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IBTEX No. 193 of 2023 — November 04, 2023

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USD	EUR	GBP	JPY
83.16	89.28	102.91	0.56

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INTERNATIONAL NEWS

Turkish central bank lifts inflation forecasts for 2023, 2024

The Turkish central bank (CBRT) recently revised up its year-end inflation forecasts for this year and the next, and pledged to continue gradual monetary tightening. CBRT expects the consumer price index (CPI) to end this year at 65 per cent, up from its estimate of 58 per cent in the inflation report three months ago.

The inflation rate would fluctuate between 62 per cent and 68 per cent till 2023 end, CBRT governor Hafize Gaye Erkan told a news conference to release this year's inflation report for the last quarter. Inflation increased to 61.53 per cent in the 12 months leading up to September, the highest level this year.

"Getting high and volatile inflation under control will be a long and difficult process. We will continue to use all tools available in a determined way to ensure disinflation," she said. Inflation hit a 24-year peak of 85 per cent last year and surged increased in recent months. "We are aware that we will make the greatest contribution to social welfare by providing price stability. Therefore, through the strong monetary tightening we initiated in June, we are steadfastly combating inflation," she stressed.

The projection for next year has been raised to 36 per cent from 33 per cent in the previous such report. Monetary tightening would continue until there was a visible improvement in inflation, Erkan said.

The government aims for the disinflation process to begin in the second half of 2024, she noted. The bank cut its forecast for 2025 to 14 per cent from 15 per cent earlier. The government expects it to fall to 15.2 per cent in 2025, before dipping further to 8.5 per cent by the end of 2026.

The central bank raised its policy rate by 500 basis points to 35 per cent last week, tightening aggressively for a third straight month as it steps up efforts to rein in inflation.

Source: fibre2fashion.com– Nov 04, 2023

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Global sustainable apparel market to reach US $ 20.51 billion by 2030

According to SNS Insider report, the sustainable apparel market is projected to reach US $ 20.51 billion in 2030 from US $ 10.22 billion in 2022, exhibiting a CAGR of 9.1 per cent during the forecast period spanning from 2023 to 2030.

Sustainable apparel, also known as eco-friendly or green clothing, is clothing items that are designed, manufactured, distributed and utilised in the most environmentally responsible manner. The central goal is to minimise the adverse impact on the environment, conserve energy resources and foster social responsibility, all while offering consumers top-notch, stylish clothing.

The report says that one of the primary reasons propelling the sustainable apparel market's expansion is the growing consumer awareness of environmental concerns and social responsibilities.

This heightened consciousness has generated a substantial demand for sustainable apparel, compelling manufacturers to produce more eco-conscious clothing lines. Technological advancements have revolutionised the production of sustainable clothing. Innovative techniques such as 3D knitting and digital fabric printing enable the efficient utilisation of materials.

North America, Europe and the Asia-Pacific region are all experiencing a growing trend towards sustainable apparel, says the report, adding that, in the Asia-Pacific region, known for textile and garment production, countries like India and Bangladesh are gradually adopting sustainable practices to meet international demand.

Source: apparelresources.com– Nov 03, 2023

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Swiss textile machinery firms gear up for ITMA Asia + CITME 2022

Swiss machinery companies that serve the Chinese textile market are set to participate in the upcoming ITMA Asia + CITME 2022 in Shanghai. Around 15 members of the Swiss Textile Machinery Association are looking forward to seeing their many customers again—and meeting new ones—at the event.

China is among the world's biggest textile markets. The industry there has experienced substantial growth and evolution, becoming a hub for textile production, innovation, and consumption. Swiss machinery manufacturers adapted in the past to the specific market situation and are now ready and able to support the future goals of China's textile manufacturers, the Swiss Textile Machinery Association said in a press release.

In China, the textile industry is forward-looking and resilient with a healthy appetite for new technologies and a determination to keep its leading position. Sustainability is increasingly coming into focus, so there is a growing demand for recycling technologies, as well as automated solutions and digitalisation.

"China is the main market for a large number of our association members," said Cornelia Buchwalder, secretary general of the Swiss Textile Machinery Association.

Swiss companies realised many years ago that geographical proximity is the key to success. For example, Staubli has started to set up offices in Chinese cities since 1998 and counts 12 locations today, to serve the whole country. In 2002, Itema established a centralised local branch which today has 160 employees in various functions. Loepfe has expanded its presence by creating an independent local business unit to overcome the 9,000 km distance by air, while Uster Technologies has had a Chinese subsidiary since 1982, with offices and service stations in different provinces. Luwa set up its offices and workshop in Shanghai in 1997. Rieter established a presence in mainland China in 2005, driven by a strong commitment to expanding the country's know-how and expertise—and 10 years later opened an advanced research centre.

“We are firmly committed to delivering the cutting-edge technology and textile expertise to help the Chinese spinning industry stay at the forefront of innovation,” said Thomas Oetterli, CEO Rieter Group.

All Swiss companies with serious business goals in China have made similar commitments to connect with customers and maintain strong relationships. “Geographical proximity allows the companies to adopt a strong customer-centric approach and provide more effective local installation support, training, and field services to customers,” said Frank Naef, head of marketing, Loepfe Brothers.

Swiss companies also understand that Chinese customers require dedicated attention, and that speed is more essential than ever in delivering both machines and services.

China’s move towards self-sufficiency is a continuing trend. Staubli has developed local products for the Chinese market and built long-standing partnerships with many local companies. “The technical development of the partners goes hand in hand with our local competence, which we have built up in Hangzhou over the years,” said Fritz Legler, textile marketing officer at Staubli. Developments in new technology and automation are taking Chinese mills further into the digital age, with machinery incorporating intelligence and high engineering performance.

Manufacturers in China are seeking cost-effective solutions to remain competitive, while consumers are looking for value in their purchases. Companies need to develop solutions that provide tangible economic benefits to their clients. Furthermore, energy savings have become paramount in China, due to the government’s commitment to environmental sustainability and reduced carbon emissions.

“Businesses are adopting more energy-efficient processes and technologies to meet stringent energy conservation and emission reduction targets,” said Peter Schnickmann, managing director at Luwa Air Engineering (Shanghai). He noted an investment trend for solutions helping Chinese companies cut operational costs and minimise their carbon footprint.

To enhance the reputation of both companies and products—and boost the image of the entire industry—the environmental impact needs to decrease. Priorities are saving water and waste, as well as reducing, replacing, or completely eliminating the use of harmful substances. China has a strong demand for environmental-friendly solutions and sustainable technologies. “China is an important business partner for Benninger demanding salt-free dyeing solutions, water consumption figures, and modern dispensing systems,” said Rolf Erik Schoeler, head of sales and marketing at Benninger Group.

The huge number of Chinese fabric producers calls for an immense volume of weaving machinery to be supplied by international and local providers. Thanks to their customer-oriented approach, Swiss machinery manufacturers hold an impressive share of this business.

Chinese weavers require advanced technology, with increasingly higher standards of efficiency. Swiss Textile Machinery Association members meet these needs in many ways. In weaving preparation, latest solutions match the speed, quality, and reliability now wanted. Weaving machines too offer the eco-efficiency, performance, and ease of use needed, with innovations that extend the scope of sustainable weaving, and open-platform systems configurable to weavers’ specific operations.

It’s important to note that Swiss weaving machinery is appreciated both by major manufacturers and by the smaller companies who need both reliable equipment, as well as expert training and ongoing support.

A huge increase in demand for technical textiles in recent years has been driven by applications such as carbon fibre, aramid and glass fibre. “We will take the occasion of the upcoming ITMA Asia in Shanghai to host an event sharing know-how and experience on technical fabrics,” said Matteo Mutti, managing director at Itema Switzerland.

China’s competitive advantages come from its large-scale and integrated manufacturing capabilities, along with the use of advanced automation and digitisation technologies. Spinners aim to capitalise on extended market opportunities, with more economical production. The latest air-jet spinning machines serve these goals, allowing exceptionally low production costs per kilogramme of yarn, coupled with high flexibility and reliability.

Sustainable yarns are in great demand. Innovative systems from Swiss manufacturers enable spinners to produce fine, high-quality ring and compact yarns from challenging raw material. This holds true even with a relatively high proportion of mechanically recycled cotton fibres.

The automation trend in spinning mills focuses on connecting production processes. Data is used to ensure the highest quality standards, most efficient raw material usage, reduction of waste, and energy savings. To make spinning mills more competitive, latest solutions combine cutting-edge hardware, data-enabled software, and renowned textile expertise.

For many decades, Uster has been working to improve and extend growth and quality management practices in China. “We are happy to have contributed positively to the successes and the reputation of Chinese textile products,” said Sivakumar Narayanan, head of marketing and business development at Uster Technologies.

On top of growing consumer demand and technological capabilities, the latest ambitious five-year plan will drive further development of the Chinese textile industry in world markets, and Swiss companies will work with all stakeholders to enable its success.

Source: fibre2fashion.com– Nov 03, 2023

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Better Cotton revolutionises cotton sector with Traceability Solution

Better Cotton, the world's largest cotton sustainability initiative, has officially launched a first-of-its-kind traceability solution for the fashion and textile sectors. The solution has been developed over three years and will provide visibility of cotton's journey through the supply chain by logging stakeholder input on the Better Cotton Platform.

Alan McClay, Chief Executive Officer, Better Cotton, commented: "Traceability at scale for cotton will drive a seismic shift within our industry's supply chains.

Better Cotton's traceability solution is poised to help the industry deliver that shift. Never before has transparency been as imperative as it is now to our retail and brand members. We're grateful to every organisation that has helped shape the development of the Better Cotton Platform and stand committed to its constant improvement."

Katharine Beacham, Head of Materials and Sustainability at Marks & Spencer, said: "At M&S, 100% of the cotton we source for our clothing comes from more responsible sources, however, across the industry the global supply chain remains particularly complex. Since 2021, we have been proud partners working with Better Cotton to improve the traceability of cotton and we're delighted to be able to be part of this first-of-its kind solution which will enable us to track our cotton at scale along the supply chain."

The organisation has worked closely with a network of member retailers and brands, including H&M Group, Marks & Spencer, Walmart, Target, Bestseller, Gap Inc and C&A, to ensure that fashion companies can accurately trace and disclose the origin of raw materials, and comply with emerging regulations.

Click here for more details

Source: fibre2fashion.com– Nov 03, 2023

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Vietnam's exports continue to gain momentum as Q4 starts: HSBC

Vietnam witnessed a gradual turnaround in exports as the fourth quarter (Q4) started this year. Exports grew by almost 6 per cent year on year (YoY) in October, according to a recent report on the country by HSBC.

The bank feels this is a sign of the country being on track to recover from the global trade downturn.

Due to favourable base effects in the last two months of the year, the country's export growth is likely to accelerate, it noted.

This initiates a recovery in the trade sector that is expected to lift growth to 6-6.5 per cent next year, according to the government.

After private consumption saw some marginal improvements in Q3, retail sales continued to recover, growing by 7 per cent YoY, Vietnamese media outlets reported.

Inflation rose marginally in October by 0.1 per cent over the September figure—a YoY inflation print of 3.6 per cent.

HSBC expects inflation to remain well below the State Bank of Vietnam's 4.5 per cent ceiling. The bank's central case is for the central bank to hold its policy rate steady at 4.5 per cent.

The country's total goods retail sales and consumer service revenues increased by 9.4 per cent YoY in the first 10 months this year to more than $207.5 billion.

Source: fibre2fashion.com– Nov 04, 2023

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Bangladesh RMG manufacturers agree on higher minimum wage

Readymade garment (RMG) factory owners in Bangladesh have agreed to raise the amount of minimum wage they proposed earlier, without specifying how much will be the rise, according to Liaquet Ali Molla, chairman of the Minimum Wage Board.

The fifth meeting of the board was held recently in Dhaka, with representatives of both garment owners and workers being present.

The factory owners had earlier proposed Tk 10,400 as the minimum wage.

RMG workers have been demonstrating in the industrial belts of Ashulia and Gazipur for several days, demanding a minimum wage of Tk 20,393.

Source: fibre2fashion.com– Nov 04, 2023

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Bangladesh's Customs Act 2023 allows foreign currency floating rates

Bangladesh's new Customs Act 2023 recognises floating rates of foreign currencies and imposes a 10 per cent penal tax in case of delays in releasing goods from ports that affect businesses.

Under the floating exchange rate, the currency price of a nation is set by the forex market based on supply and demand relative to other currencies. The new law scrapped the previous Customs Act of 1969.

The customs authority will now determine the rates of penalty on customs-related offences based on gravity and frequency.

Stakeholder consultation has been made mandatory for any changes, amendments or framing any rules related to the new act, according to domestic media reports.

Best practices and trade facilitation steps as per international agreements and conventions of World Customs Organisation (WCO) have been incorporated in the new act.

Authorised economic operators, mutual recognition agreement, electronic declaration, electronic record keeping and payment, risk management, post-clearance audit and non-intrusive inspection are part of the new act.

It has also incorporated provisions to check money-laundering, terror financing and import-export of dangerous arms.

Source: fibre2fashion.com– Nov 03, 2023

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NATIONAL NEWS

FM Nirmala Sitharaman appreciates SBI for successfully launching direct Lankan-Indian Rupee trade

Union Finance Minister Nirmala Sitharaman on Friday appreciated the State Bank of India (SBI) for becoming the first foreign bank in Sri Lanka to successfully launch a pathbreaking direct Sri Lankan Rupee-Indian Rupee trade. Sitharaman, who is on a three-day official visit to the crisis-hit island nation, along with P.S.M. Charles, the Governor of Northern Province, inaugurated the second SBI branch in Jaffna.

SBI Chairman Dinesh Khara and Gopal Baglay, India's High Commissioner to Sri Lanka, were also present during the event.

"The Union Finance Minister appreciated that SBI became the first foreign Bank in Sri Lanka to successfully launch pathbreaking direct LKR-INR trade," the ministry said on X.

"This initiative has gained momentum and found currency among local corporates, besides giving vital support to the Sri Lankan economy by giving an option to importers of Sri Lanka without dependency on the US Dollar," the ministry said.

"Being the oldest bank in Sri Lanka, SBI is steadily scaling up its remittance services by leveraging a strong digital platform, which includes the SBI Sri Lanka YONO app and online banking, alongside its traditional in-branch operations," it said.

Sitharaman noted that the branch at Jaffna would cater to emerging business potential in the Northern Provinces of Sri Lanka.

The finance minister had inaugurated another SBI branch in Trincomalee on Thursday.

During her visit to Sri Lanka, Sitharaman met President Ranil Wickremesinghe and also called on the powerful Buddhist clergy in the central town of Kandy.

Sri Lanka is a predominantly Buddhist nation.

She also met Prime Minister Dinesh Gunawardena and leaders of the Indian-origin plantation community.

The finance minister also visited Jaffna Cultural Centre and Jaffna Public Library during the last day of her official visit to Sri Lanka on Friday, the Ministry of Finance said on X.

The foundation stone of the Jaffna Cultural Centre building was laid by Prime Minister Narendra Modi in March 2015, during the first such visit by an Indian Prime Minister to Jaffna.

The Jaffna Cultural Centre, a state-of-the-art facility to foster arts and promote cultural pursuits in the Northern Province of Sri Lanka, is built with Indian grant assistance of USD 12.6 million.

During the visit to the India corner at the Jaffna Public Library, Sitharaman paid her respects to the former President of India, Dr. A.P.J. Abdul Kalam, and Tamil poet and philosopher Thiruvalluvar, the ministry said.

Sitharaman was in the island nation to participate as the Guest of Honour in 'NAAM 200', organised by the Government of Sri Lanka on Thursday, to commemorate the 200th anniversary of the arrival of Indian-origin Tamils to the island nation.

Source: economictimes.com– Nov 03, 2023

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UK PM Rishi Sunak, Modi discuss Israel-Gaza conflict, FTA progress

British Prime Minister Rishi Sunak spoke to Prime Minister Narendra Modi on Friday afternoon during which both leaders discussed the need to de-escalate tensions and the importance of protecting innocent civilians in the Israel-Gaza conflict, Downing Street said.

The phone call centred around the situation in the Middle East but also covered bilateral ties and the progress being made towards an ambitious deal in the ongoing India-UK free trade agreement (FTA) negotiations.

The leaders discussed the deeply distressing situation in the Middle East and condemned Hamas's attacks on Israel, said a Downing Street spokesperson in a readout of the call.

They reiterated that Hamas did not represent the Palestinian people and reflected on the need to de-escalate tensions in the wider region. The Prime Minister (Sunak) also underscored the importance of protecting innocent civilians in Gaza and ensuring aid was able to flow into the country, the spokesperson said.

Turning to the friendship between the UK and India, the leaders discussed recent progress on free trade agreement negotiations. They agreed on the importance of securing an ambitious deal that benefitted both sides, the spokesperson said.

Cricket fan Sunak also congratulated Modi on Team India's winning streak in the World Cup and expressed the hope that England would have better luck in their Test series against India, scheduled for the New Year. Finally, the leaders discussed the ongoing Cricket World Cup being held in India. The Prime Minister (Sunak) congratulated Modi on the strong performance of the Indian team and said he hoped England would have more luck during their test series in India in January, the spokesperson added.

The UK and India have been negotiating an FTA since January last year and there has been growing speculation around an agreement being clinched in the coming weeks, with an expected second Sunak visit as UK prime minister to India after the G20 summit in September.

According to official UK government figures, bilateral trade with India was worth an estimated GBP 36 billion in 2022 -- a figure expected to be significantly enhanced with an FTA.

Source: business-standard.com– Nov 03, 2023

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DPIIT conducts PM GatiShakti Webinar with States/UTs and Line Ministries/Departments

To review the status of PM GatiShakti adoption and discuss the way forward for District/Local level adoption of PM GatiShakti principles for infrastructure planning, a webinar with the Senior Officials from States/UTs and Ministries was held today by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry.

The agenda of the Webinar included the following: Demonstration of the PM GatiShakti National Master Plan (NMP), by DPIIT & BISAG-N; Interaction with the States / UTs for adoption of PM GatiShakti NMP at district/local level in urban and rural areas; and Sharing of experiences by select infrastructure line Ministries with objective of promoting cross-learnings and synergizing with State level infrastructure networks.

In his opening remarks, Secretary DPIIT, Shri Rajesh Kumar Singh remarked on the unique GIS-based platform and potential of PM GatiShakti as a universal planning tool across Ministries/Department and States/UTs.

He emphasized on percolating the visionary PM GatiShakti program at District/Urban local bodies/Block level as the next phase, with a focus on the Area Development principles.

Special Secretary (Logistics), DPIIT, Smt. Sumita Dawra highlighted the revolutionary digital infrastructure planning that has led to evaluation of more than 300 projects of Central Ministries and States/ UTs worth Rs. 11.98 Lakh Crores (USD 143.92 Bn).

Further, over 200 projects of States worth Rs. 5496 Crores (USD 660 Mn) have been recommended for improving logistics infrastructure. She emphasized on encouraging cross-learning on the development of tools and use cases by the Ministries/Departments and States/UTs; District outreach programs to adopt PM GatiShakti principles to bring its benefits upto the grass-root level i.e. District/Urban local bodies/Block level; and Capacity building through institutionalizing regular courses on PM GatiShakti in State Administrative Training Institutes.

To promote wider usage of PM GatiShakti, the Special Secretary (Logistics) asserted that States/UTs should leverage local remote sensing agencies/space agencies for the development of geo-tagged data and conduct regular meetings of the institutional mechanisms under PM GatiShakti, and integrate Area-Development principles with infrastructure planning for holistic development.

States and UTs highlighted their progress in mapping infrastructure projects and developing implementation plans for social welfare schemes using the PM GatiShakti. They also highlighted the need for training of State officials to which BiSAG-N agreed to provide continuous support.

Over 650 officials from State/UTs, Central Ministries/Departments and Resident Commissioners of States attended the Webinar, covering all 36 States/UTs, infrastructure and social sector Deptts/Ministries and BISAG-N.

Source: pib.gov.in– Nov 03, 2023

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Growing Role of Indian Textile Industry in the Global Economy

With a market value exceeding $100 billion, the Indian textile and apparel industry has carved a niche for itself in the international economy. This dynamic sector has opened direct and indirect job opportunities for over 45 million people and contributes 14 per cent to India's industrial output.

The change of this industry from an unorganised sector to a well-structured one, brought by big textile conglomerates has carved the path for extraordinary opportunities for brands focusing on quality products. Let us understand the increasing role of the Indian textile industry in the global economic scenario and the factors powering its remarkable growth.

India Emerges as a Textile Powerhouse

India has unwaveringly built itself up as a global leader in the textile world and has become the second-largest producer of cotton, silk, and multimode fibre. Besides, it boasts a powerful position in jute production, accounting for roughly 70 per cent of the global output. This competence extends to its vertically integrated production base, second only to China, which includes weaving, spinning, garmenting, and processing. This all-inclusive value chain reinforces India's leadership in the global textile industry.

India's Robust Growth Prospects

India, standing as one of the quickest-growing economies in the world has opened doors for the world to discover its industrial prowess. The country is on a road to accomplishing a $5 trillion economy by 2027, and the textile industry plays a key role in this journey.

Government programmes like 'Make in India' and 'Atmanirbhar Bharat' have contributed to backing up domestic manufacturing and furthering exports. With copious raw materials and strong spinning and weaving capacities, India aims to achieve a remarkable 9.6 per cent compound annual growth rate (CAGR) to reach a market value of $ 250 billion by 2030.

Driving Factors for Growth

Several key factors are acting as growth drivers for India's textile industry. The rising demand for textile products, particularly in the post-COVID era, along with advances in the e-commerce sector and growing customer preferences, are influencing the industry's course. Also, modernisation in technology, engaging customer experiences, and sustainability practices are set to define the road ahead of retail business.

The 'China Factor' has also played a noteworthy role in India's textile growth story.

recent US ban on Xinjiang cotton has shifted the attention of buyers to other countries providing new opportunities for India in the global market. Moreover, the expected increase in per capita income is bound to boost domestic sales and manufacturing.

Growth Rate and Exports

As reported by the Confederation of Indian Industry (CII), the Indian textile industry exports are projected to cross $ 185 billion by year 2025. Increase in cotton farming, production through industrial expansion will give a boost to the sector.

Other factors such as growing demand for lifestyle products, and the expansion of e-retail and organised retail in smaller towns and rural areas will also add to the growth of textile industry. This upward trajectory will create more jobs and attract substantial investments in the sector.

India's textile and garment exports have been consistently growing, solidifying its position as one of the leading textile exporters globally. The industry exports a wide range of products, including fabrics, cotton textiles, yarn, and ready-made garments, with the United Arab Emirates, the United Kingdom, and the United States and many European countries being the major export destinations.

Several textile technology companies are setting up their new manufacturing facilities, research and development centres in India which also shows a lot of possibilities for India to achieve and grow.

Promoting 'Brand India'

India's abundant raw materials, including cotton, jute, silk, and wool, coupled with the world's second-largest spinning and weaving capacity, provide an exceptional opportunity for domestic value addition. The industry is committed to promoting 'Brand India' on a global platform, emphasising sustainability, circularity, ethical sourcing, labour standards, and women's empowerment through employment.

The recent Kasturi Cotton initiative will also play a significant role in boosting the textile exports of India and provide opportunities for Indian industries and farmers to sell cotton and textiles at premium prices. With more quality certification and 100 per cent traceability of cotton, brand Kasturi will help bringing a textile revolution in India and add to the economic growth of the country.

Conclusion

The Indian textile industry is a major contributor to the country's economy and has seen exponential growth over the last decade. With supportive government policies, availability of skilled workforce, and technological progress, the industry is confident in its ability to sustain success. Its potential to create more job prospects and increase exports makes it a key player in India's economic growth. As India's textile industry continues to progress, it is expected to leave an even more significant mark on the global podium.

Source: fibre2fashion.com– Nov 03, 2023

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GST: FinMin launches amnesty scheme for filing appeals against demand orders

The finance ministry has come out with an amnesty scheme for filing appeals against Goods and Services Tax (GST) demand orders. The scheme, which will be open till January 31, 2024, will be available for entities that were unable to submit their appeals against orders issued by the tax officer on or before March 31, 2023, according to the Central Board of Indirect Taxes and Customs (CBIC).

The CBIC issued a notification with respect to the scheme on Thursday.

So far, the GST law allowed an assessee to file an appeal against an assessment order seeking taxes within three months of the tax officer passing such a demand order. This can be extended by one more month.

In its last meeting on October 7, the GST Council had approved this amnesty scheme for filing appeals. The entities willing to avail of the scheme will have to pre-deposit 12.5 per cent of the tax demand, against 10 per cent currently.

The move will facilitate a large number of taxpayers, who could not file an appeal in the past within the specified time period.

AMRG & Associates Senior Partner Rajat Mohan said the scheme would be a lifeline for those who might have missed the appeal deadline due to administrative errors or unforeseen circumstances.

This initiative can also promote enhanced compliance among taxpayers. By offering a fair and lenient approach to appeal filing, it encourages better cooperation with tax authorities and a willingness to resolve disputes or clarify tax matters.

"Additionally, by allowing disputes to be resolved more efficiently, the scheme may reduce the burden on the legal system. This benefits both taxpayers and the tax administration by streamlining the appeal process and potentially reducing the need for prolonged litigation," Mohan added.

Source: economictimes.com– Nov 03, 2023

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Centre notifies amnesty scheme allowing filling appeal under GST till January 31, 2024

The government has notified the Amnesty scheme allowing taxpayers under goods and services tax (GST) to file an appeal against the tax order till January 31, 2024 with certain riders.

The scheme is for those taxpayers who could not file it for technical or administrative reasons.

The amnesty scheme also encompasses taxpayers whose appeals were previously rejected solely due to the failure to meet the specified time limits as defined in section 107.

In a detailed notification issued Tuesday, the central Board of Indirect Taxes and Customs (CBIC) said that to file an appeal, appellant has to partially pay the penalty or interest out of disputed order, have to pay 12.5% of the disputed tax amount or Rs 25 crore out of which 20% payment has to be done via electronic cash ledger.

This is 2.5% higher than the current pre deposit of 10% required to file an appeal.

The law specifies that no refund shall be granted on account of this notification till the disposal of the appeal.

"no appeal shall be filed under this notification, unless the appellant has paid in full, such part of the amount of tax, interest, fine, fee and penalty arising from the impugned order, as is admitted by him," the notification says.

Also no appeal under this notification shall be admissible in respect of a demand not involving tax, it says.

The move was approved by the GST Council in its last meeting, keeping in mind a large number of appeals pending in various high courts.

As many as 14,227 appeals against disputed tax demands raised by Central GST authorities are pending as of June 2023, Parliament was informed on August 7.

In the absence of appellate tribunals, taxpayers aggrieved with the ruling of tax authorities were required to move the respective High Courts.

"This scheme would be a lifeline for those who might have missed the appeal deadline due to administrative errors or unforeseen circumstances," Rajat Mohan, senior partner, AMRG & Associates.

"Additionally, by allowing disputes to be resolved more efficiently, the scheme may reduce the burden on the legal system," he added.

Source: economictimes.com– Nov 03, 2023

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India's forex reserves rise by $2.58 bn to $586.11 bn, shows RBI data

India's foreign exchange reserves increased by USD 2.579 billion to USD 586.111 billion in the week ended on October 27, the Reserve Bank of India said on Friday.

In the previous reporting week, the overall reserves had dropped by USD 2.363 billion to USD 583.532 billion.

In October 2021, the country's forex kitty had reached an all-time high of USD 645 billion. The reserves took a hit as the central bank deployed the foreign currency reserve to defend rupee amid pressures caused majorly by global developments since last year.

For the week ended October 27, the foreign currency assets, a major component of the reserves, increased by USD 2.303 billion to USD 514.504 billion, according to the Weekly Statistical Supplement released by the RBI.

Expressed in dollar terms, the foreign currency assets include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

Gold reserves were up by USD 499 million to USD 45.923 billion during the week, the RBI said.

The Special Drawing Rights (SDRs) were down by USD 15 million to USD 17.91 billion, the apex bank said.

India's reserve position with the IMF was down by USD 208 million to USD 4.773 billion in the reporting week, the central bank data showed.

Source: business-standard.com– Nov 03, 2023

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Central and T.N. governments look at measures to support ESG compliance by textile units

The Central government has appointed a consultant to prepare a report on the requirements and measures taken by apparel and textile units on Environment, Social and Governance (ESG).

A delegation of the Tiruppur Exporters Association met Joint Secretary Prajakta L Verma in New Delhi on Friday and explained the initiatives taken by the industry in Tiruppur. This included operation of common effluent plants for zero liquid discharge, investments in renewable energy, planting of saplings, and heading towards carbon neutral status.

The industry said with European Union announcing that 50% textile imports by 2030 should meet the ESG norms, competing countries such as China and Bangladesh were taking several measures.

The Indian government should organise meetings in major cities in the US and EU and explain the initiatives taken by the Tiruppur cluster, should announce separate HS code for garments that meet the ESG norms, and provide subsidies to companies to be competitive in the international market while investing in ESG initiatives.

The Joint Secretary had assured to look into the demands, the association said.

The Ministry was studying the steps taken in different clusters, was encouraging sharing of information and best practices, and mulling measures such as quality standards for recycled fibre, an official source told The Hindu.

The Tamil Nadu government was preparing a textile policy and was considering measures to ensure ESG compliance by the textile units. A clear picture will be available only when the policy is finalised, said an official in the Ministry of Handlooms and Textiles in Tamil Nadu.

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India's labour scene is changing

India has traditionally been recognised as an economy with low labour force participation (especially women), with many resorting to agriculture or allied activities. To give context, when compared with its counterparts like China, the UK, Brazil, Germany, Russia, South Korea, or the US — where labour force participation rates (for persons of age 15 years and above) have been in the range of 60-65 per cent — India has remained in the 50-55 per cent category (like South Africa).

However, the recent release of the annual estimates of the PLFS 2022-23 suggests some changes that have been taking place in the labour situation in India. The labour force participation rate (LFPR) for population in age group 15 years and above has increased from 49.8 per cent in 2017-18 to 57.9 per cent in 2022-23. Since LPFR includes both the employed and unemployed, one can argue that this increase might be only due to an increase in unemployed people. But that is not the case. The two other indicators from PLFS indicate that the worker population ratio (WPR) has increased from 46.8 per cent to 56 per cent and the unemployment rate has declined from 6 per cent to 3.2 per cent during the same period. This augurs well for the economy and ensuing positive changes.

Another often cited argument has been about agriculture continuing to remain a major job provider in the country. The present PLFS further confirms that agriculture is the largest employer of the workforce — employing almost 45 per cent of workers — but its share is slowly declining in favour of non-agricultural sectors, especially post Covid. For instance, while the percentage of workers in the construction sector has increased from 12.1 per cent to 13 per cent from 2021-22 to 2022-23, the percentage of workers in the manufacturing sector has increased from 10.9 per cent to 11.4 per cent. These changes are indicative of sectoral changes taking place in labour market, though in small measure. These trends must be watched for a longer period.

One should not just look at the increase in labour force participation, but also the quality of jobs that are being created. In other words, it is critical to analyse where the increased participation is being manifested. The percentage of self-employed persons has increased from 52.2 per cent in 2017-18 to 57.3 per cent in 2022-23, whereas the percentage of regular wage employed persons decreased from 22.8 per cent to 20.9 per cent.

Viewed from a gender lens, it also seems that majority of the increase amongst self-employed has been amongst women since self-employment rate amongst women increased from 51.9 per cent to 65.3 per cent; amongst men, this rate increased only from 52.3 per cent to 53.6 per cent. This can be due to factors like greater flexibility of working hours in self-employment and increased entrepreneurial spirit among women, something that requires further analysis.

It has been argued at various fora that formalisation of Indian economy has been taking place at a much faster pace in the last 10 years. However, in contrast the results from PLFS indicate that the percentage of workers engaged in proprietary and partnership enterprises have increased from 68.2 per cent to 74.3 per cent from 2017-18 to 2022-23. In a country where we aspire for more formal jobs, a reverse trend is being witnessed where informality is increasing over time.

The ILO report (2018), ‘Women and men in the informal economy: A statistical picture’, notes that informality is pervasive. However, as compared to developed countries in Europe and Americas — where about 25 per cent and 40 per cent employment is informal — developing counterparts like Asia and Pacific (with 68 per cent informal employment) have a much larger informal employment base. Therefore, while increasing the overall number of jobs is crucial, its quality cannot be overlooked.

This is not to suggest that all jobs that are being generated should belong to the formal sector, but a larger share of formal sector employment would be a better indication of overall improvement in the conditions of employment.

The country has made some progress since the percentage of salaried employees in the usual status category having no written job contract has reduced from 71.1 per cent in 2017-18 to 58.6 per cent in 2022-23.

Paid leave

Further, employees not eligible for paid leave(s) have also reduced from 54.2 per cent to 46.8 per cent during the period. However, the percentage of employees without any social security benefits has increased from 49.6 per cent to 53.9 per cent.

One of the key focus areas for the government should be to extend the coverage of social security benefits beyond regular wage workers to casual and self-employed persons. This can include extending the coverage of Ayushman Bharat Yojana for health benefits, Pradhan Mantri Jeevan Jyoti Bima Yojana for insurance coverage, and Atal Pension Yojana for pensionary benefits, the three most important social security schemes of the present government which ensure dignity of labour specially to those in the unincorporated sector.

Additionally, it should be kept in mind that increasing formal employment should not inhibit creation of informal employment. In other words, formality should be induced; not perforce since the objective is to maximise value-added and ensure participation of every willing person in productive employment. The government has taken various initiatives both at the enterprise and the employment level to encourage the process of formalisation through creation of Udyam portal, GST, e-way bills, e-shram portal, or other related efforts towards digitalisation.

PLFS is an important and critical source of information of labour market, but a holistic understanding can be developed when these results are supplemented by results from other surveys like annual survey of unincorporated sector enterprises, survey on incorporated organised services along with timely release of results of annual survey of Industries. All these data sets would be immensely useful in understanding the transition taking place in the economy and can help in planning interventions to make India a developed economy by 2047.

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