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IBTEX No. 162 of 2023 **September 12, 2023**

Currency Watch			
USD	EUR	GBP	JPY
82.96	88.08	103.76	0.56

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INTERNATIONAL NEWS

OECD foresees sustained job market growth through 2024

The panorama of employment across the Organization for Economic Cooperation and Development (OECD) nations looks promising, with predictions of continued expansion in 2023 and 2024, according to the OECD Employment Outlook 2023. As of May 2023, the OECD unemployment rate has steadfastly maintained a record low of 4.8 per cent for three successive months.

Among the 14 nations with a stable rate are powerhouses such as France, Germany, and Japan, whilst a decline was recorded in 13 countries, including Italy and Norway. Conversely, a rise in unemployment was observed in five nations, including the US and Canada.

Despite the considerable slowdown in the global economy since 2021, job markets in the OECD countries remain robust with employment levels rebounding to pre-pandemic standards. Unemployment rates are at a historic low, resembling figures from the early 1970s. However, this progress comes with a caveat; nominal hourly wages have increased but not sufficiently to keep pace with inflation, resulting in a decline in real wages across almost all OECD nations, as per the outlook.

Looking forward to the end of 2024, the unemployment rate is forecasted to experience a minor uptick to 5.2 per cent, with significant rises anticipated in the UK, US, Australia, and New Zealand. The first quarter of 2023 saw an unfortunate decline in real annual wage growth in 30 out of the 34 countries assessed, marking an average reduction of 3.8 per cent.

The outlook divulged an alarming trend where profits have frequently surged beyond labour compensation. Yet, it suggests a potential for profits to further accommodate wage adjustments, gradually restoring lost purchasing power without instigating substantial price pressures or declining labour demand.

A highlight of this year’s outlook is the potential onset of an AI revolution, indicating that 27 per cent of employment, chiefly low and middle-skilled roles, are highly susceptible to automation.

Furthermore, the assimilation of AI in firms could potentially enhance work engagement and safety by mitigating tedious and hazardous tasks. However, it also brought to light concerns with three-fifths of workers apprehending job losses to AI within a decade and fears of wage shrinkage in their sectors due to AI advancements. Privacy issues and heightened work pace were additional concerns expressed by over half of the survey respondents.

As AI continues to evolve, the pressing need for international cooperation escalates to foster inclusive labour markets and prevent a fragmented approach that could potentially hamper innovation and give rise to regulatory gaps, the outlook added.

“Labour markets have shown remarkable resilience over the past year and remain tight, though high inflation and the rising cost of living has eroded real incomes,” said OECD Secretary-General Mathias Cormann. “The recent acceleration of generative AI related developments and tools marks a technological watershed with material implications in many workplaces.

There is a real need to consider longer term policy frameworks on the use of AI in the workplace and to continue to foster international cooperation to maximise the benefits while appropriately managing the downside risks.”

Source: fibre2fashion.com– Sep 12, 2023

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Dutch manufacturing output down 8.3% YoY in July 2023: CBS

In July 2023, the Dutch manufacturing industry suffered an 8.3 per cent decrease in its average daily output compared to the same month in the previous year, a trend that has been persistent in the earlier months of 2023 as well, according to data from Statistics Netherlands (CBS).

On a month-on-month basis, a slight contraction in manufacturing output was observed, with a decrease of 0.6 per cent from June to July 2023, after adjustments for seasonal and working-day effects were considered.

Dutch manufacturers exhibited a negative outlook in August, marking the first occurrence of such sentiment since 2020. This pessimism primarily stems from a bleak projection over the expected output in the upcoming three months, as per CBS.

Drawing attention to Germany, a pivotal market for the Dutch manufacturing industry, the scenario seems to echo the Dutch predicament. German entrepreneurs demonstrated diminished confidence in August, a sentiment supported by Eurostat data.

Further, the German manufacturing sector reported a decline in the average daily output by 1.3 per cent year-on-year in July. Moreover, Destatis highlighted a 1.8 per cent reduction in output in July as compared to June.

Source: fibre2fashion.com– Sep 12, 2023

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UK interest rates may not rise much further: Bank of England governor

Interest rates in the United Kingdom may not rise much further amid expectations that inflation is set to fall 'markedly' by 2023 end, Bank of England governor Andrew Bailey recently told parliament members.

In his interaction with the House of Commons treasury committee last week, he also reiterated his prediction that inflation is likely to be significantly down this winter, with a word of caution that it may temporarily 'tick up' following the increase in petrol prices in August and amid concerns over the rising cost of oil.

"And I'm not therefore saying we're at the top of the cycle, because we've got a meeting to come, but I think we are much nearer to it, on interest rates, on the basis of current evidence," he told MPs.

A poll found the bank is expected to raise interest rates for a 15th consecutive time to 5.5 per cent later this month, and rates may peak at 5.75 per cent, UK media outlets reported.

Though inflation fell to 6.8 per cent in the year to July—down from 7.9 per cent in June—it is still quite higher than the government target of 2 per cent.

Source: fibre2fashion.com– Sep 11, 2023

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USA: Cargo Imports Down 12% in July

Container demand has been muted this year, but a recent forecast is bullish on the remainder of the year, even while the peak shipping season seems less hectic than usual.

Port throughput for shipping containers in July is down 12.4 percent year over year, with major U.S. gateways handling 1.91 million 20-foot equivalent units (TEUs) in the midsummer month, according to the Global Port Tracker from the National Retail Federation (NRF) and Hackett Associates.

But the number ticked up on a monthly basis after dropping in June. Total TEUs increased 4.4 percent from June.

Ports have not officially reported August numbers, but the tracker projected the month at roughly 2 million TEU, down 11.4 percent year over year but the first month since October 2022 to reach the 2 million mark.

Data from Descartes seemed to back up the NRF and Hackett Associates findings. August U.S. container import volumes increased 0.4 percent from July to more than 2.196 million twenty-foot equivalent units (TEUs).

Versus August 2022, TEU volume was 13.2 percent lower, Descartes said. According to the Global Port Tracker, September and October are also forecast to bring in 2 million TEU each for a potential three-month streak. This would be a 1.8 percent year-over-year drop for September but a 0.1 percent year-over-year gain for October.

When peak shipping season concludes, November throughput levels will fall off to a projected 1.96 million TEU. But the month-over-month declines shouldn't be as bad as last year, meaning holiday numbers could top 2022, up 10.4 percent year over year. Similarly, December should see a downswing to 1.94 million TEU, or up 12 percent year over year.

Those numbers would bring 2023 to 22.3 million TEUs, down 12.5 percent from last year. Imports for all of 2022 totaled 25.5 million TEUs, down 1.2 percent from the annual record of 25.8 million TEUs set in 2021.

When incorporating end-of-year projections, the 2023 numbers ticked up 1.4 percent from 2020's 22 million TEUs, and up 3.2 percent from a pre-pandemic 21.6 million TEUs.

NRF and Hackett Associates expect an improvement around the turn of the year, with January 2024 forecast at 1.91 million TEUs, up 5.4 percent. "These are strong numbers and a sign retailers are optimistic about the holiday season since they don't import merchandise unless they think they can sell it," NRF vice president for supply chain and customs policy Jonathan Gold said. "The holiday season is now the top priority for everyone in the retail supply chain as merchants prepare for the rush of shoppers who will soon be buying gifts for friends and family."

In the statement, Gold highlighted the recent ratification of the long-awaited dockworkers labor agreement for providing "supply chain stability and certainty for retailers utilizing the West Coast ports."

In a report, real estate investment trust Prologis said the contract resolution will help bring some business back to the West Coast. The ports of Los Angeles and Long Beach are expected to regain about half the market share they lost starting in 2022 through this year, Prologis said.

The market should stabilize six to 12 months after the contract was finalized, according to Prologis. It expects the LA/LB port complex will handle about 33 percent of U.S. containers when the market gets back to normal, an increase from the recent low of 27 percent.
U.S. import activity has slowed this year, with S&P Global Market Intelligence research finding that seaborne containerized freight imports fell 12 percent year-over-year in August. While maritime freight represents 32 percent of total imports by value, it suggests that supply chain activity is slowing as the peak shipping season begins.

Falling consumer discretionary goods shipments were led in absolute terms by a 22 percent decline in apparel imports, including fewer back-to-school products. Declines were also seen in shipments of leisure goods such as toys and fitness (22 percent) and consumer electronics (14 percent).

The survey said firms across apparel, home goods and electronics have indicated weak demand for the rest of the year and/or continued destocking.

Online container logistics platform Container XChange is also less optimistic about container demand improving anytime soon. In a recent report, it said the structural shift in consumer spending is likely to challenge the container market for some time. Container XChange doesn't anticipate demand rebounding to normal in the next 12 to 18 months.

"This will likely lead to an increased imbalance in the container supply-demand dynamics, with excess containers in some regions and low demand on the transpacific route," it said.

Source: sourcingjournal.com– Sep 11, 2023

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Malaysia, Chile, Brunei eligible for preferential CPTPP exim tariffs

Vietnam's ministry of industry and trade (MoIT) recently said Malaysia, Chile and Brunei are now eligible for preferential import and export tariffs under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

A decree to this effect was issued by the government on September 7, a news agency reported.

CPTPP took effect in Malaysia in November 2022, and in Chile and Brunei in February and July this year respectively. The agreement took effect in Vietnam in January 2019.

CPTPP was signed by 11 member states—Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam—in March 2018. The United Kingdom joined it on July 16, 2023.

It officially came into force on December 30, 2018, with Mexico, Japan, Singapore, New Zealand, Canada and Australia being the first six countries to ratify the pact.

Source: fibre2fashion.com– Sep 11, 2023

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UK fashion leaders launch circularity network

The UK Fashion & Textile Association (UKFT), the British Fashion Council (BFC), and UK Research and Innovation (UKRI) have launched the Circular Fashion Innovation Network (CFIN) to champion circularity within the UK fashion and textile industry.

The network will bring together industry stakeholders, innovators, investors, academia, and a wider spectrum of interested parties to fast-track the UK's fashion economy into a leading position in the realm of circular fashion.

The CFIN will focus on six key areas:

• Circular business models: Reducing waste and overproduction through the incorporation of circular business practices and consideration of regulatory changes.

• Recycling infrastructure: Optimizing closed-loop recycling processes, forming partnerships, and laying the foundations for extended producer responsibility (EPR).

• Sustainable manufacturing: Achieving lower environmental impact by enhancing supply chain resilience, forging deeper connections between brands and manufacturers, and scaling digital traceability tools.

• Novel technology: Expanding and integrating innovative technologies that support circular fashion.

• Diverse and future-proof workforce: Upskilling the workforce and building a diverse and future-proof talent pipeline to address skills gaps.

• Green growth: Creating economically viable Circular Fashion Products, services, and intellectual property, while promoting responsible design, retail, and manufacturing.

The CFIN will be funded by a £1.8 million allocation from the BFC and UKFT. It will be overseen by an advisory board with representatives from a diverse range of businesses, academia, and NGOs.

The launch of the CFIN is a significant step forward in the UK's journey towards a more circular fashion industry. The network will provide a platform for collaboration and innovation, and it is hoped that it will help to accelerate the transition to a more sustainable future.

Source: fashionatingworld.com– Sep 11, 2023

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Bangladesh: Local firms equally dissatisfied with business climate

Policy inconsistency, complicated customs procedures, shipment delays, lack of service-oriented attitudes among government officials, and prevalence of informal payments aimed at ensuring quick services from regulators and facilitating agencies are all blamed for the poor business environment.

Their concerns, which have lingered for a long time, reflected the challenges recently cited by Japanese and Chinese businesses that have a presence in Bangladesh.

For example, a survey of the Japan External Trade Organisation (Jetro) released on August 30 said 71 percent of Japanese companies are dissatisfied with the general business environment in the country.

On Saturday, Chinese investors pointed to the challenges they face while doing business, starting from difficulties in securing visas and work permits to opening and settling of letters of credit (LCs). They sought improved services alongside remedies to the hurdles.

The challenges faced by Japanese and Chinese investors are also applicable to all domestic and foreign companies, said Md Sameer Sattar, president of the Dhaka Chamber of Commerce and Industry.

He said due to slower-than-expected clearance of customs, importers are sometimes compelled to pay more in demurrages and imported raw materials and goods might even be found to be damaged.

As a result, entrepreneurs face cost consequences at home as well as challenges in the international market from a competitive perspective.

Businesses have to wait 11 days and six hours to have their cargo released after their arrival at seaports, according to the Time Release Study 2022 of the National Board of Revenue.

Nihad Kabir, chairperson of the Business Initiative Leading Development, a think-tank, said it is true to some extent that Japanese companies and some domestic and foreign companies don't receive government incentives because of inefficiencies and red-tapism.

She said automation in customs procedures is not fully in place and the NBR needs to complete the process as soon as possible.

"Businesses want transparency, accountability and predictability in the regulatory framework."

Nihad said there has to be a relentless drive to carry out required regulatory reforms in a bid to reduce the burden on businesses so that Bangladesh can attract a higher volume of foreign direct investments and domestic businesses can contribute more to the economic growth.

"A more efficient customs process will lead to an improved country branding for Bangladesh."

Citing the Jetro survey, Md Saiful Islam, president of the Metropolitan Chamber of Commerce and Industry, Dhaka, said although there is dissatisfaction over the business environment, 66 percent of existing Japanese companies showed interest in expanding their operations in Bangladesh.

"Japanese investors stressed faster customs clearance and faster settlement of LCs."

Mohammed Amirul Haque, managing director of Premier Cement, cited bureaucratic complexity and unfavourable policies as the main obstacles standing in the way of attracting a higher volume of FDIs.

He added inefficient port handling and complicated procedure of customs lead to slower clearance of raw materials, inflicting losses on investors.

Haque, however, lauded the intention of the government aimed at securing more FDIs and making it easier to do business in a bid to accelerate economic growth.

"We need long-term policies on tax and benefits for investors, irrespective of local or foreigners."

Fahmida Khatun, executive director of the Centre for Policy Dialogue, says Japanese investors are very particular and have high work ethics.

"So, they want an enabling environment where they can work smoothly without facing any bureaucratic complexities."

M Masrur Reaz, chairman of the Policy Exchange Bangladesh, says obviously there are some reasons to be dissatisfied with the business environment in Bangladesh.

According to him, the challenges are time-consuming clearance at ports, taxation complexity, a higher tax burden and import duty, poor logistics system, and an absence of modern trade financing.

Despite conducive investment policies in Bangladesh, Japanese investors are unhappy due to some reasons such as policy inconsistency, incongruous business environment, complex repatriation processes, complicated customs procedures, delays in shipments, lack of skilled professionals, and complicated foreign exchange regulations, said Yuji Ando, country representative of the Jetro.

"However, there is a potential to improve the situation by getting rid of these bottlenecks."

Shinichi Nagata, country general manager of Sumitomo Corporation Asia and Oceania Pte Ltd, said investors move to the countries that offer benefits and tax incentives to foreign firms.

Tetsuro Kano, president of the Japanese Commerce and Industry Association in Dhaka, said the import duty of raw materials is much higher in Bangladesh than in other countries and this increases the cost of production.

He, however, said the labour cost is cheaper and this is helpful for investors.

Source: thedailystar.net– Sep 12, 2023

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Bangladesh's RMG exports to US see significant growth in July after 5-month decline

Bangladesh's ready-made garment (RMG) exports to the United States in July 2023 saw a significant growth of 7.80%, reaching $748.03 million compared to $693.92 million in the same month of 2022.

This growth came after five consecutive months of decline in Bangladesh's RMG exports to the US. The decline was attributed to the economic slowdown and high inflation in the Western market, primarily driven by the Russia-Ukraine war.

Despite the challenges, Bangladesh outperformed its competitors, such as China and Vietnam, on the global market. In the first seven months of 2023, Bangladesh retained its position as the third-largest apparel exporter to the US market, holding a 9.91% share.

Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association, stated that work orders have started to increase in recent months, indicating a potential rebound in apparel exports in the Western market in the coming months.

The data from the Office of Textiles and Apparel (OTEXA) also revealed that India's RMG exports to the US market from January to July 2023 decreased by 21.12% to $2.91 billion compared to $3.69 billion in the same period the previous year.

Furthermore, US RMG imports from Indonesia in the first seven months of 2023 declined by 27.25% to $2.47 billion, while imports from Cambodia fell by 32.10% to $1.79 billion during the same period.

Overall, the data suggests that the US apparel market is still facing challenges, but Bangladesh is well-positioned to capitalize on any rebound in demand.

Source: fashionatingworld.com– Sep 11, 2023

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NATIONAL NEWS

India, Saudi Arabia to expedite India-GCC FTA talks

Prime Minister Narendra Modi and Crown Prince & PM of Saudi Arabia Mohammed bin Salman discussed wide-ranging issues to strengthen bilateral ties including expediting a free trade agreement (FTA) between India and the Gulf Cooperation Council (GCC) and exploring trading in local currencies, according to the Ministry of External Affairs.

The two leaders also talked about increased cooperation in energy, defence, security, education, technology, space and transportation and signed eight agreements in areas including energy, digitalisation, electronic manufacturing, vigilance, national archives, investments, export-import banks and banks for small and medium enterprises.

Strategic partners

“Saudi Arabia is one of India’s most important strategic partners. As two large and fast-growing economies, our mutual cooperation is important for peace and stability in the entire region. In our talks, we have identified several initiatives to take our partnership to the next level,” Modi said in his opening remarks at the first meeting of the India-Saudi Arabia Strategic Partnership Council in New Delhi on Monday.

Both sides expressed satisfaction at the volume of bilateral trade, India being the second largest trading partner of Saudi Arabia and Saudi Arabia the fourth largest of India, said Ausaf Sayeed, MEA Secretary (CPV & OIA) at a media briefing on Monday.

“The two leaders agreed to expedite India GCC FTA negotiations, which they felt would act as a catalyst for further strengthening cooperation between two sides,” he said.

The GCC, which includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates, is India’s largest trading partner bloc and member countries meet a substantial portion of India’s energy demand.

In November last year, Commerce and Industry Minister Piyush Goyal and Secretary General, of Gulf Cooperation Council (GCC), Nayef Falah

M. Al-Hajraf announced their intent to pursue negotiations on the India-GCC FTA.

The two leaders also discussed cooperation in the fintech field and agree to explore trading in local currencies, the Secretary said. Discussions on grids for power, gas, water, water and optical fibre network also took place. Other sectors

PM Modi also laid emphasis on certain other sectors for cooperation. such as critical mineral and food security, creation of food park, which is of Saudi interest, and possible setting up of a start-up bridge.

On the India-Middle East-Europe Economic Corridor announced at the recent G20 Summit, the PM said that it will not only connect the two countries but also help in providing economic growth, and digital connectivity between Asia, West Asia and Europe.

The Saudi Arabia PM is on a State visit to India after attending the G20 Summit in New Delhi over the weekend.

Prime Minister Narendra Modi and Crown Prince & PM of Saudi Arabia Mohammed bin Salman discussed bilateral cooperation in wide-ranging issues such as energy security, trade & investment, defence security, healthcare, food security, culture and community welfare in their meeting in New Delhi on Monday, per the MEA.

Source: thehindubusinessline.com– Sep 11, 2023

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India and Turkey relation strengthened after PM Modi and Turkish President holds talk

Signalling a way forward in their ties, Prime Minister Narendra Modi and Turkish President Recep Tayyip Erdogan explored potential in areas like trade and investment, defence and security, civil aviation and shipping.

The two met on Sunday evening at the end of the G20 summit. Relations with Turkiye are stabilising since India extended relief for the earthquake in February and with the rise of Indian investors to Europe using Turkiye as a gateway.

Later, talking to reporters, Erdogan described India as his country's "greatest trade partner in South Asia."

"Turkiye and India, which is our biggest trading partner in South Asia, have a serious potential in many fields, especially economy," said Erdogan, as he seeks trade and investment to boost his country's economy.

During the meeting between the two leaders, relations between the countries were discussed in all their dimensions, according to Turkish officials. Projects that would increase economic cooperation and bilateral trade volume, as well as current regional and international issues concerning both countries, were also on the agenda.

Turkish officials affirmed that India and Turkiye have similar approaches to the Russia-Ukraine war and favour diplomatic solutions to the crisis.

Trade volume between India and Turkiye rose from $5.7 billion in 2020 to $12.3 billion in 2022. Indian companies have invested about $ 126 million in Turkiye (as per Central Bank of Turkiye data) and Turkish investment in India is about $210.47 million (as per Department for Promotion of Industry and Internal Trade, India).

India was also one of the first nations to send relief and rescue help to Turkiye in the wake of the February earthquakes that killed over 52,000 people in the south-eastern regions.

Source: economictimes.com– Sep 12, 2023

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India, Saudi Arabia to double trade to $100 billion: Piyush Goyal

India and Saudi Arabia can look at doubling bilateral trade to $100 billion in the coming years from about $52 billion at present while making it more balanced, commerce and industry minister Piyush Goyal said on Monday.

The minister suggested Saudi Arabia to open an office of their sovereign wealth fund in GIFT city in Gujarat and industry chamber Ficci set up an office in Riyadh in partnership with Invest India, and the commerce ministry to facilitate investments.

“Maybe this could be a way to kick-start a better flow of trade and investments and also to see how we can double our trade, which is currently about $52 billion,” he said while interacting with Khalid A. Al Falih, minister of investment of Saudi Arabia at an event organised by the Federation of Indian Chamber of Commerce and Industry (Ficci).

“Can we be more ambitious and take it to $100 billion? Can we look at a more balanced trade with India becoming the provider of food security to Saudi Arabia while Saudi Arabia providing us more energy security like oil and fertiliser. So, it will really be a win-win and complementary relation,” he said.

India's exports to Saudi Arabia have increased to $10.72 billion in 2022-23 from $8.8 billion in 2021-22. Imports, on the other hand, have increased to $42 billion in 2022-23 from $34.1 billion in 2021-22, mainly on the back of oil shipments. Minister Goyal suggested that the two countries can collaborate in areas like IT, food processing and pharmaceuticals.

Saudi minister Khalid A. Al Falih suggested India provide a more visible regulatory framework with transparency and clarity and that Saudi investors in India are treated as most preferred investors. Saudi Crown Prince Mohammed Bin Salman Bin Abdulaziz Al-Saud is currently on a state visit to India after the G20 Summit concluded on Sunday. He is accompanied by a delegation of ministers and businesses.

The two countries have signed about 50 MoUs worth $3.5 billion to strengthen bilateral relations and give a push to trade.

Source: economictimes.indiatimes.com– Sep 12, 2023

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Better Cotton India impact: Sustainable success

Better Cotton, the world's largest cotton sustainability initiative, has released its 2023 India Impact Report. It highlights substantial progress in reducing pesticide and water usage, enhancing farmer livelihoods, and promoting equality.

The report covers Indian cotton farmers in the Better Cotton Programme from 2014/15 to 2021/22. It explores the benefits of sustainable cotton production for people and the environment. It delves into various aspects of Better Cotton production, from resource utilization to farming community dynamics.

Since its launch in 2011, the Better Cotton Programme in India has grown from tens of thousands to nearly one million farmers. The report shows a 53% reduction in pesticide use due to Integrated Pest Management training and awareness campaigns. Highly hazardous pesticides use decreased from 64% to 10%, and Monocrotophos usage dropped from 41% to 2%.

Water usage for irrigation decreased by 29%, and nitrogen application decreased by 6%.Farmers' total costs per hectare decreased by 15.6%, with an average cotton lint yield 200kg per hectare higher than the national average. The number of women in Better Cotton Field Staff increased from 10% to over 25% in recent years.

The report celebrates progress, identifies development gaps, and focuses on improving communities growing cotton in India. Better Cotton now monitors year-on-year progress, emphasizing continuous improvement. Alan McClay, CEO of Better Cotton, reaffirmed their commitment to furthering farm-level improvements in India.

Source: fashionatingworld.com– Sep 11, 2023

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Businesses over turnover over Rs 100 cr cannot report e–invoices older than 30 days from Nov 1

Businesses with Aggregate Annual Turnover (AATO) over Rs 100 crore will not be allowed to report e-invoices older than 30 days on the date of reporting under the goods and services tax (GST) from November One.

“It has been decided by the GST Authority to impose a time limit of 30 days for reporting of invoices from date of invoice, on e-invoice portals,” said an advisory issued by the GST e-invoice systems on Monday.

“This time limit is applicable for taxpayers with AATO greater than or equal to 100 crores,” it added.

Earlier the time limit proposed by the Central Board of Indirect Taxes and Customs (CBIC) was seven days, however it was further relaxed to 30 days taking note of concerns raised by the businesses.

The e-Invoice System is for GST-registered people for uploading all the business-to-business (B2B) invoices to the Invoice Registration Portal (IRP).
The IRP generates and returns a unique Invoice Reference Number (IRN), digitally signed e-invoice and QR code to the user

The advisory clarified that this restriction will apply to all document types for which IRNs are to be generated, including the Credit, Debit note.

“CBIC may extend these provisions to all taxpayers in the coming months if all goes well,” said Rajat Mohan, senior partner, AMRG & associates.

“This reform will ensure on-time tax payment by regulating the reporting of tax invoice delays and enhancing the GST ecosystem as a whole,” Mohan added.

Source: economictimes.com– Sep 12, 2023

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Goods in transit can't be seized under GST law without inquiry: HC

The Andhra Pradesh High Court has ruled that the goods and services tax (GST) authorities cannot seize items in transit without first conducting an inquiry into the authenticity of the transaction, even if the original supplier does not have GST registration.

The case relates to a trader who bought iron scrap from a company in Vijayawada, Andhra Pradesh, and subsequently sold it to another company based in Medak district, Telangana.

The goods were in transit on a truck when they were intercepted and detained by GST authorities. Their rationale for the detention was that the original supplier in Vijayawada did not have a GST registration since it had been suspended.

While the trader argued that the authorities purposefully disregarded the documents presented by the driver during the inspection, the authorities countered that the driver had failed to produce the purchase invoice or show the mode of payment for the purchase price.

The court ruled that although GST officers have the prerogative to initiate proceedings against the original supplier, they cannot confiscate the trader's goods merely because they were purchased from a company with a suspended registration. The official can, however, initiate an inquiry against both the trader and the driver, providing them with an opportunity to establish their case, it ruled.

Sandeep Sehgal, a partner at the tax and consulting firm AKM Global, remarked that the court's decision has provided much-needed clarity. It underscores that goods owned by a legitimate trader should not be subject to confiscation, regardless of whom he or she has purchased the goods from.

"The judgement enunciates the principle that the illegal act of one supplier may not warrant the same action to the other complying supplier," he said.

Source: business-standard.com– Sep 12, 2023

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