of India, finance minister Nirmala Sitharaman will on Friday hold a series of pre-budget consultations with stakeholders from various industries in two sessions. While the first session will have the Union minister interacting with representatives from the services and trade sector, the next session will be with experts from industry, infrastructure, and climate change. According to officials familiar with the matter, the meetings will be held in a virtual format in the national capital Delhi and will focus on various aspects of the forthcoming general budget 2022-23, which is to be unveiled by the central government on February 1, 2022.

“Union finance minister Nirmala Sitharaman will chair pre-budget consultations with stakeholders from various sectors in 2 sessions tomorrow, December 17, 2021, in New Delhi in connection with the forthcoming General Budget 2022-23,” said the finance ministry in a tweet on Thursday. “The meetings are being held virtually.” “FM Nirmala Sitharaman will be holding consultations with representatives of Services and Trade sector in forenoon; and with 2nd group of experts from Industry, Infrastructure and Climate Change in the afternoon,” it added.

Presenting the Union Budget, the annual financial report of India, is a compulsory task of the central government as it provides an estimate of the income and expenditure of the central government on a periodical basis. The Budget next year would come against the backdrop of gradual recovery taking place in the economy hit by the coronavirus disease (Covid-19) pandemic.

It is likely to be presented on February 1 during the first half of Parliament's Budget session which usually begins in the last week of January every year. Months ahead of the presentation, the finance minister holds consultations with experts and different stakeholder groups to listen to various grievances and concerns as part of the pre-budget consultations. On Thursday, Nirmala Sitharaman met infrastructure and financial sector honchos to seek their inputs for Budget 2022-23.

Source: hindustantimes.com- Dec 17, 2021

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Textiles ministry to approach GST Secretariat for restoration to 5% rate

Union Ministry of Textiles, after receiving inputs from industry associations, has now decided to approach the GST secretariat seeking restoration of the rate of Goods and Services Tax (GST) to 5 percent , CNBC-TV18 reported.

“The industry is of the view that textile fabric manufacturers or fabric weavers will see a significant rise in their working capital requirements due to the disparity, as raw material will be taxed at 5 percent and the finished product will be taxed at 12 percent. So, they are seeking a restoration of the old rate of percent,” the source was quoted as saying by the report.

Officials told that, “The textiles ministry is opposed to the rate hike and feels that the industry needs relief. Any decision which adds to their troubles needs to be flagged. So, our communication to the GST secretariat is very clear -- maintain status quo on rates and make any change only after a detailed discussion with the ministry and the industry stakeholders”.

The industry has been clamoring for a reversal as it feels the move will make its products costlier, which will impact the sale.

Earlier this month, Raymond Group CFO Amit Agarwal told ETCFO that gst rate hike will deter demand, and that the company has plans to pass on the full increase.

Source: economictimes.indiatimes.com- Dec 15, 2021

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Commerce ministry likely to soften stance on 21st century issues at WTO

The commerce ministry has hinted at a gradual softening of stance on contentious trade issues such as government procurement, e-commerce, and the environment at the World Trade Organization (WTO), by first negotiating such deals bilaterally with countries under ongoing free-trade agreements (FTAs).

A large number of countries are negotiating plurilaterals or joint-statement initiatives on 21st century issues such as e-commerce, the environment, and investment facilitation at the WTO. This India has challenged, holding that they do not have the sanction of the multilateral body and must not lead to modifications to its rule book.

On Wednesday, co-sponsors of three new environmental initiatives met jointly and agreed to put environmental concerns at the heart of future trade discussions. One hundred and eleven countries are negotiating an investment facilitation agreement.

Earlier this month, 67 members of the WTO concluded a plurilateral on services domestic regulations aimed at making it easier for foreign service providers to access, understand, and follow the procedures for getting authorisations or licences for operating in the host country.

Though India is not opposed to such agreements at multilateral levels, it is including the same issues in bilateral deals. Answering a question whether India is ready for the new areas it is entering in bilateral trade agreements, Commerce Secretary B V R Subrahma-nyam said India did not have a choice.

“The question is either you don’t en-gage or engage. If you want to talk to the EU, the UK, Australia, and Canada, they will say let’s talk environment, gender, and government procurement.

While India is not part of the WTO plurilateral on government procurement agreement, it is talking government procurement bilaterally,” he said while speaking at the Confederation of Indian Industry Partnership Summit on Tuesday.

Subrahmanyam said though India did not have much experience or capacity in these new areas as the department concerned never looked at international agreements, the bilateral FTAs will build up capacity in a secure environment.

“In the WTO, you are facing a full-blown 180 membership. Here we do it bilaterally. Cut our teeth and once you have a certain comfort level, when you have broken down domestic opponents to understand the benefits of these particular areas, then you actually multilateralise it. We actually look at these as stepping stones on which we will build up a larger multilateral agreement. I foresee a future, 10 years down the road when we will be having a different approach at the WTO,” he said.

The commerce secretary said including 21st century issues in bilateral deals would bring both opportunities and challenges for Indian industry.

“There will be tremendous access to new markets. They will lose a lot of tariff disadvantages they suffer from. There will be a lot of non-tariff barriers which will go away. The FTA with the UAE will open huge avenues for our pharma sector. But on the other side, you are opening up your market. So industry will have to realise that competition will increase.

Protectionist barriers will come down to a significant extent. Therefore, to survive, industry has to focus on high value addition; it has to move up the value chain and go for branding. More importantly, Indian companies will have to become members of global supply chains and develop solid market intelligence,” he added.

Source: business-standard.com- Dec 16, 2021

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Investment proposals worth $121 bn in the pipeline

Earlier this month, chief economic advisor Krishnamurthy V Subramanian told FE that private investment is gathering pace and would see a spurt once pandemic-induced uncertainties subside. As many as 863 proposals involving total investment of $121 billion are under consideration of the project development cells (PDCs) of various ministries, the commerce and industry ministry said on Thursday.

These proposals include 272 “highly probable” (more than 90% probability of fruition) ones with envisaged investments of $41 billion; 279 “moderately probable” (51-90% probability) proposals with potential investments of $69 billion; and long-term (less than 50% probability) projects involving $11 billion in investments, it said. PDCs have been set up by the government in 29 ministries. Investments remain critical to the country’s economic resurgence, as private consumption has been badly bruised by income losses in the aftermath of the pandemic. Gross fixed capital formation grew 11% in the September quarter, although it was aided by a conducive base (it was -8.6% a year before). Earlier this month, chief economic advisor Krishnamurthy V Subramanian told FE that private investment is gathering pace and would see a spurt once pandemic-induced uncertainties subside.

The commerce and industry ministry said the high number of investment proposals, coupled with sustained inflows of record foreign direct investments in recent years, are the culmination of several investor-friendly policies adopted by the government. These include a cut in the corporate tax rate, easing liquidity problems of NBFCs and banks, improving ease of doing business and FDI policy reforms, reduction in compliance burden and production-linked incentive schemes.

India reported a record FDI inflow of $82 billion in FY21 despite the pandemic. FDI inflows in the last seven financial years (2014-21) stood at $440 billion, about 58% of the total FDI inflow in the last 21 financial years. To facilitate investments, measures such as India Industrial Land Bank, Industrial Park Rating System, soft launch of the National Single Window System, and National Infrastructure Pipeline and National Monetisation Pipeline have also been put in place, the ministry said.

Source: financialexpress.com- Dec 17, 2021

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Budget should ensure tax, policy stability: India Inc tells FM

Wants govt to continue the thrust on growth, reforms

Corporate India on Thursday urged Finance Minister Nirmala Sitharaman to ensure that the upcoming Union Budget 2022-23 maintained tax stability and continued the thrust on growth and reforms. Such an approach was needed to help firmly entrench the nascent signs of recovery being currently seen in private investments, TV Narendran, CII President told the Finance Minister at the virtual pre-Budget consultation held with industry captains.

Assocham President Vineet Agarwal suggested the introduction of Vivad Se Vishwas type scheme for customs, telecom, mining, power and other sectors. The settlement of the pending cases in these sectors will add some revenue to the Government as well as unleash huge positive gain in investor sentiments, Agarwal added.

Unified registration

In a separate pre-Budget meeting that Sitharaman had with heads of financial sector industry and financial sector regulators, financial sector honchos urged the government to introduce the concept of a single unified nation level registration for goods and services tax. Currently, financial services providers have to take GST registration separately in each of the State where they provide services and this was making compliance complex and onerous for the service providers, they added.

This meeting was attended by SBI Chairman Dinesh Kumar Khara, Uday Kotak, MD and CEO, Kotak Mahindra Bank, Rakesh Singh, Group Head — Investment Banking, Private Banking, Capital Markets and Financial Institutions at HDFC Bank, Sandeep Bakshi, MD and CEO of ICICI Bank, BSE MD and CEO Ashish Chauhan and Nilesh Shah, Kotak Mahindra Asset Management Company. Also present were SEBI Chairman Ajay Tyagi and PFRDA Chairman Supratim Bandyopadhyay. The NBFC sector was represented by Muthoot Finance MD George Alexander Muthoot and Finance Industry Development Council Director Raman Aggarwal.

Raman Aggarwal said, “If NBFCs are to be regulated like banks, then the typical NBFC model of lending would suffer which shall impact lending to the unbanked/underbanked segment of the society. Flexibility is the key that is required primarily from these borrower’s perspective.”

He also highlighted that the RBI had lately reworked the regulatory framework for NBFCs with the prime objective of harmonising it with that of banks. “Regulation and development must go hand in hand and there is an urgent need to bring harmonisation in related to taxation and recovery, too,” Aggarwal told BusinessLine, adding that this was conveyed at the pre-Budget meeting.

CII President Narendran said that the government, through enhanced infrastructure spending, should continue to support growth.

“Infrastructure sector with a multiplier impact on rest of the economy requires interventions specially to improve and diversify sources of financing. In this context, it is suggested that the government should consider developing the municipal bond market so that urban local bodies can raise funds for investing in infrastructure,” Narendran said.

In addition, it is recommended that the government should consider replacing bank guarantees with surety bonds to encourage private sector participation in the infra space, he added.

Technology Commission

To encourage greater technology adoption in the economy, CII suggested the setting up of an overarching Technology Commission of India to coordinate, integrate, synergise and manage all technology related strategy, funding, policy, deployment and public private partnerships.

For meeting India’s commitments at COP26, the upcoming Budget could look at announcing the creation of a Central Agency to work out strategies to address issues pertaining to technology creation, acquisition and adoption and also financing at a mammoth scale, Narendran added. Announcement of Green Procurement Policy and encouraging adoption of hydrogen as an alternative fuel through extending investment allowance for installation of electrolysers could also be explored in the Budget, he suggested.

Assocham President Vineet Agarwal suggested that a Dispute Resolution Scheme for Customs be introduced. He said in the Union Budget 2019, the government had introduced the Legacy Dispute Resolution Scheme to facilitate quick closure of pending disputes under the Central indirect tax laws. This scheme received good response, he noted.

“A similar scheme could be introduced for Customs, in order to provide an opportunity to taxpayers to clear past baggage and reduce litigation. This will help the industry in considerably reducing the baggage of litigation and will also help the Government in unlocking the tax dues,” Agarwal said.

Source: thehindubusinessline.com- Dec 16, 2021

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Economy hurt by trade credit freeze

Collapse of trade credit has damaged informal sector. Business and credit confidence must return, for the economy to revive

Sometimes, a problem that is staring at us is often overlooked. The case in point here is that the systemic disruption in trade credit (TC) network is the root cause of a financially frail and disrupted ecosystem. The nationwide Covid-19 lockdowns simultaneously hit the operations of both suppliers and buyers. TC and its repayment flows (see chart for how it works) have been systemically disrupted with a sudden stop to millions of day-to-day B2B commercial transactions and repayments.

This has led to a liquidity freeze in the TC network with knock-on effects on the banking sector.

Banking and TC networks are interlinked across supply chain financing, liquidity funding and credit-based payment systems. The chain effects of a liquidity shock on macro credit aggregates, output, supply chain financing, volume of delayed/defaulted payments and micro liquidity can be significant.

Other outcomes include excessive durable liquidity with banks, poor lending appetite, high demand for cash and low velocity of circulation of money, a weakening of the savings-investment-growth nexus and risk of NPAs. This is a silent contagion possibly in the making.

Legacy effect

Disruptive events like pandemics, financial disruptions and socio-political upheavals can dramatically change repayment behaviour, credit risk perception, B2B transactional trust/confidence and liquidity conditions. Despite near-normalisation of conditions, trust and confidence channels in TC continue to be weak — although this is not acknowledged or even talked about in mainstream policymaking circles.

There is fear or uncertainty over realisation of receivables, and on time. A backlog of doubtful trade receivables accumulated following the lockdowns, along with severe funding constraints, has had debilitating effects on a majority of MSMEs, retail businesses, young and financially weak firms.

These firms, a bulk of which are in informal sector, have large negative net trade credit (receivables less payables vis-a-vis other actors in the supply chain) balances, bad debt, low equity capital and severe credit constraints.

These have pushed some of them towards financial disarray and insolvency — despite the RBI's efforts to release liquidity in the wake of the pandemic. The RBI's liquidity infusions have not significantly translated into bank credit growth.

Meanwhile, there has been a large increase in gold loans to businessmen, as well as in their auctioning by lenders. This has co-existed with a sluggish demand for mass market products — pointing to informal sector distress.

On the other hand, top corporates and financially strong firms are less affected. Both, bank and TC flows continue unabated to them. They have quickly recovered. Strong corporate results seem to bear that out.

While the GDP is barely above pre-Covid level, the contrast between TC flows in the top end of the corporate sector and such flows at the lower end amidst financially weak firms is only too evident.

These has led to a build-up in stress at the bottom of business, and population, pyramids. The CMIE's Index of Consumer Sentiments was at 60 in October 2021 (Base 100 in September-December 2015). It was higher than in October 2020 but much lower than in the pre-pandemic month of October 2019. A situation of growing insolvency in SMEs and unemployment can further impact private consumption, even as the economy seeks to recover. The consumption-income-investment cycle will not be robust.

Serious systemic fallouts

The Covid crisis has amplified the TC vulnerabilities that had set in during demonetisation-cum-GST. The vulnerabilities include:

Drop in trust and confidence. Most significantly, a deterioration in repayment culture, and of business conventions; a kind of sociological breakdown

Large increase in late payments, debt and liquidity squeeze

Intentional delay/default in suppliers' payments. These funds are used to finance working capital needs. The outcome is lower volume and velocity of TC which impede business growth. This affects repayments to banks.

This breakdown of the TC chain has led to a strong preference for cash sales, selective credit relations and underutilisation of bank working capital limits to feed this chain; the SBI Chairman has pointed to about 50 per cent utilisation of working capital limits by large corporates.

High TC risk makes firms focus on safety and security of their capital which prompts diversion of business funds to investment in real estate, gold and capital market.

Besides, there's the invisible cost of the growing trust gap in TC, in terms of trade deals not effected, goods not produced and investment not undertaken, as businesses anticipate that they cannot entirely rely on counterparty commitments.

Why fragmented recovery?

Meanwhile, a bank-led recovery is not really working the way it should, owing to the dominant role of the TC system, now disrupted, in keeping the informal and small businesses running. A more functional TC system in corporate India, integrated into the bank credit network, is giving rise to dualism in the economy.

The collapse in TC flows is borne out by the high currency supply, out of sync with expectations; muted investment and industrial growth despite record low interest rates; and excessive bank liquidity. Bank-centric solutions are of limited help in this situation.

The way out

The indiscipline in TC network appears to be acquiring the nature of crowd behaviour, not dissimilar to the indiscipline that breaks out in the event of a major traffic jam where everyone decides to break the rules. The jam is cleared through police intervention.

The Government needs to intervene. It may accredit selected industry associations (IAs) and direct them to assume a leadership role in restoring institutional discipline in TC ecosystem.

Self-discipline, self-regulation, collective action against TC renegades, naming and shaming them, sharing of credit information among members and dispute settlement mechanism by IAs can offer a practical, effective solution to the TC contagion.

Their domain knowledge, peer pressure and moral authority can work more effectively and efficiently than legal remedies in trade debt recovery. Other measures may include accelerated repayments by the government/PSUs/corporates, disclosure of their payment policies, adoption of payment codes by businesses and mandated reporting of late payments.

Source: thehindubusinessline.com- Dec 16, 2021

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State Level Single Window Clearance Authority of Odisha approves projects worth ₹511 crore

State government's primary focus is on employment intensive sectors such as textile and apparel industries

The State Level Single Window Clearance Authority (SLSWCA) of Odisha has approved seven industrial projects worth ₹511 crore that would generate jobs for over 6,402 persons in the State.

Key projects approved at the 106th meeting of the SLSWCA, under the chairmanship of Suresh Chandra Mahapatra, Chief Secretary of Odisha, include those from textile, apparels, and paper sectors, said a statement by the Industrial Promotion and Investment Corporation of Odisha (IPICOL).

Major investments

PTCL Infrastructure Ltd, got the approval for expanding its iron ore beneficiation plant from 1.5 million tonne per annum (mtpa) to 2.5 mtpa at Barbil, Keonjhar, at an investment of ₹120 crore. This is expected to generate jobs for over 182 persons.

The panel also gave nod to set up a new kraft paper unit, with a capacity of 300 tonne per day, by Shree Banshi Luxmi Private Ltd (a subsidiary of Pioneer Packaging) at Somanathpur in Balasore district at an investment of ₹120 crore. The unit is expected to generate employment opportunities for over 750 people.

Similarly, Ambattur Fashions will set up a men's and women's apparel manufacturing unit at Chandaka in Khorda district for ₹51 crore, generating over 4,700 jobs, and Wild Lotus Fashions will set up a garment manufacturing unit at the Chhatabar Industrial Estate for ₹53 crore, generating over 560 jobs.

This apart, the Indian Oil Corporation also got an approval to set up a 10 MW solar power plant in Boudh at an investment of ₹52 crore.

The panel has also given in principal approval to Prachi Resorts to set up a four-star hotel in Bhubaneswar, Khordha for ₹63 crore, besides permitting Sygma Tubes And Pipes to set up a 5,00,000 MT tube and pipe manufacturing unit at Rengali, Sambalpur for ₹52 crore.

Reducing migrant outflow

The government's focus is on employment intensive sectors such as textile and apparels. Considering the huge skillforce in this domain, the industries will minimise outflow of migrant workers and create massive employment here, the statement said.

Source: thehindubusinessline.com- Dec 16, 2021

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Initiatives to boost domestic and foreign investments

Government has taken various steps to boost domestic and foreign investments in India. These include reduction in Corporate Tax Rates, easing liquidity problems of NBFCs and Banks, improving Ease of Doing Business, FDI Policy reforms, Reduction in Compliance Burden, policy measures to boost domestic manufacturing through Public Procurement Orders, Phased Manufacturing Programme (PMP), Schemes for Production Linked Incentives (PLI) of various Ministries. To facilitate investments, measures such as India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), National Infrastructure Pipeline (NIP), National Monetisation Pipeline (NMP), etc, have also been put in place.

As a result, India registered the highest ever annual FDI Inflow of US$ 81.97 billion (provisional figure) in the financial year 2020-21. FDI inflows in the last 7 financial years (2014-21) is US$ 440.27 billion, which is nearly 58% of the total FDI inflow in last 21 financial years (2000-21: US$ 763.83 Billion). Top five countries from where FDI Equity Inflows were received during April, 2014 and August, 2021 are Singapore (28%), Mauritius (22%), USA (10%), Netherlands (8%) and Japan (6%). Computer Software & Hardware sector attracted the largest share of FDI inflows at 19%, followed by Service (15%), Trading (8%) and Telecommunications & Construction (Infrastructure) (7% each) during the same period in the last more than seven years.

Empowered Group of Secretaries (EGoS) &Project Development Cells (PDCs)

With a view to support, facilitate and provide investor friendly ecosystem to investors, the Union Cabinet approved constitution of an Empowered Group of Secretaries (EGoS), and also Project Development Cells (PDCs) in Ministries 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.

All PDCs are executing clearly defined investor engagement strategies, which includes identification of prospective investors, multi-level engagement with investors who have shown interest, active engagement with a wide range of stakeholders to resolve existing investors' issues, to develop new projects and to promote existing investment opportunities.

Estimates point out that a total of 863 Investment Projects are under active consideration by the PDCs with an investment of $121 Billion. This includes 272 Highly Probable (more than 90% probability) worth $41 Bn, 279 Moderately Probable (51-90%) proposals worth $69 Bn and Long Term (less than 50%) projects worth $11 Bn.

Production Linked Incentive (PLI) Schemes

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 (over US$ 26 billion) has been announced in Union Budget 2021-22 for PLI schemes for 13 key sectors of manufacturing starting from fiscal year (FY) 2021-22.

The 13 key sectors include already existing 3 sectors namely (i) Mobile Manufacturing and Specified Electronic Components, (ii) Critical Key Starting materials/Drug Intermediaries & Active Pharmaceutical Ingredients, (iii) Manufacturing of Medical Devices and 10 new key sectors which have been approved by the Union Cabinet 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.

PLI Scheme for an additional sector, Drones and Drone Components, has also been approved by the Union Cabinet in September 2021. With the announcement of PLI Schemes, significant creation of production, employment, and economic growth is expected over the next 5 years and more.

The schemes have been specifically designed to attract investments in sectors of core competency and cutting edge technology; ensure efficiency and bring economies of size and scale in the manufacturing sector and make Indian manufacturers globally competitive so that they can integrate with global value chains.

It is expected that the PLI schemes will lead to significant creation of production (US$ 504 billion plus), enhance employment (nearly 1 crore plus) and economic growth expected over the next 5 years and more.

Make in India

'Make in India' was launched on September 25, 2014, to facilitate investment, foster innovation, building best in class infrastructure, and making India a hub for manufacturing, design, and innovation. The development of a robust manufacturing sector continues to be a key priority of the Indian Government.

It was one of the first 'Vocal for Local' initiatives that exposed India's manufacturing domain to the world. The sector has the potential to not only take economic growth to a higher trajectory but also to provide employment to a large pool of our young labour force.

Since its launch, Make in India has made significant achievements and is now focusing on 27 sectors under Make in India 2.0. DPIIT is coordinating Action Plans for 15 manufacturing sectors, while the Department of Commerce is coordinating for 12 service sectors. DPIIT is also working closely with 24 sub-sectors which have been chosen keeping in mind the Indian industries strengths and competitive edge, need for import substitution, potential for export and increased employability.

Investment Clearance Cell (ICC)

While presenting Budget 2020-21, the Finance Minister announced plans to set up an Investment Clearance Cell (ICC) that will provide "end to end" facilitation and support to investors, including pre-investment advisory, provide information related to land banks and facilitate clearances at Centre and State level. The cell was proposed to operate through an online digital portal.

Envisioned as a one-stop for taking all the regulatory approvals and services in the country, NSWS [www.nsws.gov.in], was soft-launched on 22nd September 2021 by the Commerce & Industries Minister, Shri Piyush Goyal. This national portal integrates the existing clearance systems of the various Ministries/ Departments of Govt. of India and State Governments without disruption to the existing IT portals of Ministries/ Departments. Approvals of 19 Ministries/ Departments and 11 States Single Window Systems havebeen on-boarded in Phase I. Complete on-boarding of 32 Central

Ministries/ Departments and 14 States would be in next phases, all remaining States will be on-boarded in a phase manner.

One District One Product (ODOP)

Government of India is working on a transformational initiative to foster balanced regional development across all districts of the country. This is called the One District One Product (ODOP) initiative, with the objective of identifying and promoting the production of unique products in each district in India that can be globally marketed. This will help realise the true potential of a district, fueling economic growth, generating employment and rural entrepreneurship. ODOP initiative is operationally merged with the 'Districts as Export Hub' initiative being implemented by DGFT, Department of Commerce with DPIIT as a major stakeholder to synergize the work undertaken by DGFT. The major activities that are being facilitated by DPIIT with Invest India under ODOP initiative are manufacturing, marketing, branding, internal trade and e-commerce.

Under the initial phase of the ODOP, 106 Products have been identified from 103 districts across the country. Considerable success has been achieved for boosting exports under ODOP initiative.

Source: pib.gov.in- Dec 16, 2021

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Cotton yarn prices stable in north India amidst uncertain market

Cotton yarn prices of major varieties remained stable in north Indian market during the last couple of days. According to market sources, cotton yarn demand was limited due to uncertain economic conditions amid worries about the spread of Omicron corona variant. Fabric manufacturers were buying cotton yarn just enough to meet their immediate requirement.

Cotton yarn of 20 and 30 counts in combed variety were traded at ₹325-335 and ₹350-360 per kg respectively in Ludhiana. There was no price change in the market during the last two days, and carded yarn in 30 counts was quoted at ₹325-335 per kg, according to Fibre2Fashion's market analysis tool TexPro.

In Delhi market, cotton yarn of 30 count combed was quoted at ₹325-345, 40 count combed at ₹360-380, 30 count carded at ₹310-330, and 40 count carded at ₹330-350 per kg. 10 count weaving (O/E) yarn was quoted at ₹120-125 per kg, while 16 count weaving (O/E) was at ₹160-165 per kg. Kolkata market also witnessed stable price trend during the last three days.

Panipat, which is known for recycled cotton yarn, also showed a similar trend. The market recorded prices as: 10s recycle yarn (white) at ₹95-100 per kg, 10s recycle yarn (colour) at ₹75-95 per kg, 20s recycle yarn (colour) at ₹100-125 per kg, and 10s optical yarn at ₹80-95 per kg. According to traders, there was better demand for dyed (coloured) yarn. However, the prices remained unchanged.

The market pipeline shrank due to lower take off from consumer industries. Buyers were active for new deals, but they were looking for smaller lot as they were buying just for immediate need, according to SK Shrivastava of Delhi-based cotton yarn wholesaler Neha Fibres. "Fabric manufacturers were avoiding building large stock due to market uncertainty."

According to market sources, Omicron corona variant was the key deterrent for higher demand. Both domestic and global market scenarios remain very uncertain due to the new variant of COVID-19.

In global market, ZCE cotton yarn May 2022 was traded higher by CNY 115 at CNY 26505 per MT. ICE cotton futures edged lower on Wednesday, as investors awaited the US Department of Agriculture's (USDA) weekly export sales report. Cotton contracts for March 2022 closed at 105.79 cents, down 11 points, May 2022 closed at 104.37 cents, down 18 points, July 2022 closed at 102.14 cents, down 21 points.

Meanwhile, cotton prices surged by ₹40-50 per maund (37.2 kg each) in the markets of North Indian states on Thursday amid increased buying by mills, while daily arrivals also registered an increase.

Source: fibre2fashion.com- Dec 16, 2021

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India's sewing machine market set to grow to $50.8 million in 2021

With the government pumping in investments worth over $1 billion in the last five years, the market for sewing machines in India has been expanding for the last few years. As per a Fortune Business Insights report, the market is estimated to reach $50.8 million in 2021 from $47million in 2020. The rise is on account of a growing demand for fabrics by industrial and domestic end-users. Growth will be driven by investments worth $1 billion made by the government in the last six years in initiatives such as the TechnologyUpgradation Fund Scheme and the Integrated Textile Parks.

For instance, in October 2021, the Centre announced the setting up of seven mega textile parks to generate over one lakh direct and over two lakh indirect jobs.

As per India Brand Equity Foundation Report, India invested approximately $185 million in the Integrated Textile Parks and roughly $961 million in the Technology Upgradation Fund Scheme between FY 2015-16 and FY 2019-20. These investments boosted the installation of sewing machines across applications, says a Deccan Herald report.
Textile parks to boost sector growth

The setting up of seven mega textile parks will boost growth in the sector, opines an apparel exporter registered with the Federation of Karnataka Chambers of Commerce and Industry (FKCCI). A listed player in the sector, Singer India has recovered from the second pandemic wave.

For the current fiscal's half-year, the company recorded a cumulative net profit of Rs 2.67 crore. Its management has launched several initiatives to accelerate growth both in sewing machines and home appliances business, informs Rajeev Bajaj, Managing Director.

Usha International is introducing new technologies like white machines. The company is developing innovative sewing machines to cater to changing demands. It recently introduced a few modes iPad and WiFi enabled models equipped with user-friendly embroidery designing software, adds Parveen Kumarr Sahni, President-Sewing Machines Business, Usha International.
Innovations driving market

Integrating internet of things (IoT), artificial intelligence (AI) and 3D printing, several new innovations like pedal-less machines, voice guide machines, automatic zigzag machines and machines with USB ports are being introduced to drive up growth. One such innovation that has grabbed the attention of customers is the automatic zigzag machines being offered by Usha International, Singer India and Brother. Known for their accuracy, speed and flexibility, these sewing machines are witnessing an increased demand from customers.

Challenges for the sector

However, despite its current growth rate, the sector is witnessing certain challenges like the closure of manufacturing facilities, disrupted supply chains and reduction in demand of apparels due to the pandemic. One of the biggest challenges is that lack of manufacturing of industrial grade sewing machines in India. This makes India entirely dependent upon China for machines, says Inderjit Singh, President, Sewing Machine Dealers & Assemblers Association, an umbrella organization of over 300 industry players.

Singh points out, the government needs to incentivize innovations as MSMEs do not have the wherewithal to spend on R&D. He hopes, the ongoing market conditions will help boost sales leading to a strong growth of the sewing machine market in India.

Source: fashionatingworld.com- Dec 16, 2021

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T Rajkumar re-elected as Indian org CITI's chairman for 2021-22

Confederation of Indian Textile Industry (CITI), a leading industry chambers for the textile and clothing sector, has re-elected T Rajkumar, chairman, Sri Mahasakthi Mills Limited, Kerala and Foundation One Infrastructures Pvt Ltd, Tamil Nadu, as its chairman for 2021-22. Rakesh Mehra has been elected as deputy chairman, while Ashwin Chandran has been elected as the vice chairman of CITI.

The confederation represents the entire textile value chain through its leading regional and industry associations and 18 major corporate members. Its virtual 63rd Annual General Meeting (AGM) was held yesterday, the organisation said in a media release.

Rajkumar is the chairman of the Textile Sector Skill Council (TSC). He is a director at National Skill Development Corporation (NSDC) and the former chairman of The Southern India Mills' Association and The SIMA Cotton Development Research Association (SIMA CDRA). He is also the chairman and managing Trustee of Global Pathway School, Coimbatore and secretary of Nachimuthu Gounder Rukmani Ammal Charitable Trust, Pollachi, Tamil Nadu, apart from being actively involved in various industrial bodies and educational institutions. He also serves as an independent director in Coimbatore Smart City Limited.

Additionally, Rajkumar is a member of the Governing Council of The Cotton Textiles Export Promotion Council (TEXPROCIL) and The South India Textile Research Association (SITRA), Coimbatore. He is a member in the Academic Council of PSG College of Arts and Science and also a member in the Board of Studies of Bharathiyar University and PSG Institute of Management. He is the joint secretary of Sri Purandaradasar Sangeetha Vidyalaya, Coimbatore, a social and cultural organisation, which is dedicated for the cause of development of Arts and Music. He has also been the former chairman of Board of Trustees of Arulmigu Masani Amman Temple and Charities, Anamalai.

During his Speech in the AGM, Rajkumar thanked Prime Minister Narendra Modi, Union minister of Textiles, Commerce & Industry, Consumer Affairs and Food & Public Distribution Piyush Goyal, Union minister of Finance and Corporate Affairs Nirmala Sitharaman, the former Union minister of Textiles Smriti Zubin Irani, and minister of State for Textiles and Railways, Darshana Vikram Jardosh for making a series of historic announcements for the overall growth of the Indian textiles and clothing (T&C) industry. He said that the pathbreaking decisions will enhance the production capacity of the Indian T&C industry and will go a long way in achieving the ambitious target of increasing the textile business size to $350 billion, including $100 billion exports by 2025-26 and also the target of $44 billion exports of textile products for 2021-22.

The new deputy chairman Rakesh Mehra is the chairman of Banswara Syntex Ltd, Mumbai. Since 2018, he has been the president of Indian Spinners Association (ISA), Mumbai an association of MMF yarn spinners of the country. He is the former chairman of The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC). With his guidance and support, CITI was instrumental in removing the ADD on Polyester Staple Fibre (PSF) and Viscose Staple Fibre (VSF), rationalisation of GST rates and many other policy initiatives benefitting the MMF textile value chain.

The new vice chairman Ashwin Chandran is the chairman and managing director of Precot Meridien Limited. He holds a B.Sc., (Hons) graduate degree in Textile Technology from UMIST, UK and post-graduate (MBA) degree from University of Illinois, USA. He is also a member of Cotton Textiles Export Promotion Council (TEXPROCIL), Mumbai and has held the position of the chairman of The Southern India Mills' Association, Coimbatore for two years during 2019-2021.

Source: fibre2fashion.com- Dec 16, 2021

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EC ratifies move to derecognise five agencies certifying organic exports from India

The decision comes despite hectic lobbying against the blacklisting by trade bodies

The European Commission has decided to derecognise five certifying bodies (CBs) from giving clearance or ratifying exports of Indian organic products for their failure to meet the ethylene oxide (ETO) norms in consignments, particularly sesame (til/gingelly).

A draft of the European Union Committee on Organic Production (COP) on derecognising the five CBs or certifying agencies was issued in October for comments from various stakeholders. These comments were taken up last week before it took a final call.

With all EU members supporting the move, the COP decided to derecognise the five CBs - four from the European Union (EU) and one from the US - on November 30.

The ratification of the derecognition comes despite hectic lobbying by the European Union, US trade bodies and consultants against any action on the five. Instead, they sought action against APEDA.

The EU derecognised the five CBs, which certified over 80 per cent of organic products exports to the EU, as they had certified some 90 shipments against which the EU Organic Farm Information System (OFIC) issued notifications for ETO level being excess than permitted level 0.1mg/kg.

The five CDs are ECOCERT India Pvt Ltd, CU Inspections Ltd, Indian Organic Certification Agency (Indocert), Lacon Quality Certifications Pvt Ltd - all based in EU -and US-based OneCert International Private Ltd.

The blacklisting will come into force from January 1, 2022, and will be valid until the Agricultural and Processed Food Products Export Development Authority (APEDA), removes them from the “high risk category” list they have been placed after being found at fault.

APEDA, which is the competent authority in India to supervise organic certification processes, has also suspended OneCert’s accreditation for one year, while ECOCERT, CU Inspections, IndoCert have been barred from registering any new processor or exporter.

In addition, APEDA has also asked Aditi Organic Certifications to not register any new processor or exporter. The five CBS have also been imposed ₹2-5 lakh penalties.

In its draft, the EU COP said: “Since October 2020, a large number of consignments totalling thousands of tonnes allegedly organic sesame seed contaminated with ethylene oxide have been imported from that third country, in particular from operators controlled by control bodies supervised by India...”

ETO is considered carcinogenic for humans by the EU and a few other countries and it is strictly monitored to ensure that shipment of any product conforms to the norms. In the case of India, the presence of the chemical exceeded far more than the permitted level, which the EU felt posed a health risk to its consumers.

The EU derecognition of the five agencies also means that their names should not appear in APEDA’s list of CBs recognised by it. The derecognition is unlikely to affect exports of organic products -as feared by the EU and US trade bodies - from India as there are 28 other CBs, Indian and foreign, that can fill in the void.

Source: thehindubusinessline.com- Dec 04, 2021

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New Hub/Industrial Parks for MSMEs

Ministry of MSME takes up new projects relating to establishments of New Technology Centres, Extension centres, Common Facility centres, Mini Tool Rooms, Mini Technology Centres and Industrial Estates under its various schemes and programmes.

Ministry of MSME is implementing Micro and Small Enterprises-Cluster Development Programme (MSE-CDP) for development of Micro and Small Enterprises (MSEs) Clusters in the country. The objective of the scheme is to enhance the productivity and competitiveness of Micro and Small Enterprises (MSEs) by extending financial assistance for establishment of Common Facility Centers (CFCs) and establishment/up-gradation of Industrial Areas/Estates/Flatted Factory Complex.

The scheme is demand driven and State Governments may make a request for approval of a project as per the cluster development needs. Ministry of MSME has considered 38 projects for Infrastructure Development (ID); setting up of Common Facility Center (CFC) in Haryana State under MSE-CDP since inception of the scheme. The details are as under:

For establishment/up-gradation of Industrial Areas/Estates, 28 projects have been approved and all are completed.

For setting up of Common Facility Centers (CFCs), 10 projects have been approved out of which 3 projects are completed.

This information was given by Union Minister for MSME Shri Narayan Rane in a written reply in Lok Sabha today.

Source: pib.gov.in- Dec 16, 2021

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Udyam Sakhi Portal

Udyam Sakhi portal (http://udyamsakhi.msme.gov.in/) was launched in March 2018 to provide information regarding financial schemes, policies and programmes of the Ministry of Micro, Small and Medium Enterprises to existing/prospective women entrepreneurs in the MSME sector. The portal helps women to start, build and grow their businesses. A total of 2952 women have so far benefitted from the portal, out of which, 17 women belong to the State of Odisha.

An expenditure of Rs 43.52 lakhs was incurred for development of Udyam Sakhi portal. Udyam Sakhi portal was developed by the Institute for Design of Electrical Measuring Instruments (IDEMI), an organization under the Ministry of Micro, Small and Medium Enterprises (MoMSME).

Disaggregated data on the number of women beneficiaries of Udyam Sakhi portal belonging to SC, ST, OBC, Urban areas and Rural areas is not maintained on the portal.

This information was given by Union Minister for MSME Shri Narayan Rane in a written reply in Lok Sabha today.

Source: pib.gov.in- Dec 16, 2021

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3.59 crore Income Tax Returns filed on the new e-filing portal of the Income Tax Department

Senior officials of Ministry of Finance headed by Secretary, Revenue had a meeting with the Infosys team headed by Shri Salil Parekh, MD & CEO, Infosys on 16.12.2021, on the preparedness of the e-filing website during the peak filing period. As briefed by Infosys, steps taken in this regard include augmentation of the technical infrastructure and setting up of a dedicated war room to monitor the performance of the portal. On its part, Infosys assured about its preparedness to ensure a smooth filing season to instill confidence among the taxpayers.

As on 15th December, 2021, 3.59 crore Income Tax Returns(ITRs) have been filed on the new e-filing portal of the Department. The number of ITRs filed per day has crossed 6 lakh and increasing everyday as the extended due date of 31st December, 2021 is approaching.

Out of the 3.59 crore ITRs filed for AY 2021-22, 57.6% are ITR1 (2.07 crore), 8.3% is ITR2 (29.70 lakh), 9.4% is ITR3 (33.61 lakh), 23.4% are ITR4 (84.05 lakh), ITR5 (3.12 lakh), ITR6 (1.33 lakh) and ITR7 (0.24 lakh). Nearly 52% of these ITRs have been filed using the online ITR form on the portal and the balance have been uploaded using the ITR created from the offline software utilities.

It is encouraging to note that 3.11 crore returns have been e-verified, out of which more than 2.69 crore are through Aadhaar based OTP. The process of e-verification through Aadhaar OTP and other methods is important for the Department to commence processing of the ITR and to issue refunds, if any.

Of the e-verified ITRs more than 2.38 crore ITRs have been processed and over 90.95 crore refunds for AY 2021-22 have been issued. Taxpayers are requested to ensure that the bank account selected for credit of refund must have their PAN linked at the bank to avoid refund failures.

Overall 9.83 lakh DSCs have been registered. In the simplified process of DSC registration any individual has to register his DSC only once and can use it across any entity where the individual is a partner, director etc without having to re-register again against each entity or role.

Over 37.92 lakh Statutory Forms have been submitted including 15.30 lakh TDS statements, 1.61 lakh Form 10A for registration of Trusts/institutions, 3.90 lakh Form 10E for arrears of salary, 51,302 Form 35 pertaining to filing of Appeal and 35,741 DTVSV Form 4 till 15th December, 2021. Over 8.88 lakh Form 15CA, 2.18 lakh Form 15CB, 26,753 Form 3CA, 2.67 lakh Form 3CB have been filed. More than 32.13 lakh e-PANs have been allotted online free of cost. The Legal Heir functionality has been enabled for registrations and compliance.

The Income Tax Department strongly urges all taxpayers to view their Form 26AS and Annual Information Statement (AIS) through the e-filing portal to verify the accuracy of TDS and Tax Payments and avail of pre-filling of ITRs. It is important for taxpayers to cross check the data in the AIS statement with their Bank passbook, interest certificate, Form 16 and Capital gains statement from brokerages in case of purchase and sale of equity/Mutual funds etc.

The Department has been issuing reminders to taxpayers through emails, SMS and media campaigns encouraging taxpayers to not wait till the last minute and file their Income Tax Returns without further delay. The Directorate of Systems is organizing webinars for frontline officials of the department (ASK Centres and TPS) to assist taxpayers in e-filing of ITRs. Directorate of Systems along with Infosys personnel are also engaging through the ICAI platform to raise awareness about resolution of problems faced in the process of e-filing. Educational Videos have been released on the YouTube handle of ITD for guidance of taxpayers.

All taxpayers who are yet to file their Income Tax returns for AY 2021-22 are requested to file their returns at the earliest.

Source: pib.gov.in- Dec 16, 2021

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