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IBTEX No. 170 of 2023 September 26, 2023

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USD	EUR	GBP	JPY
83.22	88.09	101.52	0.56

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INTERNATIONAL NEWS

US manufacturing sector continues to struggle in September: S&P Global

The American manufacturing sector remains under considerable strain, according to the latest S&P Global Flash US Manufacturing Purchasing Managers' Index (PMI) report. The index posted at 48.9 in September, marginally up from 47.9 in August. Although the overall decline in the sector's performance has slowed down, the numbers continue to indicate deterioration.

There was a slight uplift in US' manufacturing output index to 49.7 in September from 48.5 in August. Despite this, the manufacturing sector continues to register an overall decrease in output. The rate of contraction in September was the softest in the current eight-month sequence, primarily driven by a slowdown in the service sector's business activity. Factors such as high interest rates and inflationary pressures have led to weak client demand and, consequently, weighed on overall output.

Amidst a subdued demand environment, firms have sharply reduced their purchasing activities in September. Businesses chose to work through existing inventories instead of expanding their input buying. Although this strategy has led to an improvement in supplier performance, pre-production inventories have also started to decrease, albeit at a slower rate than in previous months, as per S&P Global.

Manufacturers recorded a further drop in new orders, and the rate of contraction was the sharpest since December 2022. Reduced client demand due to market conditions and order cancellations also took a toll on business. This decline in new business comes despite firms recording the slowest drop in new orders in the current five-month sequence.

Business confidence across the broader US private sector has dipped to its lowest level in nine months, towards the end of the third quarter of 2023. Despite firms still expecting an increase in output over the next year, the overall level of optimism was below the series average. Issues like strikes, inflation, high borrowing costs, and muted demand conditions have adversely affected sentiments. Manufacturers appeared more optimistic, encouraged by improvements in supply chains and increased investment in marketing.

Source: fibre2fashion.com– Sep 25, 2023

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Global denim jeans market is poised to hit $88 billion by 2030

One of the most popular clothing items across the world, denim jeans never go out of style and that is why some global research conclude that between 2026 and 2030, the denim jeans market size will reach $88.1 billion.

Facts Factors released its specialized and expertise-oriented industry research report that scrutinizes the technical and commercial business outlook of the denim jeans industry and predicts that by 2026, the global market size will be $88 billion, growing at compound annual growth rate (CAGR) of 4 per cent between 2020 and 2026.

A similar report titled “Denim Jeans Market” published by research giant Allied Market Research, projected period between 2021 to 2030, with CAGR of 4.2 per cent and a market value of $88.1 billion. From a $71 billion market size in 2019, both reports acknowledge steady growth.

The US, EU and Asian markets

According to the reports, in 2019, 44 per cent of purchases of denim jeans were by men for their personal use and 70 per cent Americans preferred denim jeans. Back then, basic economy variety held the overwhelmingly large market share of 80 per cent.

The reports predict a 29 per cent market expansion in the US between 2021 and 2029 and in Europe the expansion between 2018 and this year was a mere 3 per cent. Europe’s denim jeans market had a 25 per cent share of global revenues in 2018.

Region-wise, Asia-Pacific garnered considerable market share in 2020, and is expected to maintain lead during the forecast period. This is majorly attributed to growing production of denim, presence of large consumer base in countries like India and China, and growing millennial population with higher disposable income.

Western dressing style has influenced a lot in India and China and is expected to continue resulting in denim wears increased growth during the forecast period.

Price-wise performance

According to price range, the premium segment was the significant contributor to the market, with $19 billion in 2020 and growing at a CAGR of 4.7 per cent during the forecast period. Premium denim jeans are usually made with higher quality denim fabric and designed under special craftsmanship, owing to which prices of the premium denim jeans are higher as compared to other jeans.

Premium price point denim jeans are consumed majorly in developed countries, such as the US, UK, Spain, and Japan. Growing fashion consciousness and rise in expenditure on personal attire are likely to attract customers to buy premium jeans. Thus, above mentioned factors are likely to garner the growth of the premium segment, thus driving the growth of the denim jeans market.

End-user based performance

The men's segment is estimated to reach $38.6 billion by 2030, growing at a CAGR of 3.7 per cent during the forecast period. Men's denim jeans growth could be attributed to a rise in fashion consciousness among men. Furthermore, increase in new product launches and casualization of office wear are expected to increase demand through the men segment.

On the basis of product type, the skinny fit segment is estimated to reach $21.7 billion by 2030, at a CAGR of 6 per cent, the highest growth percentage across the board, during the forecast period.
Online channel to grow favorably

Online sales channel segment was the significant contributor to the market, with $9,853.6 million in 2020 and is growing at a CAGR of 6 per cent during the forecast period. Easy accessibility offered by online sales channel boosts their adoption in the denim jeans market.

Source: fashionatingworld.com– Sep 25, 2023

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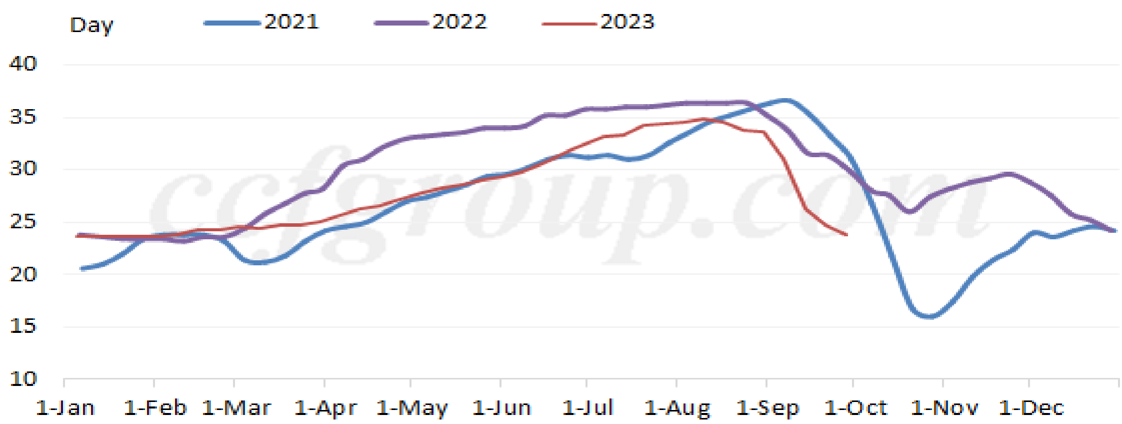
China: Fabric manufacturing market: negative and positive feedback coexist

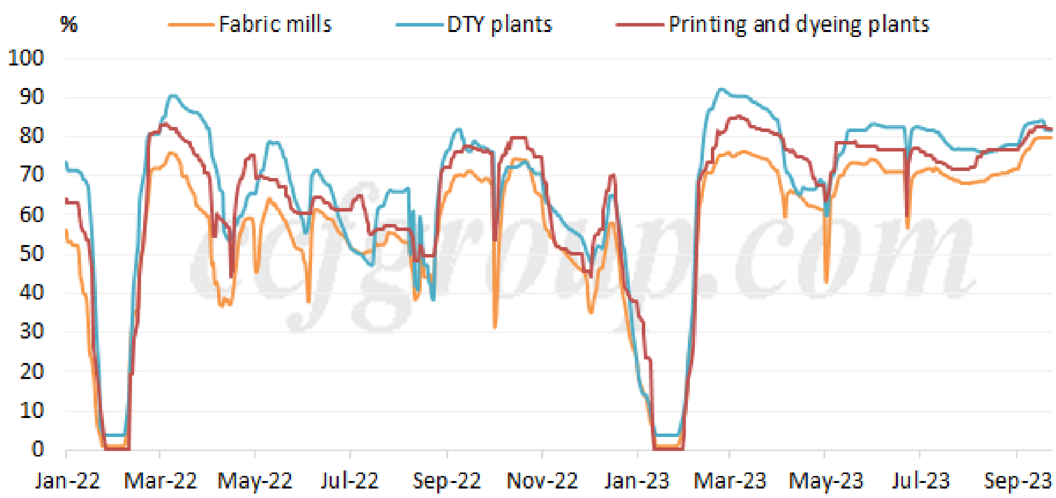
Since Aug, sales and production was balanced at first on fabric manufacturing market while the inventory rapidly fell later. The operating rate of fabric mills and printing and dyeing plants increased, which stimulated upstream feedstock market for around half a month. Downstream market is mixed with negative and positive feedback now.

Inventory of grey fabrics in Zhejiang and Jiangsu in 2021-2023



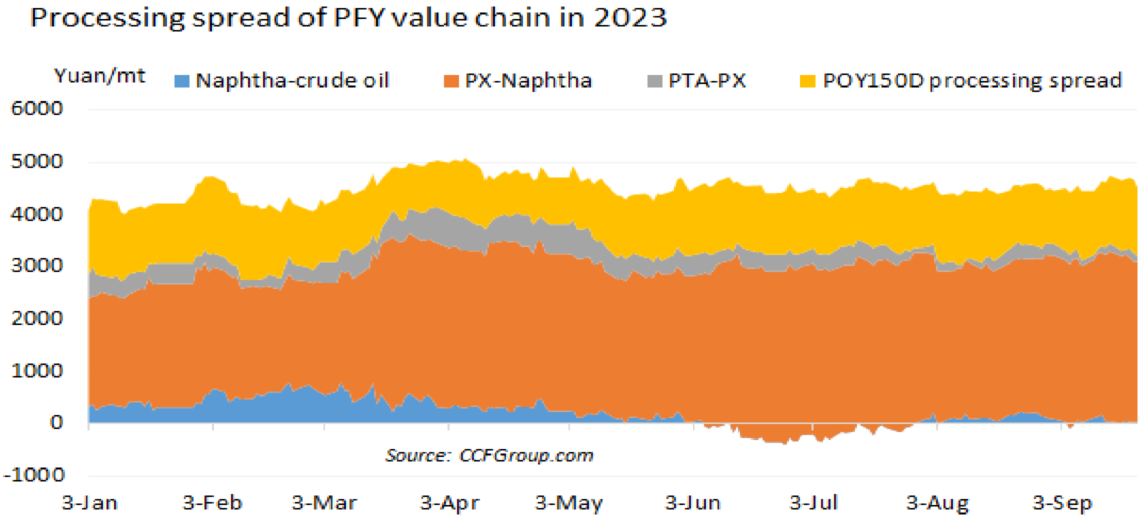
The positive feedback is mainly reflected in the fact that after the inventory of grey fabrics rapidly declined, the overall inventory of grey fabrics is not high compared with the same period of last year. Comprehensive inventory of grey fabric has reduced to around 25 days in Zhejiang and Jiangsu, lower compared with the corresponding period of previous years, still having downward space compared with the low level in the second half of 2021

Operating rate of downstream plants in Zhejiang and Jiangsu in 2022-2023



After inventory descended, the operating rate of fabric mills, DTY plants and printing and dyeing plants climbed up in Sep.

Increasing negative news are appearing. Some players think the performance of peak season is not good, which are mainly reflected under the following two aspects:



Firstly, downstream buyers show higher resistance to high-priced resource. Factories worry the products produced by high-priced raw material will be depreciated later.

Cash flow of small DTY plants in Sep 2023 (Unit: yuan/mt)

Date	Cixi 75/36	Taicang 75/72	Xiaoshan and Shaoxing 150/48	Changxing 150/144	Changshu 150/288 SD flat	Taicang 150/144	150/288 bright flat
22-Sep	-220	180	110	-290	70	-90	140
21-Sep	-275	20	-20	-455	-90	-255	-20
20-Sep	-385	-5	-45	-480	-115	-280	-50
19-Sep	-385	-5	-45	-480	-115	-280	-50
18-Sep	-285	-10	-35	-480	-115	-280	-50
15-Sep	-390	-40	-55	-510	-245	-310	-70
14-Sep	-305	-55	-35	-430	-265	-280	10
13-Sep	-285	-110	-90	-440	-230	-340	10
12-Sep	-280	-125	-95	-490	-180	-340	-50
11-Sep	-210	-40	-20	-405	-90	-255	20
8-Sep	-180	-60	-35	-430	-115	-280	0
7-Sep	-210	-60	-35	-430	-115	-280	0
6-Sep	-200	-5	-30	-375	-260	-275	-20
5-Sep	-265	-50	-95	-375	-405	-325	30
4-Sep	-230	-80	-115	-405	-430	-355	50
1-Sep	-165	15	-30	-300	-345	-250	145

The processing spread and profit of PFY value chain still mainly relies on PX sector. Feedstock market has some risk to reduce. Therefore, the producers of textiles, apparels, fabrics and DTY become more worried of the deprecation of inventory.

Meanwhile, small DTY plants and fabric mills lack cash flow. Most small DTY plants have suffered losses since Sep and the deficit of plants was especially obvious in Changxing, Cixi and Changshu.

Among mainstream conventional grey fabrics made from PFY, only some circular knitted imitation super-soft fabrics saw minor profit. The other varieties including polyester taffeta, flannel, brushed fabric and spandex super-soft fabric were all unprofitable. Secondly, when inventory of grey fabrics declines, more payment needs to be collected. The control of capital risk strengthens.

Fabric mills and small DTY plants more need to collect payment when the inventory reduces smoothly. With the coming of Q4, the liquidity stock and account recovery pressure of some companies are relatively large.

As the year end approaches, some downstream factories will partially reduce leverage in their operations to reduce business risks. From a cost perspective, after current crude oil prices reaching the highest point of the year, there is an increased risk of depreciation in produced inventory.

As for the composition of peak season, domestic sales and export were both sound during the traditional peak season in Sep and Oct in previous years. This year, only domestic sales of some autumn and winter products are good now. Export orders for the Christmas Day and New Year's Day remain sluggish.

Different fabric mills also witness diversified feelings. If the export orders still fail to improve much later, the peak season on fabric market may come to an end temporarily. Only some replenishment may appear for the seasonal autumn and winter products later. With the coming of Mid-autumn Festival and National Day holiday (Sep 29-Oct 6), the production activity of downstream plants recedes and some may shut down for holiday.

Source: ccfgroup.com– Sep 25, 2023

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UK Clothing Imports Decline in July 2023

The United Kingdom observed a notable decrease in clothing imports in July 2023, with a year-on-year decline of 25.36%, totaling £1.245 billion. Additionally, textile fabric imports experienced a 12.17% drop, amounting to £476 million. In the same month, there was a decline in fiber imports, which fell to £34 million, despite maintaining a relatively stable month-on-month trend.

Looking at the first half of 2023, clothing imports in the UK totaled £7.838 billion.

The decline in clothing imports is likely due to a number of factors, including the rising cost of living, which is putting pressure on household budgets. Additionally, the war in Ukraine has disrupted supply chains and led to higher prices for raw materials.

It is unclear whether the decline in clothing imports will continue in the coming months. However, the trend suggests that UK consumers are becoming more cautious about their spending.

Source: fashionatingworld.com– Sep 25, 2023

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Bangladesh: Exporters seek duty-free market access to USA for garment made of US cotton

"Our government has already waived the mandatory fumigation requirement for importing cotton from the USA. This will certainly reduce the time and cost of business for our importers. We are now approaching the U.S. government to consider duty-free market access to the U.S.A. for garment made of US cotton", said speakers at a seminar on Monday.

They mentioned that since the share of Bangladesh in the USA's apparel import is only 9.75%, we have a huge opportunity to increase the share further. Bangladesh has already gained the top position in USA's denim.

Economic Reporters Forum (ERF) organized the seminar styled "Bangladesh-US Trade and Investment" at ERF office, Paltan in the capital.

John Fay, commercial counselor of the US Embassy in Bangladesh attended the seminar as the chief guest with ERF President Mohammad Refayet Ullah in the chair.

John Fay, while addressing, said there is a possibility of reducing the duty on export of garment items to the USA from Bangladesh. However, he did not elaborate it in his speech.

But, he mentioned some challenges in investment in Bangladesh such as problem of profit repatriation, intellectual property rights, data protection act and challenges of logistics services.

BGMEA President Faruque Hassan, BTMA President Mohammad Ali Khokon, BKMEA President and other senior trade leaders were present on the occasion and Mohammad Abdur Razzaque, Chairman of RAPID, presented keynote paper on the occasion.

Referring to the Bangladesh Bank and Export Promotion Bureau (EPB) data, BGMEA President in his speech mentioned that in the last 10 years that means from 2012 to 2022, the bilateral trade between the two countries has increased by 8.64% annually (CAGR). In fiscal year 2021-22, the bilateral trade between Bangladesh and the USA was worth USD 13.24 billion, while Bangladesh's export to and import from the USA were USD 10.41 billion and USD 2.82 billion respectively.

He said the the USA imported 943.70 million dollar worth of denim from Bangladesh in 2022 which was 22.64% of its total denim import. So far we are doing well in those products in the USA market. But there are a few more product categories where we have the potential to further penetrate.

Within the textile sector, there are many items particularly woven, non-cotton yarn and fabrics, functional fabrics like polyester, viscose, spandex, mélange, etc. where we have a huge scope of investment.

Speakers also stressed need for investment in up-scaling innovation, product and design development. We need adequate expertise in technology and modern machinery.

BGMEA President further said there have been a few issues in trade between the USA and Bangladesh, especially the cotton fumigation requirement while importing cotton from the USA.

Source: bangladeshpost.net– Sep 25, 2023

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Bangladesh Denim Expo: November 8–9, 2023

Bangladesh Denim Expo taking place on November 8–9 at the International Convention City Bashundhara (ICCB).

A Catalyst for Change and Progress

The Bangladesh Denim Expo is a remarkable initiative founded by Mostafiz Uddin, driven by a passion for denim and a commitment to social responsibility. The expo showcases Bangladesh's burgeoning potential in the denim industry, a sector where the country has earned a reputation for producing high-quality denim and jeans at competitive prices.

Beyond its commercial appeal, the Bangladesh Denim Expo serves as a platform for like-minded denim enthusiasts from around the world to unite and envision a new future for the industry. Mr. Uddin embodies this spirit of collaboration and innovation, actively participating in design and laundry, and even establishing his own brand, blueXonly, which is popular in Europe.

Mr. Uddin's journey began in 1999 with a buying office and culminated in the creation of the Denim Expert factory, a Bangladesh-Netherlands joint venture that adheres to European standards in construction, worker rights, and health and safety. His current focus is on the Bangladesh Denim Expo, which he envisions as a catalyst for transforming the global perception of Bangladesh's denim industry.

Buyers and brands benefit from a more stable workforce that produces superior products, while increased investment in education ensures the sustainability of essential skills.

The Bangladesh Denim Expo stands as a safeguard against the recurrence of devastating events such as the Rana Plaza factory collapse in 2013. By raising industry standards and promoting ethical practices, the expo helps to create a more equitable and sustainable future for all.

Source: fashionatingworld.com– Sep 25, 2023

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Pakistan: Fall in industrial production

The estimate of the Quantum Index of Manufacturing (QIM) for the month of July 2023 has recently been released by the Pakistan Bureau of Statistics. The decline in production observed in 2022-23 has persisted. The fall on a month-to-month basis in the Index is 3.6%, while on a year-to-year basis it is 1.1%.

The large-scale manufacturing sector must achieve positive growth in 2023-24 if a GDP growth rate of 2.5% to 3.5% is to be attained. The reason for optimism is that unlike 2022-23, the policy of physically restricting imports has been abandoned due to pressure from the IMF (International Monetary Fund). Therefore, production units ought to be able to import the inputs they need and invest in expansion of capacity.

However, there is need for some caution in the projection of the growth rate of the large-scale manufacturing sector due to big cost-push pressures. The industrial tariffs of electricity and gas are rising very rapidly, and the extremely high interest rates are not only adding to the costs of working capital but also discouraging investment in expansion of capacity.

There is need to examine how broad-based the decline is in industrial production in July 2023. The biggest industry which continues to see a fall in output is textiles. This is by far the largest industry in Pakistan, with a weight in the QIM of over 18%.

It experienced a very big contraction of 22% in July. This is perhaps surprising given that the volumes of exports of some textile items have shown big increases.

The quantity exported of cotton yarn and knitwear have increased by 37.8% and 26.1% respectively in July. As such, the fall may be more due to declining domestic demand or limited availability of cotton.

The biggest fall is observed in the automobile industry of over 66% in July 2023. It has effectively by itself reduced the QIM by 2 percentage points. Clearly, this is the lagged effect of the severe restrictions placed on the import of automobiles in 2022-23 and the severe contraction in demand due to the quantum jump in prices, both due to the big depreciation of the rupee and levy of additional taxes.

In fact, the output of cars in July 2023 is down by as much as 75% in relation to the level in July 2022. Perhaps surprisingly, the least decline of 19.2% is in the production of motorcycles.

The other relatively large industries which have shown a significant fall in output are beverages, POL refining, iron and steel products and electrical equipment of 6.7%, 2.3%, 2.7% and 22.4%, respectively. The decline in purchasing power of even large income households is revealed by a fall of 18% in the number of air conditioners produced/ sold.

Turning to the positive side of the growth in QIM, a number of industries have shown high growth rates and a strong recovery. The pharmaceuticals industry has achieved phenomenal growth of 54% in July. This indicates that imports of ingredients are no longer being restricted. Hopefully, this will improve the supply position of key medicines in the country.

The other success story is that of wearing apparel with a growth rate in output of 30.8% in July. This is clearly a reflection of the doubling of the volume of exports in July. However, the dollar value of export sales of readymade garments is down by 10%.

This raises doubts about the reported doubling of the volume of exports by the Pakistan Bureau of Statistics and the implication thereof on growth in production.

A major positive development is the big recovery in output of the cement industry in July with a growth of 35.2%. This indicates that there is some restoration of construction activity in the country.

Overall, the large-scale manufacturing sector is presenting a mixed picture, with significant persistent declines in output while other industries are caught up in the process of sharp slowdown since 2022-23.

There is the risk that unless the large-scale manufacturing sector shows significant growth, the 2023-24 FBR revenue target will be very difficult to achieve.

The Government must avoid the imposition of additional taxes on the manufacturing sector and concentrate on expanding the base of progressive direct taxation.

The policy of no restriction on imports must continue and the market-based exchange rate policy continued to manage the current account. Hopefully, the coming months will see a significant improvement in the growth rate of the large-scale manufacturing sector, partly facilitated by the low-base effect.

Source: brecorder.com– Sep 26, 2023

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NATIONAL NEWS

India's FY24 economic outlook bright, retail inflation to fall: Govt

India's economic outlook for fiscal 2023-24 (FY24) remains bright, with economic activity maintaining its momentum and high-frequency indicators reflecting that the second quarter (Q2) is shaping up well, the finance ministry said in its monthly economic report for August.

The country's headline retail inflation is likely to see a downward trend in the next few months with government and monetary measures in place, the ministry said. "The monsoon deficit of August has been partially plugged in September and that is good news," the ministry said. However, the effect of a deficit monsoon last month on Kharif and Rabi crops as well as the recent run-up in crude oil prices are key concerns that need to be assessed, it noted.

"Recent run-up in oil prices is an emerging concern but, no alarms yet," the report said. A decision by Saudi Arabia and Russia to extend production cuts till the end of 2023 has pushed up crude prices. Acknowledging that a potential stock market correction as well as geopolitical developments could hurt investment sentiment in the second half of the fiscal, the ministry said their impact on underlying economic activity should be relatively contained.

"Offsetting these risks are the bright spots of corporate profitability, private sector capital formation, bank credit growth and activity in the construction sector. In sum, we remain comfortable with our 6.5 per cent real GDP [gross domestic product] growth estimate for FY24 with symmetric risk," the report added.

While, India's Gross Domestic Product (GDP) growth rate hit a four-quarter high in April-June, rising to 7.8 per cent, headline retail inflation rate eased to 6.83 per cent last month after touching a 15-month high in July. The government has targets a fiscal deficit of 5.9 per cent of the GDP for this fiscal.

Source: fibre2fashion.com– Sep 25, 2023

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Deeper participation in global value chains to help India add $1.2 tn to foreign trade by 2030: GTRI report

Steps like streamlining port and customs operations, and setting up of national trade network will help Indian firms integrate with global value chains and add USD 1.2 trillion in the country's foreign trade by 2030, according to a report. The Global Trade Research Initiative (GTRI) said that currently, India's limited participation in global value chains (GVCs) hampers its export potential, despite possessing substantial manufacturing capabilities across various GVC-relevant product categories.

The integration of Indian companies in the GVCs is fundamental as about 70 per cent of global trade operates within these chains, encompassing a wide range of products, from electronics and machinery to pharmaceuticals and apparel.

"India's weak GVC integration can be attributed to poor trade infrastructure, causing delays at ports and customs, which are detrimental to the timely flow of goods in these intricate value chains," GTRi Co-Founder Ajay Srivastava said. Countries like China, Japan, South Korea, Thailand, and Malaysia have excelled in GVCs due to investments in quality trade infrastructure. The GTRI report has recommended six action points to the government which can help boost the participation of domestic firms in GVCs.

The suggestions include automating port and customs procedures, and implementation of green channel clearances for 99 per cent of shipments; analysing the top 10,000 exporters responsible for 85 per cent of India's exports; matching global best practices for ship turnaround times, reducing queues, speeding up transactions, and optimizing infrastructure use; and enhance communication between traders and shipping companies, port operators, and Container Freight Stations (CFS).

The report asked for creation of an online platform for all export-import compliance processes.

"National Trade Network (NTN) would enable exporters to submit all required information and documents in one place, eliminating the need to interact separately with customs, DGFT (directorate general of foreign trade), shipping companies, ports, and banks," Srivastava said.

The other steps include focus on high-value segments of GVCs, product conceptualization, design, prototype development, and after-sales services. Countries like the US, Germany, Japan, Taiwan, and South Korea excel in R&D expertise at the high end, while China specializes in final assembly at the lower end.

Further, it suggested inviting top global firms to become anchor manufacturers in priority sectors.

"We know their names. Apple and Micron are a good beginning. With thousands of manufacturing units in most sectors, India needs a few large anchor firms in each sector. Their use of innovation and technology will result in gains for all firms in the entire sector - the way Suzuki did to India's automobile sector in the early 1980s," he said.

Citing renowned examples of GVCs, the report said that for Apple's iPhone, R&D and critical component design happens in the US; Taiwan produces semiconductor chips; South Korea makes OLED displays and semiconductor components; Japan manufactures memory chips, capacitors, and sensors; Malaysia, Vietnam, and Thailand produce specific components or assemblies.

All these components and subassemblies are sent to China, where final assembly takes place in facilities operated by Foxconn, Pegatron, and Wistron. Apple manufactures iPhones in India, and its supply chain involves various countries for different components, it said.

Similarly, for laptops, Taiwan produces processors and semiconductors; South Korea makes displays, memory chips, and storage devices; and Japan manufactures batteries, sensors, and some semiconductor components.

Malaysia, Thailand, Indonesia, and the Philippines provide labour and assembly services, along with making components for specific brands; and Vietnam handles assembly operations for a few brands. In China, 90 per cent of laptops are ultimately assembled, with major manufacturers having manufacturing facilities there.

Source: economictimes.com– Sep 25, 2023

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India-Canada row: Quiet diplomacy can achieve a lot more

The suspension of trade negotiations was the first salvo in the ongoing diplomatic spat between India and Canada. It is unlikely to hit the economic interests of either country, at least for now. However, unintended consequences cannot be ruled out. Soon after Prime Minister Justin Trudeau returned to Canada after the G20 meeting in New Delhi, Canada indefinitely postponed the scheduled five-day visit of a trade delegation to India starting 9 October. The Canadian trade mission was to be led by Mary Ng, Canadian Trade Minister. The agenda was to take forward the talks on the Early Progress Trade Agreement (EPTA) that were paused in August.

The current bilateral merchandise trade between the two countries is around $8.16 billion. Industry experts had estimated that the conclusion of the Comprehensive Economic Partnership Agreement (CEPA) would have helped the bilateral trade nearly double the figure in the next few years. That is not a significant portion of our total merchandise trade of close to $1.2 trillion last year.

On specific import and export products, both Canada and India have enough alternate sources to ensure that the supplies remain unaffected. The bilateral export or import of services is also not too significant in the overall context to be a cause for concern.

There are around 600 Canadian companies that have invested in India and about 30 Indian companies that have operations in Canada. There are no indications that these investments will not grow in the coming days despite the deteriorating political relationship between the two countries.

The foreign portfolio investments from Canadian entities easily exceed $50 billion, with the Canadian pension funds alone accounting for more than $45 billion in investments in various Indian entities. These investments are driven by commercial considerations and long-term interests that are unlikely to take a hit, at least in the near term.

The major worry is about the future of about two million persons of Indian origin living in Canada and about students and young people of Indian origin who have gone to Canada on temporary visas for studies or work permits.

Many families in India depend on inward remittances from their relatives settled in Canada. Most of the young people have gone to Canada in the hope of getting citizenship and leading better lives. Their aspirations hang in balance after the recent worsening of bilateral relationships. A greater worry is about the harmony between various sections of persons of Indian origin settled in Canada and their relationship with other Canadians. No less is the worry about the fall-out of the diplomatic crisis on certain sections of people living in India. The consequences of degeneration in the quality of dialogue between the leaders of the two countries can be quite uncertain and unintended.

The need of the hour, therefore, is for the leaders in both countries to tone down the belligerent rhetoric and cool the temperatures. Quiet diplomacy can achieve a lot more. India and Canada not only have shared democratic values but also shared interests given the context of a rising and expansionist China flexing its muscles. The leaders of both countries should encourage bilateral trade and people-to-people exchanges that can help build bridges.

Source: business-standard.com– Sep 24, 2023

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Finance Ministry's new angel tax rules: Valuation methods and guidelines for investors notified

The Finance Ministry has notified final rules outlining valuation methods for non-resident and resident investors under the new angel tax mechanism based on changes made in the Finance Act 2023.

Angel tax (income tax at the rate of 30.6 per cent) is levied when an unlisted company issue shares to an investor at a price higher than its fair market value. Earlier, it was imposed only on investments made by a resident investor. But Budget 2023-24 proposed to extend angel tax even to non-resident investors from April 1, 2024.

New rule prescribes five methods for non-resident investors, apart from discounted cash flow (DCF) method for resident investors, concerning valuing shares. It has been said that where any consideration is received by a company for the issue of shares from any non-resident entity notified by the Central Government, the price of the equity shares corresponding to such consideration may be taken as the fair market value (FMV) of the equity shares for resident and non-resident investors.

On similar lines, price matching for resident and non-resident investors would be available with reference to investment by venture capital funds or specified funds. It is proposed that the valuation report by the merchant banker for this rule would be acceptable if it is of a date not more than 90 days prior to the date of issue of shares, which are the subject matter of valuation.

Further, to account for forex fluctuations, bidding processes and variations in other economic indicators, etc., which may affect the valuation of the unquoted equity shares during multiple rounds of investment, it is proposed to provide a safe harbour of 10 per cent variation in value.

Earlier, in May, the Ministry had said that Government and Government related investors such as central banks, sovereign wealth funds, international or multilateral organizations or agencies, including entities controlled by the Government or where direct or indirect ownership of the Government is 75 per cent or more will be exempted from provision of new angel taxation.

Besides these banks, insurance companies, SEBI-registered Category-I Foreign Portfolio Investors, Endowment Funds associated with a university, hospitals or charities, Pension Funds and Broad-Based Pooled Investment Vehicles or Funds with 50 or more investors will also be in the exempted category.

It had also clarified that new norms will not apply "to consideration received from any person by start-ups registered in Department for Promotion of Industry and Internal Trade (DPIIT)."

Source: thehindubusinessline.com– Sep 26, 2023

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6.6 million frontline jobs created in FY23, women's participation ratio doubled in a year: Report

Companies in India created about 6.6 million frontline jobs in the fiscal year ended March 2023, according to the Frontline Index Report 2023 from BetterPlace, a leading tech platform for frontline workforce management in the country.

The total demand for frontline jobs decreased by 17.5 per cent in FY23 to 6.6 million compared to 8.8 million in the year-ago period.

The logistics and mobility sector has replaced e-commerce as the highest employment industry for frontline workers in FY23. The total demand created by the sector increased by more than 111 per cent between FY22 and FY23, according to the report, which is based on the data collected by the platform from April 2022 to March 2023. A sample of more than 3 million data points was used for the survey.

While, IFM&IT was the fastest-growing industry in terms of demand for frontline jobs, growing by a whopping 139 per cent between FY22 and FY23.

The growth seems to have muted in FY23 due to macroeconomic challenges after having seen a rapid growth in demand for frontline workers in FY22 with the economy opening up, as per the report.

"The frontline workforce ecosystem seems to be one of the most dynamic cohorts in India. They are the first ones to feel the impact of external economic environments. The macroeconomic headwinds have forced enterprises in India and Southeast Asia to rethink their hiring practices, which resulted in a decline in demand for frontline workers this year," said Pravin Agarwala, co-founder and Group CEO at BetterPlace.

"There are, however, some positive offshoots of this trend that strengthen the case for tech integration. We are seeing rising gigification of the workforce, which has led to improvement in the women participation ratio. This has created a need for tech solutions which can handle these fast-changing dynamics while at the same time improving productivity and retention," he added.

However, women's participation in the workforce doubled in the same period. Women's participation ratio has increased to 6 per cent from 3 per cent between FY22 and FY23.

According to our surveys, 88% of women felt fully or somewhat supported by their families to join the workforce, which led to an increase in participation.

Maharashtra, Karnataka, Haryana and Tamil Nadu have the highest supply of and demand for frontline workers in India. About 67 per cent of the total frontline workers belong to Karnataka, UP, Maharashtra, Andhra Pradesh, and West Bengal. Karnataka replaced Maharashtra to become the largest contributor of frontline workers in FY23, contributing more than 16 per cent of the total workforce

The report shows a marginal decrease in the average monthly salary of frontline workers - from ₹22,800 in FY22 to ₹21,700 in FY23. Integrated facility management (IFM) & IT sector offer the highest average monthly pay of ₹26,484, which was closely followed by BFSI and the logistics and mobility sector, offering salaries of ₹22,000 and ₹21,800 respectively.

Attrition remains a major pain point for enterprises, with industries experiencing an average monthly attrition of 15 per cent, with the peaks reaching 23 per cent during November, at the end of the festive season.

The largest employer of FY23, Logistics & Mobility, had the highest monthly attrition rate at 22 per cent, growing by 83 per cent as compared to FY22. This industry was followed by e-commerce and IFM&IT, which recorded an attrition rate of 19 per cent and 15 per cent respectively.

While youth contributed the largest to frontline jobs at 66 per cent but their participation is slowly decreasing, according to the report. The participation of youth in the workforce declined by 8% between FY22 and FY23, while the participation of workers between 30-40 increased by 25 per cent in the same period.

Source: thehindubusinessline.com– Sep 25, 2023

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Next season cotton production expected to be around 330 lakh bales, says cotton federation

India is expected to see production of 330 lakh to 340 lakh bales (each 170 kg) of cotton in 2023-2024 cotton season that begins on 1st October, said J. Thulasidharan, president of the Indian Cotton Federation, in Coimbatore city on 24th September.

At the Federation's annual general meeting, he announced that over 12.7 million hectares had been sown. Around 335 lakh cotton bales had entered the market during the current season, which would expire this month, and even now, with just a few days left in the season, 15,000 to 20,000 more were arriving. Some of it came from the northern cotton-growing States and the new harvest from Karnataka.

This pattern might persist during the following cotton season. The cotton Minimum Support Price (MSP) has been raised by the Central Government by 10 per cent, and market prices currently exceed the MSP. This year, there was little demand for cotton from the textile industry, and the majority of textile facilities operated below capacity, according to him.

The import of extra long staple cotton was hampered this season by an 11 per cent import charge, according to P. Nataraj, vice president of the federation, notwithstanding a partial easing for imports from Australia, South Africa, etc. By implementing best practises, the yield of the cotton plantations in India must be increased.

Nishant Asher, the secretary of the federation, claimed that despite being impacted by the recessionary trend, exports of yarn and completed textile goods have recently seen a resurgence.

Source: apparelresources.com– Sep 25, 2023

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