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Apparel INDIA

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Bihar Textile Investors Meet attracts ace RMG exporters to the state

Texworld Apparel Sourcing, Paris

14th edition of ITTF, Tokyo

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Dear Friends,

After a few months of consolidation in this fiscal, the Indian RMG industry is showing a positive sign. The recovery and growth patterns visible, this rebound in exports is on the back of lower cotton prices, decline in inventory levels, and government boost to the industry through its support measures.

The RMG exports for the month of June 2024 has increased by 3.7 % as compared to June 2023. cumulative RMG exports for the period April-June 2024-25 is USD 3849.7 mn. showing a growth of 4.2% over April-June 2023-24.

Two support which the RMG industry has been desperately looking forward to is including garments under PLI and signing FTAs with the UK, which will boost RMG exports in a big way for sure.

The month of July has been particularly hectic yet very productive. AEPC took a top RMG Exporters delegation to Patna, Bihar during the Textiles Investors Meet which was quickly followed by the Council's participation in an international fair in Japan. AEPC also participated in Texworld Apparel Sourcing Fair in Paris, France.

Bihar Textiles Investors Meet saw some of the big Industrialists and exporters of the Garments Industry visiting the state. Shri Giriraj Singh, Union Textiles Minister & Shri Vijay Kumar Sinha, Deputy Chief Minister Bihar, Shri Nitish Mishra, Industry Minister of Bihar, Smt. Rachna Shah, Secretary Textiles, Ministry of Textiles graced the occasion. The industrialists lauded the Textile Policy of Bihar, which is one of the best in the country. Ace RMG exporters of the country also went for the cluster visit a day prior to the Investors Meet and saw the facilities in operational factories at Muzaffarpur, Bihar.

As per the media reports 22 investment proposals have been made during two days of the Meet. The Union textiles minister Giriraj Singh said that the Centre has accepted a few demands of the state, including handloom and handicraft centres in Gaya and Bhagalpur; handloom and silk-special *infrastructure projects for Bhagalpur, Nawada, Nalanda and Patna, and another NIFT for the state. The focus was also on developing Begusarai and other places as textile clusters after the development of Bettiah, the Hon'ble Minister announced.*

AEPC participated in the 14th edition of India Tex Trend Fair with the highest number of RMG exporters. The Council pitched for increasing RMG exports, banking on sustainable quality and filling the gaps left by competing countries during the three days of the fair. The India Tex Trends Fair was inaugurated in Tokyo, Japan by Shri Sibi George, Ambassador of India to Japan in presence of Mr. Ishii Taku, Vice Minister of Economy, Trade and Industry, Government of Japan, Mr. Yoshitaka Sasakawa, Advisor, Japan India Industry Promotion Association (JIIPA), senior AEPC functionaries, other dignitaries and representatives from apparel brands, retail chains, etc. ITTF saw participation from prominent Japanese buyers and retail chains. The AEPC delegation met CEO/ top level management of the big Japanese companies/ brands and retail chain during the visit. This issue has a detailed report on it.

AEPC participated in the Texworld Paris with more than 30 exhibitors held in Paris. Fair was inaugurated by Mr. Javed Ashraf, Indian Ambassador to France. We apprised the Ambassador about the changing scenario of the Indian garment industry and the vision of India with respect to enhancing trade with France. Diversification of Indian RMG to MMF with support from PM MITRA/PLI was also discussed. The Indian Ambassador expressed his appreciation for efforts made by AEPC to boost RMG exports.

This month also saw the announcement of the Union Budget for 2024-25. This budget underlines the progressive vision of the government for holistic growth and roadmap to reach Vikshit Bharat. We in the garment industry are happy that some of our demands, particularly in regard to expansion of the list of trims and embellishment under IGCR was accepted, which will help the RMG industry thrust exports.

The enhancement of limit under credit guarantee scheme for MSMEs in manufacturing sector, grant of one month wage to new entrants in all formal sectors up to Rs 15,000, EPFO contributions for new manufacturing employees for four years, incentives for setting up of women hostels, dormitories and crèches and upgrading the industrial training institutes will help the garment industry scale up and be future ready. Enhanced support to Cotton Corporation of India will help stabilize the cotton prices.

Post Budget, AEPC hosted a panel discussion at Apparel House, Gurugram in hybrid mode to analyze the 2024-25 budget and its implications for the textiles and apparel industry. The session which engaged industry, academia and domain experts. The session analysed in detail the hits and misses for the economy in general and apparel sector, in particular. The esteem panelists included: Shri Ram Singh, Professor, Indian Institute of Foreign Trade (IIFT), Shri Parthsarathi Jha, Partner - Competition Law & Policy | International Trade & Customs, Economic Laws Practice (ELP), Dr. Rudrani Bhattacharya, Associate Professor, National Institute of Public Finance and Policy (NIPFP), Dr. Sangeeta Ghosh, Assistant Professor, Institute for Studies in Industrial Development (ISID), Shri Priyesh Ranjan, Senior Director, Sales & Partnerships - India, Stenn Technologies, Shri Karanjot Singh, Partner - Lakshmikumaran & Sridharan (LKS) and Ms Shweta Walecha, Director - Lakshmikumaran & Sridharan (LKS).

The panelists deliberated on the budgetary measures critical to sustaining and enhancing India's apparel exports amidst global challenges.

In the quest to make the RMG industry future ready, the Apparel, Made-Ups & Home Furnishing Sector Skill Council in partnership with the Buledesign Technologies will be hosting the ESG awareness programme in seven cities of India. I appeal to the member exporters to participate in huge numbers and benefit from the discourse.

The council will be participating in Sourcing at Magic in Las Vegas, USA in August. Please participate in large numbers and benefit from the improved market sentiments in the USA market.

Wishing you all a good business.

Please keep sharing your valuable suggestions at *chairman@aepcindia.com*

Sudhir Sekhri
Chairman AEPC

India's digital economy to make up 1/5th of GDP by 2026: RBI

India is leading the digital revolution, the report stated. The country has not only adopted financial technology by accelerating digital payments but has also embraced India Stack, which includes biometric identification, the Unified Payments Interface (UPI), mobile connectivity, digital lockers, and consent-based data sharing.

India's digital economy is expected to make up a fifth of GDP by 2026, up from the current one-tenth, according to a Reserve Bank report released . In the foreword of the 'Report on Currency and Finance (RCF) for the year 2023-24', Reserve Bank Governor Shaktikanta Das highlighted that digitalisation in finance is paving the way for next-generation banking and improving access to financial services at an affordable cost.

India is leading the digital revolution, the report stated. The country has not only adopted financial technology by accelerating digital payments but has also embraced India Stack, which includes biometric identification, the Unified Payments Interface (UPI), mobile connectivity, digital lockers, and consent-based data sharing. The digital revolution is enhancing banking infrastructure and public finance management systems, covering both direct benefit transfers and tax collections, the report said. Vibrant e-markets are emerging and expanding their reach.

"It is estimated that the digital economy currently accounts for a tenth of India's GDP; going by growth rates observed over the past decade, it is poised to constitute a fifth of GDP by 2026," the report said.

Several factors have come together to drive this revolution. Internet penetration in India reached 55 per cent in 2023, with the internet user base growing by 199 million over the past three years. India's cost per gigabyte of data is the lowest globally, averaging Rs 13.32 (USD 0.16) per GB. The country also has one of the highest mobile data consumption rates in the world, with an average per-user per-month consumption of 24.1 GB in 2023.

RBI Governor stated that the flagship UPI has transformed the retail payment experience, making transactions faster and more convenient. In the digital currency sector, RBI is leading with pilot runs of the e-rupee, the central bank digital currency. The digital lending ecosystem is becoming vibrant with initiatives like the Open Credit Enablement Network, Open Network for Digital Commerce, and the Public Tech Platform for Frictionless Credit.

Fintechs are collaborating with banks and non-banking financial companies as lending service providers and operating platforms for digital credit. BigTechs are supporting payment apps and lending products as third-party service providers.

"Digitalisation in finance is paving the way for next-generation banking; improving access to financial services at affordable costs; and enhancing the impact of direct benefit transfers by effective targeting of beneficiaries in a cost-efficient manner," Das said.

The RBI Governor highlighted that retail loans are being facilitated by online payments and innovative credit assessment models with instant disbursements. E-commerce is also benefiting from embedded finance. He stated that these innovations are making financial markets more efficient and integrated.

However, Das warned that digitalisation poses challenges related to cybersecurity, data privacy, data bias, vendor and third-party risks, and customer protection. Increased interconnectedness may lead to systemic risks, and emerging technologies can introduce complex products and business models that users may not fully understand, including fraudulent apps and misselling through dark patterns.

The report noted that digitalisation is transforming India's financial sector by changing how financial institutions operate and interact with customers. While digitalisation offers several benefits, it also brings challenges like complex financial products, greater interconnectedness, cybersecurity risks, financial frauds, and customer protection, which have implications for macro-financial stability. These issues need to be addressed to fully realise the potential of financial digitalisation.

INDIA'S READY-MADE GARMENT (RMG)

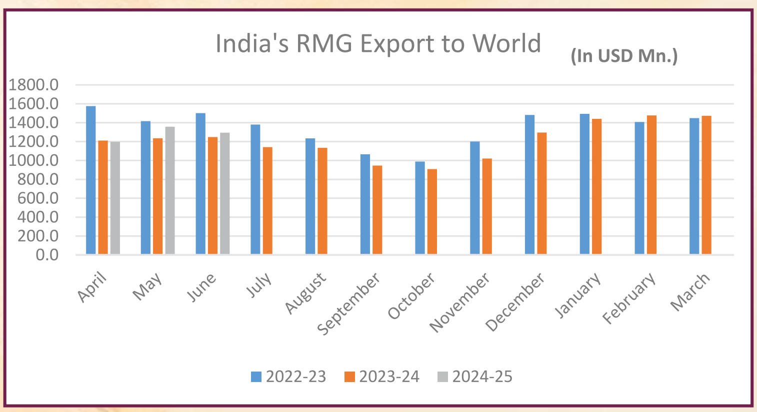
India's RMG Export to World

Month	(In US$ Mn.)			YoY Growth (%)	
	2022-23	2023-24	2024-25	2023-24 Over 2022-23	2024-25 Over 2023-24
April	1575.5	1210.9	1198.4	-23.1	-1.0
May	1415.9	1235.8	1357.4	-12.7	9.8
June	1501.7	1248.0	1293.9	-16.9	3.7
July	1381.1	1141.2		-17.4	
August	1233.9	1133.4		-8.1	
September	1066.0	946.3		-11.2	
October	988.7	908.8		-8.1	
November	1200.3	1021.2		-14.9	
December	1481.4	1295.3		-12.6	
January	1493.0	1441.3		-3.5	
February	1407.7	1476.3		4.9	
March	1448.3	1472.8		1.7	
Total	**16193.4**	**14531.2**	**3849.7**	**-10.3**	**4.2**

Note- 1) Data for the month of June 2024 is provisional data released on PIB by Ministry of Commerce on 15.07.2024
2) Sum of the value for (Apr-Jun) 2022-2023 is USD 4493.0 mn and (Apr-Jun) 2023-24 is USD 3694.6 mn. and (Apr-Jun) 2024-25 is USD 3849.7 mn.
3) Source: DGCI&S 2024; Compiled by the R&PA Department, AEPC

RMG exports for the month of June 2024 has increased by 3.7 % as compared to June 2023 and declined by 13.8 % as compared to June 2022.

Similarly, cumulative RMG exports for the period April-June 2024-25 is USD 3849.7 mn. showing a growth of 4.2% over April-June 2023-24 and a decline of 17.8 % over April-June 2022-23.



India's Index of Industrial Production (IIP)

Textiles & Wearing Apparel update for India's Index of Industrial Production (IIP) for the month of May in FY 2024-25

Month	Manufacture of Textiles		Growth Rate (In %)	Manufacture of Wearing Apparel		Growth Rate (In %)
	2023-24	2024-25	2024-25 over 2023-24	2023-24	2024-25	2024-25 over 2023-24
April	105.6	105.9	0.3	92.1	103.7	12.6
May	107.4	106.7	-0.7	112.2	123.2	9.8
June	107.8		-	120.1		-
July	108.5		-	103.9		-
August	106.9		-	97.6		-
September	107.8		-	102.4		-
October	109.0		-	98.5		-
November	103.7		-	93.0		-
December	112.4		-	112.8		-
January	111.2		-	118.2		-
February	105.7		-	125.4		-
March	109.3		-	143.1		-
Cumulative Index (Apr-May)	**106.5**	**105.6**	**-0.8**	**102.2**	**114.2**	**11.7**

Source: CSO,2024

* Figures for May 2024 are Quick Estimates

The growth rates over corresponding period of previous year are to be interpreted considering the unusual circumstances on account of COVID 19 Pandemic since March 2020

Compiled by the R&PA Department, AEPC

- ***Manufacturing of Textiles Index*** *for the month of May, 2024 is 106.7 which has declined by 0.7 % as compared to May, 2023.*
- *Manufacturing of Textiles Index for the financial year 2024-25 is 105.6 which has declined by 0.8 % as compared to the year 2023-24.*
- ***Manufacturing of Wearing Apparel Index*** *for the month of May, 2024 is 123.2 which has increased by 9.8 % as compared to May, 2023.*
- *Manufacturing of Wearing Apparel Index for the financial year 2024-25 is 114.2 which has shown a growth of 11.7 % as compared to the financial year 2023-24.*

AEPC participated in 14th edition of India Tex Trend Fair with the highest number of RMG exporters

Council bats for increasing RMG exports, banking on sustainable quality and filling the gaps left by competing countries

The 14th edition of the India Tex Trends Fair was inaugurated in Tokyo, Japan by His Excellency Shri Sibi George, Ambassador of India to Japan in presence of Mr. Ishii Taku, Vice Minister of Economy, Trade and Industry, Government of Japan, Mr. Yoshitaka Sasakawa, Advisor, Japan India Industry Promotion Association (JIIPA), senior AEPC functionaries, other dignitaries and representatives from apparel brands, retail chains, etc.

Delivering his inaugural address Shri Sibi George said, "I congratulate Apparel Export Promotion Council (AEPC) and Japan India Industry Promotion Association (JIIPA) for the exemplary effort in organising this biggest apparel fair in Japan. Under the India- Japan Strategic partnership there are 1500 success stories and my target is to take this number to 15,000. For this to happen, we need a quantum leap and textiles is one important sector which can help us achieve this growth."

Shri Sudhir Sekhri, Chairman AEPC in his address stated that, "Seven years ago we came with 70 exhibitors. This year we have 250 exhibitors from India; this is due to the collaborative effort of JIIPA and AEPC. We have come here with two objectives, first to increase RMG export from India to Japan and second to encourage and invite investment in the Indian RMG sector."

Further, Chairman AEPC stated "I am happy to share that Indian garment factories are by and large ESG compliant. Indian garment factories are going high on usage of renewable energy, adoption of solar energy, zero liquid discharge, etc. India has come out with its own cotton brand in the name of Kasturi which would enable our global customers to track the entire textile value chain via traceability managed through block chain technology. Finally, we have the capacity to cater to all kinds of orders, big and small, from small size customised orders to large orders. My message, in nutshell, is that India is now ready to cater to markets like Japan and I am confident that with deeper engagements of our bilateral apparel trade will grow exponentially, he added.

Speaking on the thrusting garment export Shri Mithileshwar Thakur, Secretary General AEPC said, "Out of the total global garment import of USD 23 billion by Japan, India's share is just one per cent. We foresee a strong business opportunity in Japan. India is an emerging economic powerhouse and is well poised to fill the gap created by the declining share of China in the Japanese market considering the fact that India has intrinsic strength in terms of fibre availability, minimal import dependence, presence of complete value chain in each fibre, demographic dividend, range and variety of Indian apparel offerings, renewed focus on quality & ESG compliance, industry-friendly textile *policies of the central and state governments combined with ever improving business ecosystem." After having established itself in traditional garments, the Indian apparel industry has now moved into newer areas of MMF garments, the Secretary General AEPC added.*

With Indian apparel having duty free access to Japan under Indo-Japan CEPA as against 9% duty for Turkey and 9.5% for China, it makes business sense for Indian RMG manufacturers and exporters to participate in ITTF and explore this promising market.

AEPC delegation had met with representatives of top brands and retail chains on the side-lines of this fair. Few of the prominent brands include- Fast Retailing Co. Ltd, Toray International Inc, World Co. Ltd, MN International, Adastria Co. Ltd, etc. This article contains the detail report on these meetings.

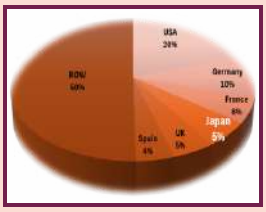
ITTF in three days saw participation of prominent Japanese buyers and retail chains. Some of the iconic Japanese brands which includes Sumitomo Corporation, MUJI, Toyoshima, Marubeni, Mitsubishi, Koyo trading, United Arrows, MYK Fashion, etc. visited the show. Indian exhibitors from across the country displayed a diverse range of Indian RMG across various categories including summer and winter collection.

AEPC TRADE DELEGATION TO JAPAN

PROGRAM REPORT

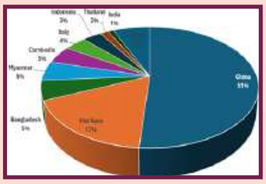
22nd-24th July 2024

JAPAN: POTENTIAL MARKET FOR INDIAN APPAREL



"Japan is the fourth largest country after the USA, Germany and France with imports of apparel into Japan ranging from 23 – 27 USD bn capturing the import share of approximately 5%. This makes Japan one of the focus market for Indian garment industry".

Existing garment suppliers to Japan



"Currently China captures major market share of almost 50% of total RMG imports into Japan followed by Vietnam (17%). Other minor players are Bangladesh, Myanmar, Cambodia and Italy. Indian RMG currently occupies less than 1% share in Japan".

CHINA'S FALL CAN BE INDIA'S OPPORTUNITY

Although China currently captures a major chunk of Japanese RMG import market, still the share of China over last five years has witnessed a decline from 56% to 50%. So far, the benefit of this decline has been exploited by Vietnam with a small jump from 15% to 17% and Bangladesh from 4% to 6%. Italy and Indonesia have been able to witness a slight increase during last 2 years. India's share has been declining.

Garment suppliers to Japan (values in USD mn)

Exporters	2019	2020	2021	2022	2023
World	27965.372	23953.982	23849.217	25303.472	23825.017
China	15882.233	13320.906	13901.966	13997.371	12219.893
Viet Nam	4314.29	3950.675	3454.592	4029.36	4130.056
Bangladesh	1168.627	1034.835	1166.897	1349.715	1259.308
Myanmar	1035.27	958.562	676.504	1099.546	1229.866
Cambodia	1146.864	1043.762	1107.09	1215.829	1128.129
Italy	870.096	713.117	703.745	744.858	922.118
Indonesia	1019.117	844.651	773.333	784.254	802.209
Thailand	493.223	396.348	355.942	372.553	348.498
India	278.554	222.99	224.569	235.817	230.706

Share of Garment suppliers to Japan: trend analysis

	2019	2020	2021	2022	2023	Trend
China	56.79	55.61	58.29	55.32	51.29	
Viet Nam	15.43	16.49	14.49	15.92	17.33	
Bangladesh	4.18	4.32	4.89	5.33	5.29	
Myanmar	3.70	4.00	2.84	4.35	5.16	
Cambodia	4.10	4.36	4.64	4.80	4.74	
Italy	3.11	2.98	2.95	2.94	3.87	
Indonesia	3.64	3.53	3.24	3.10	3.37	
Thailand	1.76	1.65	1.49	1.47	1.46	
India	1.00	0.93	0.94	0.93	0.97	

INDIA HAS THE POTENTIAL TO GROW IN JAPAN

Fall of China's share in Japan with India-Japan CEPA providing duty free access to Indian RMG into Japan has given excitement and hope to Indian garment manufacturers to capture a better share of Japanese imports which currently seems bleak. Additionally, the largest segment in the market is Women's Apparel. The trend in the Japanese apparel market is a strong emphasis on traditional craftsmanship and high-quality materials. Considering Indian RMG strength on women wear and rich craftsmanship, India holds a promising future in Japan.

AEPC TRADE DELEGATION: BACKGROUND

The visit of trade delegation coincided with 14th India Tex Trend Fair conducted during 23rd to 25th July 2024 at Shinjuku Sumitomo Building Triangle Square (2 Chome-6-1 Nishishinjuku, Shinjuku City, Tokyo 163-0290). Organised by AEPC with support from JIIPA with some representation from DC Handicrafts. Total of 201 garment companies from India had participated in the fair.

TRADE DELEGATION AGENDA

- *To explore the business prospects of Indian garment exports in Japan considering fall of Chinese garment exports in Japan.*
- *Interact with prominent trading companies currently sourcing from China and understand their basic issues and challenges towards diversifying their future sourcing from India supporting their China exit strategy.*
- *Present a strong case of Indian garment industry.*
- *Apprise about new government schemes supporting enhancement of production capacity.*
- *Strategizing means to strengthen quality compliances with support from Japanese counterparts.*
- *Measures taken by Indian garment industry towards being sustainable and compliant as per Japanese Standards.*
- *Explore possible investment opportunities from Japanese brands.*
- *Place AEPC as their one stop solution for any future sourcing needs from India.*

AEPC DELEGATES/COORDINATERS

1. *Mr. Sudhir Sekhri, Chairman*
2. *Mr. Premal Udani, Chairman -EP*
3. *Mr. Virendar Uppal , EC Member*
4. *Mr. Mithileshwar Thakur, SG*
5. *Dr. Tamanna Chatuurvedi, DSG*

Program Coordinators

1. *Dr. Saurabh Kumar, GM-R&PA*
2. *Mr. Sameer Pushp, GM-Media*
3. *Mr. Abhinandan Rajpal, GM-IT*

22nd July 2024: Meeting with Uniqlo


Uniqlo Co., Ltd. is a Japanese casual wear designer, manufacturer and retailer. The company is a wholly owned subsidiary of Fast Retailing Co., Ltd. founded in March 1949. Uniqlo opened a store in India in October 2019. The company will set up a wholly owned subsidiary in India. As of August 2021, there were 6 stores in India. (www.fastretailing.com)

MAIN DISCUSSION POINTS

Currently Uniqlo had 10 stores in India as against 900 across China. The team will be happy to enhance sourcing from India. Chairman AEPC explained about PM MITRA and PLI scheme along with Investment policy in Bihar. Uniqlo was happy to note new initiatives taken by Indian Govt towards enhancing Foreign Investments and holds paramount importance on QC. Uniqlo wanted to expand its sourcing from India not only for Japan but for the global market. They raised concern on India still being import dependent on synthetic and blended MMF fabrics.

OFFICIALS MET

CTADASHI YANAI
CHAIRMAN & CEO
FAST RETAILING CO. LTD.

SHUICHI NAKAJIMA
GROUP SENIOR EXECUTIVE OFFICER
FAST RETAILING

23rd July 2024

Meeting with Toray International


Toray International was established in 1986 as the trading arm of the Toray Group now grown into "manufacturer's trading company handling a wide range of products and services, from materials to end-user consumer goods. The Company distributes synthetic fibers, textiles, cotton, wool, leather goods, apparel product, petrochemicals, carbon fibers, machinery, electronic & IT related products, water treatment products, and other products. Their business offices located in 22 countries and regions including Japan. Company size is around 501-1,000 employees. (http://www.toray-intl.co.jp)

MAIN DISCUSSION POINTS

- *Toray international is not sourcing garments from India but will be interested to explore the possibility.*
- *Encouraged to explore possibility of investment in technical textiles under PLI and PMMITRA.*
- *Stated issues on lead times (too long around 3 months) and adherence to strict quality standards.*
- *It was explored that Toray could become manufacturer for Uniqlo and other big garment brands in Japan.*
- *Toray has shown interest in textile manufacturing in India in the area of functional fibres, high performance textiles and garment manufacturing.*

OFFICIALS MET

TOMOHIKO KATAOKA	SIGERU WAKABAYASHI	NORIKAZU MASUI
PRESIDENT	GENERAL MANAGER	MANAGING DIRECTOR
TORAY INTERNATIONAL INC	TORAY INTERNATIONAL INC	TORAY INTERNATIONAL INC

Meeting with MN INTER-FASHION LTD.

Japanese textile-specialized trading company MN Inter-Fashion Ltd, a merger between two renowned enterprises Nippon Steel Trading Corporation's textile business and Mitsui Bussan I-Fashion Ltd. in January 2022. Company develops a wide range of business from manufacturing to retail: OEM/ODM, high-performance garments, home linens, textiles, raw materials, and etc. They supply high-quality fashion/textile products by sourcing the most suitable materials, working with various garment factories mainly in the Asia. Some of the brands that the company carries include Annaut, Annual, BriCo, Chikara, ddp, Hanae Mori, John Pratridge, Lala Vie, Lynx, Montgomery, Pertex etc. (https://mn-interfashion.com/)

DISCUSSION POINTS

Main sourcing for MN Inter Fashion currently is from China but this year they would like to reduce dependency on China and focus more on sourcing from Asian markets hence pitching India was beneficial at this juncture. Their existing sourcing is only about 100,000 pieces from Jaipur but would like to be introduced to cut and sew from Tirupur this year. Some specific products that they are interested in includes shirts with embroidery, sustainable fabrics, uniform and sportswear.

OFFICIALS MET

RYO TAGUCHI	TAKASHI YANAGISAWA	KAZ OYA
Procurement Strategy Department	ASSISTANT EXECUTIVE OFFICER & GM	MERCHANDISE DEVELOPMENT SECTION
MN INTER-FASHION LTD.	MN INTER-FASHION LTD.	MN INTER-FASHION LTD.

24th July 2024

Meeting with World Co. Ltd.

World Co. Ltd. is a clothing company headquartered in Kobe, Japan. It was founded in 1959 and in 2005 initiated a management buyout, making it a privately held company. World Co. produces no clothing under its own name, but instead owns a number of brands under which it markets its clothing. They have variety brands to suit a wide range of generations and the taste in fashion , including for women, for men, for kids and fashion goods. Moreover, they develop new fashion Business by investing in fashion-related Business. Operates primarily under the "one-brand, one-shop" concept targeting department stores and other trend-sensitive, highly fashionable marketing channels. (https://corp.world.co.jp/)

DISCUSSION POINTS

World Co. Limited has 67 brands and 2200 shops in Japan. They buy through trading companies as well as direct sourcing from foreign companies too. They are currently sourcing 80% of its requirement from China. Although they are also already sourcing from India but would like to reduce sourcing from China to 50% and diversify to India. For this the company requests better deeper engagement with AEPC and Indian Government. Company strongly feels that India needs to change their mind and should be ready to suffice an MOQ ranging from 500 pieces to 10,000 pieces.

OFFICIALS MET

MITSUYOSHI HATASAKI MEMBER OF THE BOARD WORLD CO. LTD	MITSUYOSHI HATASAKI MEMBER OF THE BOARD WORLD CO. LTD

Meeting with ADASTRIA CO. LTD.

Adastria Co. Ltd. is a Japanese clothing company established in Tokyo as Fukudaya Clothes Store Inc. in 1953, and is a ranked in the top 10 as a domestic clothing maker in Japan. Adastria Co. Ltd. operates a chain of clothing stores in Japan. The Company also operates stores in China, Taiwan, Hong Kong and Korea. It handles manufacturing clothes for men, women and children's and also planning, manufacturing and selling miscellaneous goods including bags, shoes, kitchen goods, and furniture.

The company operates retail stores under the 26 brands such as Andemiu, apart by lowrys, BABYLONE, BARNYARDSTORM, BAYFLOW, bijorie, CALEIDO ET BICE, Chaos, Curensology, GLOBAL WORK, HARE, Heather, JEANASIS, laboratory work, LAKOLE, LOWRYS FARM, Me, mysty woman, niko and ..., PAGEBOY, PAS TIERRA, RAGEBLUE, repipi armario, studio CLIP and Velvet BY GRAHAM & SPENCER in Japan. Adastria operates a network of 1,375 stores in Japan and 126 stores internationally, and there are 6 distribution centers in Japan and 10 distribution centers in overseas.

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OSAMU KIMURA
REPRESENTATIVE DIRECTOR, PRESIDENT
ADASTRIA CO. LTD.
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DISCUSSION POINTS

Adastria operates almost 30 brands in Japan and is No2 in Japan with online retail. The company is currently sourcing 70% of its requirements from China. But they would like to reduce their dependency on China and explore sourcing opportunities with India. Out of 30 brands operated by Adastria, only 2 brands are currently sourcing from India particularly from the Jaipur cluster. The company feels that presence of India across the textile value chain demonstrated quite well during Bharat Tex 2024, is the core strength that has pulled them to India. However they feel, India should strengthen itself into other categories beyond just cotton into MMF blends, functional synthetics, better quality polyester and also should focus on skill development, QC, quality of stitching and finesse.

SUMMARY OF DISCUSSION POINTS OUT OF DELEGATION VISIT

i. *It was felt that for past many years the participation in ITTF has primarily been from Jaipur cluster. This heavy focus on just one cluster has given a perception to Japanese buyers about India's expertise confined to only woven cotton based ethnic garments. In addition to this many buyers have shown their concern on the need for Indian garment manufacturers to improve their quality of stitching and finesse. This has resulted in lack of confidence amongst the existing buyers to enhance sourcing from India. Hence considering limited demand in Japan for woven ethnic garments followed by the concern of buyers on quality has together resulted into stagnancy of India's share of RMG exports into Japan.*

ii. *It is therefore suggested that there should be a possible cap in participation from Jaipur cluster and for products of similar nature. Instead, strong focus and emphasis should be given to other clusters like Tirupur and Ludhiana on knitwear.*

iii. *Additionally, exhibitors in newer categories of workwear, uniform, MMF, technical textiles, denim, brassieres, socks etc should also be showcased.*

iv. *AEPC should organise factory visits for prominent Japanese delegation to Tirupur and Bangalore cluster.*

v. *Handhold, select exhibitors 3 months prior to the fair.*

o *Mentorship session between veteran exporters with budding target group will be planned for better focus*

o *Retired design consultants will be identified with support from Embassy of India in Japan to handhold the target group.*

o *Apart from designs and patterns, the target group will also be trained on certification, labelling, non-tariff barriers etc. Organisations identified towards this are TUV and OEKO-TEX(R). AEPC will look- into the possibility of assisting the target group with translation facility for labelling and packaging.*

o *Conducting Fashion shows of Japanese designs on Indian fabric can be curated during these events to promote Indian apparels.*

India's top Garment Industry leaders hail Textile Policy of Bihar, show interest to start manufacturing in Bihar

Big Industrialists and exporters of the Garments Industry said that the Textile Policy of Bihar is one of the best in the country. Promoters of Trendsetter International, Richa Global, Shahi Exports, Texport Industries, Pearl Global, Poppys, Kaytee Corporations, Texport Industries, Jyothi Apparel, Neeti Clothing, Fashion Neats, etc. other prominent leaders of the garments sector attended the Textiles Investors Meet held on 19th July at Patna and have shown their interest in Bihar. Some of the big industrialists of the country went for an industry visit and saw the facilities in operational factories at Muzaffarpur, Bihar. Shri Giriraj Singh, Union Textiles Minister, Shri Vijay Kumar Sinha, Deputy Chief Minister Bihar and Shri Nitish Mishra, Industry Minister of Bihar graced the occasion.

Addressing all the big industrialists and exporters of textiles and garments in Union Textiles Minister Shri Giriraj Singh said, "Please see Bihar as a destination for RMG manufacturing and textiles hub. If RMG manufacturing comes here others in the value chain i.e spinning and processing, etc. will join the fray." This is one of the highest employment generating sectors with an investment of 1 crore, this sector has potential to generate immediate employment of 50 to 70 persons, he added.

Minister noted that Bihar will be a gateway to North- East and investment in the state will also generate huge employment. Further, Shri Singh advised the state government to come up with a revenue sharing model for few centres and develop it to saturation focusing on one cluster at a time.

Shri Vijay Kumar Sinha, Deputy Chief Minister of Bihar, in his remark stated that, "Bihar is land of Bhakti, Sakthi and Mukti...he praised the presence of a large number of entrepreneurs who are willing to explore the possibility of investing in the state." He said we will be more than eager to welcome any investment in the state.

Shri Nitish Mishra, Industry Minister of Bihar in his address said, "Bihar is offering plug and play and attractive policy incentives to the investors. Come to Bihar we will give you all kinds of facilitation. He further said that the efficiency of workers will increase when they are closer to home. Minister thanked RMG industrialists for the visit in large numbers.

Addressing the gathering Smt. Rachna Shah, Secretary Textiles, Ministry of Textiles said, "India ranks among the world's top producer of textiles and apparel. With Skilled workforce and abundant raw materials and supportive industrial framework for industrial development, Bihar is well- positioned to play a leading role in this sector."

Speaking at the Investor Meet Chairman AEPC, Shri Sudhir Sekhri, said "The garment exports from Bihar in the year 2023-24 registered a growth of 58.6%, while India registered a decline of 10.2% in the same period. This indicates that Bihar state has a huge potential in apparel manufacturing and exports. However, we must also note that the share of Bihar in India's total apparel exports was only .09% while earlier it was only .05%. Chairman AEPC appealed to all the industrialists to explore the option of investing in Bihar and make use of the facilitative policies and supportive business ecosystem.

The 'Bihar Industrial Investment Promotion Policy (Textile and Leather Policy), 2022', is undoubtedly a great policy and I would also like to express my gratitude for the support provided and bringing a facilitative policy. Apparel exporters certainly want to rely more and more on domestic supply chains so that the ambitious 'Atmanirbhar Bharat Abhiyaan' launched by Hon'ble Prime Minister Shri Narendra Modi can be implemented in letter and spirit, Chairman AEPC added.

Further, Chairman AEPC remarked, the apparel sector across the country, including at Tirupur, Surat, Ahmedabad, Mumbai and Chandigarh, employ a large number of skilled and semi-skilled workers hailing from the state of Bihar. The local availability of those semi-skilled and skilled workers will lead to saving costs in the manufacturing process.

Chairman AEPC observed, the policy places emphasis on disbursement of subsidies and incentives on time, single window clearance which has always been a major issue in the industry. Timely payment will lead to smoother availability of working capital, critical for SMEs (small and medium enterprises).

Industrialists gathered in the Textiles Investors Meet organized by Govt. of Bihar praised the policy of Bihar and the steps taken for the industrialization of the State.

As per the media reports 22 investment proposals have been made during the two days of the meet. The Union textiles minister Shri Giriraj Singh, who was the Chief Guest, said the Centre has accepted a few demands of the state, including two handloom and handicraft centres in Gaya and one in Bhagalpur; handloom and silk-special infrastructure projects for Bhagalpur, Nawada, Nalanda and Patna, and another NIFT for the state.

"Besides, a national-level handloom expo will be held here In October, now focus was on developing Begusarai and other places as textile clusters after the development of Bettiah, Minister noted. "We will choose another cluster only when one attains the saturation point," he said.

Among the investors who attended the meet, 90% came here for the first time, and over 60% of the total showed interest in the state.

India needs to strive to be $30 tn economy with per capita income of $18,000: NITI document

India needs to strive to be a USD 30 trillion economy with a per capita income of USD 18,000 per annum by 2047, the approach paper for vision for Viksit Bharat in 2047 has said. NITI Aayog in a paper titled 'Vision for Viksit Bharat @ 2047:An Approach Paper' said India needs to avoid the Middle-Income trap and carefully work towards breaking out of it.

"As for the economy, to become a developed nation, we need to strive to be a USD 30 trillion economy by 2047 with a per capita income of USD 18,000 per annum. The GDP would have to grow nine times from today's USD 3.36 trillion and the per capita income would need to rise 8 times from today's USD 2,392 per annum," it said.

The paper also noted that progressing from a middle-income to a high-income level requires sustained growth in the range of 7-10 per cent for 20-30 years and very few countries have managed to do this. Defining the concept of Vikshit Bharat, the paper said it is a Bharat which will have all the attributes of a developed country with a per capita income that is comparable to the high-income countries of the world today.

It is Bharat whose social, cultural, technological, and institutional features will mark it out as a developed nation with a rich heritage and one that is capable of functioning at the frontiers of knowledge.

The World Bank defines high-income countries as those whose annual per capita income is more than USD 14,005 (in 2023). India has the potential and aims to be a high-income country by the centenary of its independence in 2047.

The paper said upgrading capabilities in manufacturing and logistics and bridging the gap between rural and urban incomes are some of the structural challenges that India needs to address.

This document was discussed during NITI Aayog's ninth Governing Council meeting chaired by Prime Minister Narendra Modi.

It noted that the country needs to achieve a balance between energy, security, access, affordability and sustainability.

The document said improving the competitiveness of industry is equally necessary for the transformation of the country's agricultural workforce into an industrial workforce and making India a global manufacturing and service hub.

Noting that a vision for India cannot be the work of a few individuals or of one government, the document said it has to be the result of the collective efforts of the entire nation.

According to the document, India is at a turning point in its history and the 21st century can be India's century, as the country pole-vaults into the future confident of its capabilities.

Over 100 countries, including India, face middle-income trap challenges: World Bank

More than 100 countries—including China, India, Brazil, and South Africa—face serious obstacles that could hinder their efforts to become high-income countries in the next few decades, according to a new World Bank study that provides the first comprehensive roadmap to enable developing countries to escape the "middle-income trap."

Drawing on lessons of the past 50 years, the World Development Report 2024 : *The Middle Income Trap finds that as countries grow wealthier, they usually hit a "trap" at about 10% of annual U.S. GDP per person—the equivalent of $8,000 today. That's in the middle of the range of what the World Bank classifies as "middle-income" countries. Since 1990, only 34 middle-income economies have managed to shift to high-income status—and more than a third of them were either beneficiaries of integration into the European Union, or of previously undiscovered oil.*

At the end of 2023, 108 countries were classified as middle-income, each with annual GDP per capita in the range of $1,136 to $13,845. These countries are home to six billion people—75% of the global population—and two out of every three people living in extreme poverty. They generate more than 40% of global GDP and more than 60% of carbon emissions. And they face far bigger challenges than their predecessors in escaping the middle-income trap: rapidly aging populations, rising protectionism in advanced economies, and the need to speed up the energy transition.

"The battle for global economic prosperity will largely be won or lost in middle-income countries," said Indermit Gill, Chief Economist of the World Bank Group and Senior Vice President for Development Economics. "But too many of these countries rely on outmoded strategies to become advanced economies. They depend just on investment for too long—or they switch prematurely to innovation. A fresh approach is needed: first focus on investment; then add an emphasis on infusion of new technologies from abroad; and, finally, adopt a three-pronged strategy that balances investment, infusion, and innovation. With growing demographic, ecological and geopolitical pressures, there is no room for error."

The report proposes a "3i strategy" for countries to reach high-income status. Depending on their stage of development, all countries need to adopt a sequenced and progressively more sophisticated mix of policies. Low-income countries can focus solely on policies designed to increase investment—the 1i phase. But once they attain lower-middle-income status, they need to shift gears and expand the policy mix to the 2i phase: investment and infusion, which consists of adopting technologies from abroad and spreading them across the economy. At the upper-middle-income level, countries should shift gears again to the final 3i phase: investment, infusion, and innovation. In the innovation phase, countries no longer merely borrow ideas from the global frontiers of technology—they push the frontier.

"The road ahead won't be easy, but it's possible for countries to make progress even in today's challenging conditions," said Mr. Somik V. Lall, Director of the 2024 World Development Report. "Success will depend on how well societies balance the forces of creation, preservation, and destruction. Countries that try to spare their citizenry the pains associated with reforms and openness will miss out on the gains that come from sustained growth."

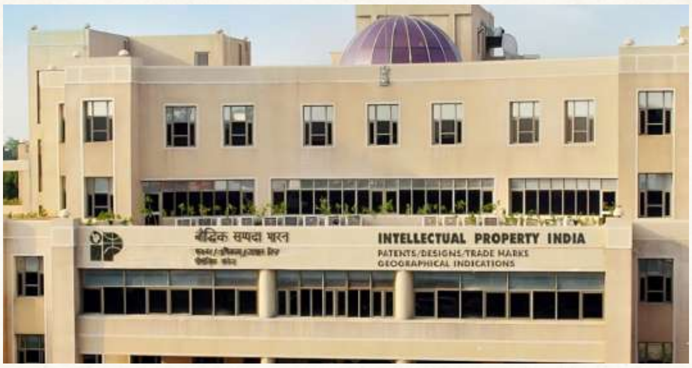
South Korea is a standout example in all three phases of the 3i strategy, the report says. In 1960, its per capita income stood at just $1,200. By end of 2023, that number had climbed to $33,000. South Korea began with a simple policy mix to increase public investment and encourage private investment. That morphed in the 1970s to an industrial policy that encouraged domestic firms to adopt foreign technology and more sophisticated production methods.

Korean companies responded. Samsung, once a noodle-maker, began manufacturing TV sets for domestic and regional markets. To do so, it licensed technologies from Japanese companies—Sanyo and NEC. Samsung's success fueled demand for engineers, managers, and other skilled professionals. The South Korean government responded in turn. The Ministry of Education set targets—and increased budgets—for public universities to help develop the new skill sets demanded by domestic firms. Today, Samsung is a global innovator in its own right—one of the world's two largest smartphone manufacturers.

Other countries followed similar paths—including Poland and Chile. Poland focused on raising productivity with technologies infused from Western Europe. Chile encouraged technology transfer from abroad—and used it to drive domestic innovation. One of its biggest successes involved adapting Norwegian salmon farming technologies to local conditions, making Chile a top exporter of salmon.

Indian Patent Office has grants 1,03,057 patents in FY 2023-24

Patent ecosystem in India to boost innovation and modernize Indian industry



Patent Office has granted 1,03,057 patents in FY 2023-24. Various steps taken by the Government to further strengthen the Intellectual Property Rights (IPR) ecosystem in India are as under:

1. Modernization of IP offices using IT enabled and advanced technologies:

All documents filed before the Patent Office are completely digitized and are made available online for proceedings leading to final disposal. Resultantly, applicants need not visit Patent & Trade Marks Offices for filing, processing and getting Patent and Trademark grant/registration certificates.

2. Fees Incentives

***a.** Owing to fee concessions in patents applications, there has been a significant increase in Patent filings by Startups, MSMEs and Educational Institutes.*

3. Awareness in IPR and Recognition & Rewards to Top IP Achievers:

National Intellectual Property Awareness Mission (NIPAM) was launched in December 2021 to impart IP awareness and basic training in educational institutes across the country and as a consequence, more than 2 million persons have been trained about IPRs so far. Also, IP awards have been conferred every year to recognize and reward the top achievers and many among them were also invited as special guests to Government of India in the Republic Day Celebration 2024 to recognise their efforts.

4. Scheme for Facilitating Start-Ups Intellectual Property Protection (SIPP)

SIPP scheme was launched in 2016 to support startups in safeguarding their IP rights (Patents, Trademarks and Designs) by providing opportunity to avail pro bono facilitation by empanelled IP experts and facilitation fees of the IP experts to be borne by the Government. After the scheme, there has been a significant increase in IP applications by startups.

5. Capacity Building:

To address liquidation of the backlog applications, technical manpower strength in Patent office has increased by promoting various officers to the post of Controllers in the Patent office, and further young professionals and technical assistants were engaged on contractual basis to support Controller's decision making. This has resulted in granting more than 1 lakh patents in a single year 2023-24.

As on June 23, 2024, the Office of Geographical Indications Registry has registered a total of 643 GI Applications in the country.

This information has been provided by the Union Minister of State for Commerce and Industry, Shri Jitin Prasada in a written reply in the Lok Sabha.

755 applications approved across 14 sectors, investment of Rs. 1.23 lakh crore attracted under PLI Scheme till March 2024

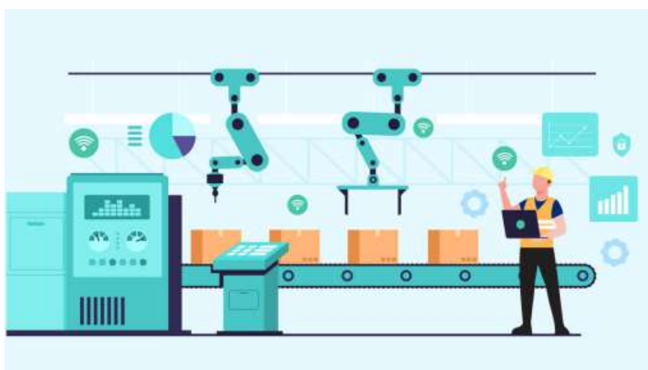
Keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors have been announced with an outlay of Rs. 1.97 lakh crore (over US$26 billion) to enhance India's Manufacturing capabilities and Exports.

The 14 sectors are: ***(i)*** *Mobile Manufacturing and Specified Electronic Components,* ***(ii)*** *Critical Key Starting Materials/Drug Intermediaries & Active Pharmaceutical Ingredients,* ***(iii)*** *Manufacturing of Medical Devices (iv) Automobiles and Auto Components,* ***(v)*** *Pharmaceuticals Drugs,* ***(vi)****SpecialtySteel,* ***(vii)****Telecom & Networking Products,* ***(viii)****Electronic/TechnologyProducts,* ***(ix)*** *White Goods (ACs and LEDs),* ***(x)*** *Food Products,* ***(xi)*** ***Textile Products:*** *MMF segment and technical textiles,* ***(xii)*** *High efficiency solar PV modules,* ***(xiii)*** *Advanced Chemistry Cell (ACC) Battery, and* ***(xiv)*** *Drones and Drone Components.*

The purpose of the PLI Schemes is to attract investments in key sectors and cutting-edge technology; ensure efficiency and bring economies of size and scale in the manufacturing sector and make Indian companies and manufacturers globally competitive. These schemes have the potential of significantly boosting production, increase manufacturing activities and contribute to economic growth over the next five years or so. As on date, 755 applications have been approved across 14 sectors. Investment of Rs. 1.23 lakh crore have been realized till March 2024 resulting in employment generation of around 8 lakhs.

The criteria employed in the selection of beneficiaries under PLI Schemes includes but not limited to willingness to making required investment, production of approved product categories under respective Scheme, eligible net worth, domestic value addition, etc. as mentioned in Scheme Guidelines issued by the implementing Ministries/ Departments. PLI Scheme for Automobile and Auto Components (PLI-Auto) and; PLI Scheme on National Programme on Advanced Chemistry Cell (PLI-ACC) Battery storage are being implemented by the Ministry of Heavy Industries. Under both Schemes, expenditure incurred by the beneficiary firms on Research and Development is considered as an eligible Investment, to enable them to adopt latest technology in implementation of their projects.

This information has been provided by the Union Minister of State for Commerce and Industry, Shri Jitin Prasada in a written reply in the Lok Sabha.



Govt takes several steps to promote business, boost exports and manufacturing

The Central Government has undertaken several key initiatives and policy measures to boost exports, attract investments and to promote ease of doing business from time to time.

1. New Foreign Trade Policy has been launched on 31st March, 2023 and came in to effect from 1st April, 2023.

2. Interest Equalization Scheme on pre and post shipment rupee export credit has also been extended upto 31-08-2024 with total allocation of Rs. 12788 crores.

3. Assistance is being provided through several schemes to promote exports, namely, Trade Infrastructure for Export Scheme (TIES) and Market Access Initiatives (MAI) Scheme.

4. Rebate of State and Central Levies and Taxes (RoSCTL) Scheme to promote labour-oriented sector export has been implemented since 07.03.2019.

5. Remission of Duties and Taxes on Exported Products (RoDTEP) scheme has been implemented since 01.01.2021. With effect from 15.12.2022, uncovered sectors like pharmaceuticals, organic and inorganic chemicals and article of iron and steel has been covered under RoDTEP. Similarly, anomalies in 432 tariff lines have been addressed and the corrected rates have been implemented with effect from 16.01.2023.

6. Common Digital Platform for Certificate of Origin has been launched to facilitate trade and increase Free Trade Agreement (FTA) utilization by exporters.

7. Districts as Export Hubs initiative has been launched by identifying products with export potential in each district, addressing bottlenecks for exporting these products and supporting local exporters/manufacturers to generate employment in the district.

8. Active role of Indian missions abroad towards promoting India's trade, tourism, technology and investment goals has been enhanced. Regular monitoring of export performance with Commercial Missions abroad, Export Promotion Councils, Commodity Boards/ Authorities and Industry Associations and taking corrective measures from time to time.

Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few. Further, keeping in view India's vision of becoming

'Atmanirbhar', PLI Schemes for 14 key sectors have been announced with an outlay of Rs. 1.97 lakh crore to enhance India's Manufacturing capabilities and Exports.

With the objective to improve Ease of Doing Business and Ease of Living the Government has taken initiatives to Simplify, Rationalize, Digitize and Decriminalize Government to Business and Citizen Interface across all the States/UTs. So far, more than 42,000 compliances have been reduced and more than 3,800 provisions have been decriminalized. National Single Window System (NSWS) is a unified platform for applying for all G2B clearances from various Central Ministries/Departments and State Departments. All 32 in-scope Central Ministries/Departments are integratedon NSWS. A total of 277 Central approvals can be applied through NSWS. Information pertaining to more than 661 approvals is available to investors via the Know Your Approvals (KYA) module. Jan Vishwas (Amendment of Provisions) Act, 2023 was introduced to further the trust-based governance and enable de-criminalization of minor offences and compliance-based laws and requirements. The Act decriminalized 183 provisions under 42 Acts administered by 19 Ministries/Departments.

The Government has taken several steps to enhance the global competitiveness of Indian industries, foster innovation and entrepreneurship, and facilitate greater integration with global supply chains, as part of the roadmap for India 2047.

The details are as under:

(I) *The policy initiatives of the Government for promoting investments and improving ease of doing business have enhanced India's global competitiveness. India is the fastest-growing major economy the world. India ranks 63rd in the World Bank's Doing Business Report (DBR), 2020 published in October, 2019. India's rank in the DBR improved from 142nd in 2014 to 63rd in 2019, registering a jump of 79 ranks in a span of 5 years.*

(ii) *Policy and Legislative reforms have been undertaken in last 9 years with respect to institutional strengthening and process digitalization in the area of Intellectual Property Right (IPR). This shall accelerate economic development of the nation through science and technology to fulfil the Viksit Bharat Sankalp. India's rank in the Global Innovation Index (GII) amongst 132 economies has improved from 81st in 2015 to 40th in GII 2023. Number of Patents granted has seen a seventeen-fold growth from 5,978 in 2014-15 to 1,03,057 in 2023-24. Number of Designs Registered has recorded a four-fold increase from 7,147 in 2014-15 to 30,672 in 2023-24.*

(iii) *The Startup India initiative was launched with the aim to build a strong ecosystem for nurturing innovation and entrepreneurship to drive sustainable economic growth and generate large scale employment opportunities. The Startup India Action Plan comprises of 19 action items spanning across areas such as "Simplification and handholding", "Funding support and incentives" and "Industry-academia partnership and incubation". Sustained efforts by the Government have led to an increase in the number of DPIIT recognised startups to 1.33 lakh.*

(iv) *India has undertaken trade policy reforms to enhance its participation and share in global trade. India's Foreign Trade Policy (FTP) plays a crucial role in promoting the country's integration into global supply chains. India's FTP, with its focus on cost competitiveness, trade facilitation, and emerging sectors, provides a strong framework for promoting global supply chain participation.*

(v) *The Government of India launched PM GatiShakti National Master Plan on 13th October, 2021 to facilitate infrastructure and social sector planning using the PM GatiShakti NMP GIS-enabled portal. Utilisation of PMGS promotes multimodal connectivity, enhances last mile connectivity which contributes to Ease of Doing Business and Ease of Living. To complement the PM GatiShakti NMP, the National Logistics Policy (NLP) was launched on 17th September, 2022 by Hon'ble Prime Minister to reduce logistics costs and improve logistics efficiency in the country. These policies are fostering innovation and facilitating greater integration with global supply chains.*

This information has been provided by the Union Minister of State for Commerce and Industry, Shri Jitin Prasada in a written reply in the Lok Sabha.

Government undertakes initiatives to promote handlooms and handicrafts

Initiatives to benefit weavers and artisans

The Government of India is implementing various schemes/initiatives to promote handlooms and handicrafts benefitting weavers and artisans engaged in the sector. The office of Development Commissioner(Handloom) is implementing National Handloom Development Programme and Raw Material Supply Scheme to promote handloom sector and welfare of handloom workers across the country. Under these schemes, financial assistance is provided to eligible handloom agencies/workers for raw materials, procurement of upgraded looms & accessories, solar lighting units, construction of workshed, product & design development, technical and common infrastructure, marketing of handloom products in domestics/overseas markets and social security, etc.

Similarly, Office of the Development Commissioner(Handicraft) is implementing National Handicrafts Development Programme and Comprehensive Handicrafts Cluster Development Scheme for promotion of handicraft artisans. Under these schemes, support is provided for marketing, skill development, cluster development, direct benefit to artisans, infrastructure and technology support etc.

While specific export targets have not been fixed as this process is elaborate and several factors such as geopolitical situation, international market trends, market dynamics, industry feedback have to be taken into account, theGovernment is continuously monitoring export performance and taking various measures to boost textile exports. Government is implementing the Rebate of State and Central Taxes and Levies (RoSCTL) Scheme to rebate all embedded State and Central taxes/levies on export of Apparel/Garments and Made-ups to provide support and enhance competitiveness of these sectors. Further, textiles products not covered under the RoSCTL are covered under Remissions of Duties and Taxes on Exported Products (RoDTEP). In addition, Bharat TEX 2024-India's Larget Textiles Mega Event was organised in February 2024 showing the entire textile value chain present in India.

This information was given by the Union Minister of State for Textiles, Shri Pabitra Margherita.

Ministry of Textiles approves 19 research projects under National Technical Textiles Mission

The Mission Steering Group under the chairmanship of Union Minister of Textiles has approved 19 research projects of value appox. INR 21 Cr. across different fields of Technical Textiles under the National Technical Textiles Mission.

The research projects were approved across key strategic areas of composites, geo textiles, smart textiles and machineries etc. in the 9th Mission Steering Group meeting. The approved projects were proposed by eminent research bodies and institutions including Indian Institute of Technology, National Institute of Technology, and Council of Scientific & Industrial Research, etc.

The Union Minister also reviewed the progress on R&D, promotion and market development, export promotion and education, training and skill development under the Mission. The Union Minister reviewed 27 applications from 16 public and 11 private institutes which were earlier approved for introducing papers on technical textiles, procuring lab infrastructure and training of trainers across different application areas. He also reviewed Internship initiatives and skilling initiatives taken by the Ministry under the Mission.

Member NITI Aayog, Principal Scientific Adviser, Chairman ISRO, and senior officials from Department of Science & Technology, Department of Agriculture & Farmers' Welfare, Ministry of Road Transport and Highways, Ministry of Micro Small and Medium Enterprises, Department for Promotion of Industry and Internal Trade, Ministry of Heavy Industries, Ministry of Skill Development and Entrepreneurship, Ministry of Health and Family Welfare, Railway Board, Ministry of Water Resources, Ministry of Defence, and eminent members from industry and associations attended the meeting.

Garment Industry hails extension of Interest Equalization Scheme for MSME exporters; requests all government schemes/ policies to be for at least 5 years: Chairman AEPC

Shri Sudhir Sekhri, Chairman AEPC welcomes the extension of interest equalization scheme for two months. In his statement Chairman AEPC stated that, "The garment industry welcomes the extension of the Interest Equalisation Scheme (IES) on pre- and post-shipment rupee export credit for Micro, Small & Medium Enterprises (MSME) exporters till August". The continuation of IES will provide much needed relief for the MSMEs sector which has been grappling with high interest rates and stressed exports for labour intensive sectors, he added.

Further Chairman AEPC demanded, "There should be stability and predictability in the policy regime. The policies and schemes should be for at least a period of five years which will help the industry to have long- term business planning and strategy."

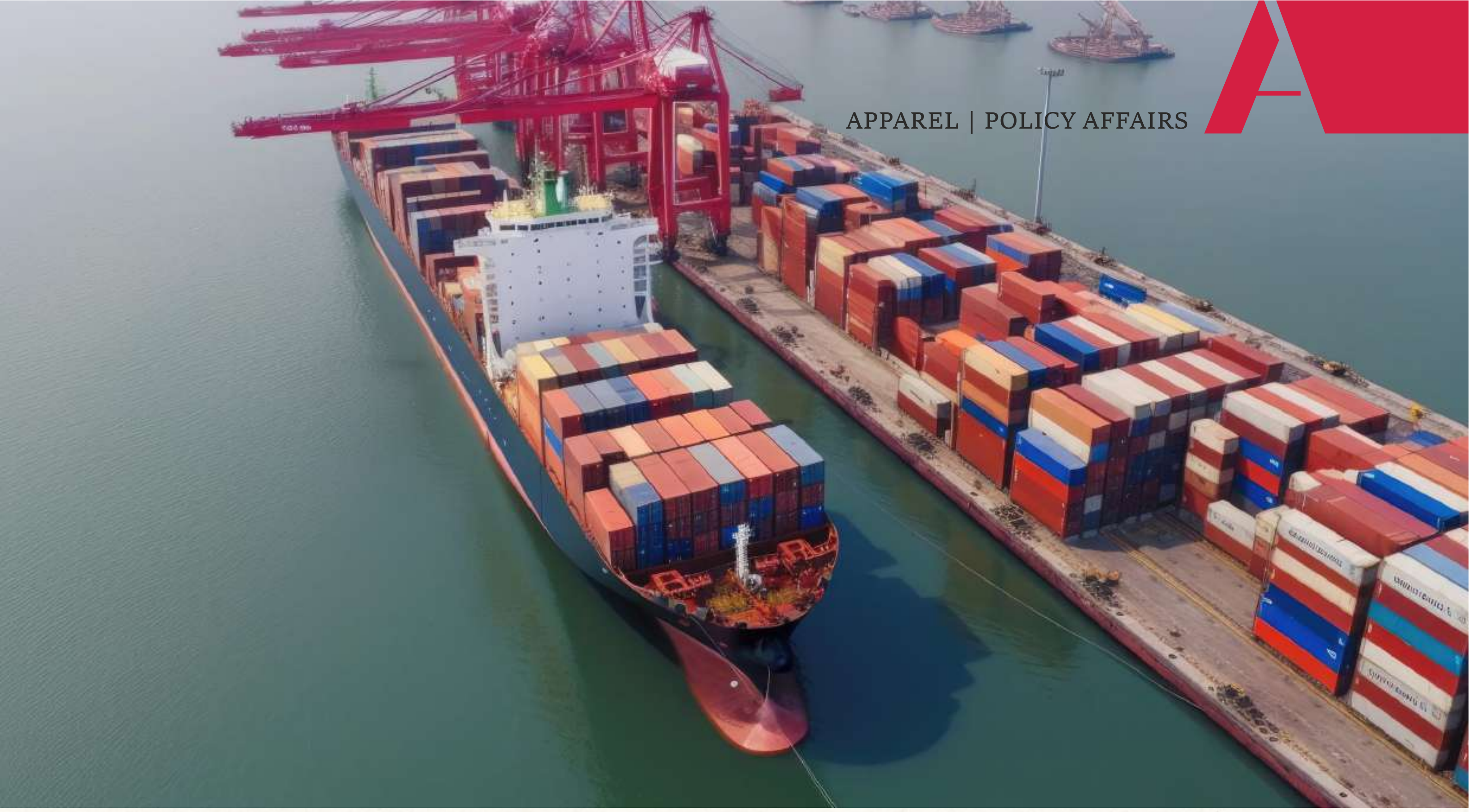
Currently, the rate of interest equalisation is 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for other manufacturer exporters and merchant exporters exporting under 410 HS lines.

Government setting up 7 PM MITRA Parks with world class infrastructure to give a boost to Textiles Sector

The Government has approved setting up of 7 (Seven) PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks in Greenfield/Brownfield sites (including a Greenfield project in Virudhanagar Tamil Nadu) with world class infrastructure including plug and play facility with an outlay of Rs. 4,445 cr for a period of seven years upto 2027-28. It is envisaged that each park when completed will generate 1 lakh direct and 2 lakh indirect employments. In order to implement the PM MITRA Scheme in Virudhnagar, a Special Purpose Vehicle (SPV) i.e. 'PM Mega Integrated Textile Regions and Apparel Park, Tamil Nadu Limited' has been incorporated with Government of Tamil Nadu holding 51% stake in the SPV and remaining 49% being held by the Government of India.

The process of obtaining Environmental Clearance as well as layout approval from Directorate of Town and Country Planning has been completed. The Process of providing Water and Power supply up till the park gate is in progress. Memorandum of Understanding (MoU) worth Rs 1200cr for investment in the park have been signed so far.

With a view to increasing investments, generating employment opportunities and boosting exports in textile sector, the Ministry is implementing Scheme for Integrated Textile Park (SITP) to provide support for setting up textile parks with world-class, state-of-the-art infrastructure in textile hubs across the country. The scheme was in implementation up to 31.03.2021. However, the Scheme has now been subsumed under the umbrella Scheme of Textile Cluster Development Scheme (TCDS) and an outlay of Rs.568.15 Crore has been allotted for completing ongoing projects only.



DGFT simplifies Export Promotion Capital Goods Scheme procedures to enhance Ease of Doing Business

The Directorate General of Foreign Trade (DGFT) has announced significant enhancements to the Export Promotion Capital Goods (EPCG) Scheme aimed at simplifying processes, reducing transaction costs and promoting automation to benefit exporters vide Public Notice No. 15 dated 25th July 2024. These changes align with the commitment of the Government to create a more business-friendly environment and improving India's manufacturing competitiveness.

As per the changes, the scheme will now provide exporters an extended period to submit Installation Certificates for imported Capital Goods. This extension reduces pressure on businesses, allowing them to focus more on production and export activities.

Further, a simplified and reduced composition fee structure for extending the Export Obligation (EO) period has been introduced. This change minimises manual intervention, streamlines compliance and speeds up service delivery.

Also, from now all Policy Relaxation Committee (PRC) decisions regarding Export Obligation extensions and regularisation of exports will be implemented with a levy of uniform composition fee making it easier to implement through the system.

Benefits for Exporters:

These updates make it easier for exporters to comply with regulations, reducing the time and effort required to meet DGFT requirements. By expanding automated rule-based processes, DGFT aims to reduce human intervention, mitigate risks and improve overall efficiency in trade facilitation.

Since the announcement of the new Foreign Trade Policy in April 2023, DGFT has been actively modernising its systems to expand automated rule-based processes. These initiatives are crucial steps towards fostering a more business-friendly environment and enhancing India's competitiveness in the global market. DGFT has already taken efforts to automate the authorisation issue process, ad-hoc norms fixation process under Advance Authorisation, export obligation extension, automatic status holder certificate issue, among others, in recent days. It is planned that in the coming months, more and more processes will be system driven with minimal or no human intervention to order to facilitate trade and industry.

UK researchers turn banana waste to green textiles, renewable energy

Academics from Northumbria University have now teamed up with partners in the UK and Pakistan to create a new solution which will make use of this waste product and provide benefits for local people at the same time.

Together the project partners are developing an innovative two-part system – the first part of which will use new technology to convert the banana waste into textile fibres, with the second part taking the waste generated from that process and using it to produce renewable energy.

This will not only reduce the environmental impact of Pakistan's textile industry, but also bring clean electricity to the 50 per cent of people living in rural areas of the country who live off-grid and currently rely on fossil fuels for energy.

The process has the potential to be applied to almost any form of agricultural waste, meaning it could be used all over the world, benefitting communities and the environment through the supply of renewable textiles and energy, according to the research.

Entitled, improving access to sustainable energy in rural Pakistan using food and fibre agro-waste as a renewable fuel (SAFER), the project has been awarded around £300,000 ($385,890) though Innovate UK, the UK's national innovation agency, through its Energy Catalyst scheme.

Funding through the scheme is awarded to support UK and overseas businesses and organisations to develop highly innovative, market-focused energy technologies that enable energy access in Sub-Saharan Africa and south or south-east Asia.

The project will be led by Northumbria University, in Newcastle upon Tyne; with academics working in partnership with waste-to-energy company Eco Research Ltd, based in Dudley; and the National Textile University, and biogas specialists Prime Eurotech, both situated in Pakistan.

Dr Jibran Khaliq, of Northumbria University's department of mechanical and construction engineering, is a material scientist who researches converting waste energy. Discussing the impact of the SAFER project, he said, "Pakistan's textile sector is responsible for significant environmental impacts, including greenhouse gas emissions, water pollution, and microplastics."

"Our partners at the National Textile University in Faisalabad have developed a technology to convert banana agro waste into textile fibres, but the lack of electricity in rural Sindh, where the majority of the bananas are grown, has prevented this innovation from being scaled-up until now. Over the next year we will be working to develop a new waste-to-energy technology which will convert agro-waste into clean and affordable energy. This solution will benefit the textile industry, and local communities, as well as improving soil fertility and food production through the generation of biofertilisers," explained Khaliq.

It is estimated that the banana-growing industry in Pakistan produces around 80 million tonnes of agricultural waste every year. This could result in the production of over 57,488 million cubic meters of syngas, or synthesis gas as it is otherwise known, as well as 30 million tonnes of nitrogen-enriched biofertilisers.

Syngas is a man-made gas which is created through chemical processes using waste products. It has a wide range of uses and is recognised as a greener way to generate electricity.

Dr Muhammad Saghir is director at Eco Research Ltd, and said that collaborating with Northumbria University and the National Textile University on the Banana to Textile Fibre project using syngas will be a groundbreaking journey.

"This innovative approach will not only transform agricultural by-products into sustainable textiles but also exemplifies a remarkable synergy between eco-conscious practices and technological advancements leading to local job creation and achieving UK's net zero agenda," Saghir said.

The project is funded for one year, but with plans to further develop the partnership and project in the future.

VF Corporation's Green Bond Report Highlights $545 Million Allocation to Environmental Projects, Achieving SDG Goals

• ***VF Corporation allocates €496M from its second green bond to sustainable projects.***
• ***Investments focus on recycled materials, renewable energy, and regenerative agriculture.***
• ***Projects align with UN SDGs, supporting responsible consumption, clean energy, and life on land.***

VF Corporation (NYSE: VFC), a global leader in apparel, footwear, and accessories, has released its 2024 Green Bond Impact Report. The report details the full allocation of net proceeds from its second green bond, issued in 2023, totaling approximately €496 million. These funds have been directed towards initiatives that generate significant environmental benefits, such as reducing greenhouse gas emissions through the procurement of recycled materials and powering VF facilities with renewable energy.

Sustainable Investments

The allocation follows VF's 2020 Green Bond Framework, channeling funds into nine projects across three categories:

1. Sustainable Products & Materials: *Addressing SDG 12 (Responsible Consumption and Production).*

2. Sustainable Operations & Supply Chain: *Targeting SDGs 7 (Affordable and Clean Energy), 9 (Industry, Innovation, and Infrastructure), and 12.*

3. Natural Carbon Sinks: *Focusing on SDG 15 (Life on Land).*

Jeannie Renné-Malone, VF's Vice President of Global Sustainability, stated, "Elevating our focus on, and investment in, sustainable material substitutions, regenerative agriculture projects, and renewable energy investments allows us to leverage our commitment to sustainability and make progress toward our science-based targets. We hope investments such as this will inspire other brands and companies within our sector and beyond to make similar investments for the betterment of people and our planet."

Historical Context and Future Vision

In February 2020, VF issued its inaugural green bond, marking a first for the apparel and footwear industry. This bond supported the company's sustainability goals, facilitated progress toward climate targets, and funded projects aligned with key UN SDGs. Approximately €493 million in net proceeds from the first bond were allocated to 13 eligible sustainability projects worldwide.

Compliance and Credibility

VF's 2023 green bond issuance adhered to the ICMA Green Bond Principles (GBP) 2018. Sustainalytics, a renowned provider of sustainability research and services, reviewed VF's Green Bond Framework and issued a Second-Party Opinion, affirming its credibility and impact.

The 2024 Green Bond Impact Report includes a detailed breakdown of allocated proceeds, highlighting the metrics and achievements of related projects.

Bangladesh unrest- will it impact RMG exports?

Bangladesh's 3,500 garment factories, which accounted for 85 percent of the country's $57 billion in annual exports is encountering a huge challenge due to the recent unrest. They have to play catchup for days of involuntary downtime that has resulted in significant delays and raised freight costs as containers continue to pile up at port. A bigger concern is whether the world's second-largest garment exporter after China can maintain its international buyers' confidence, or if brands and retailers like H&M Group, Zara owner Inditex and Walmart will be turning to rivals such as Cambodia, India, Indonesia and Vietnam.

According to the World Bank, political unrest in Bangladesh in the first part of 2015 resulted in a loss of 1% of GDP. A previous study by UNDP (2005) estimated the average costs of unrest as even higher during the 1990s. Though these estimates are disputed, they indicate that the economic impacts of political unrest might be significant. Experts do not find any clear evidence that the more recent unrest in Bangladesh has had a significant impact on total exports of garments. Excess capacity and flexibility in production are parts of the reason. Nevertheless, while export volumes do not seem to have gone down, unrest may adversely affect the bargaining position of local producers vis-à-vis multinational retailers, reducing profit margins and making it more difficult to restructure the industry and initiate costly security and labour reforms.

Last November's garment worker demonstrations over an unsatisfactory increase of the minimum *wage, which resulted in the deaths of four people, also caused widespread chaos and disruptions in Bangladesh's industrial hubs, though not to the same extent. While it is still too early to say for certain, he worries that buyers will, if not outright displace orders, then "squeeze their orders silently" because Bangladesh has become too risky.*

Coupled with shipping holdups due to the continuing Red Sea crisis, brands and retailers could be seeing lags of 21 to 25 days because of what has transpired, causing ramifications that will become more obvious in the months to come.

The Bangladesh Garment and Manufacturer's Association, the nation's premier trade group said that garment makers were losing $150 million a day as the curfew and lack of connectivity wore on.

Brands have shared their concern and primary goal has been to keep our workers safe and minimize disruptions. Most factories may have to resort to overtime, subcontracting and hiring part-time workers to meet any shortfalls.

The suspension of the internet is also hampering the garment sector as factories cannot send inspection reports to international retailers and brands online, which is a must every day to keep the buyers updated.

Representatives of international retailers and brands who were scheduled to visit factories or set to hold business meetings cannot come to Dhaka because of the irregular flight schedule of the airlines following the violence and curfew. This is the peak season for shipments of goods for the next winter season. If the shipment cannot be made on time only the losses will be piling up in the sector, an exporter said.

Industry leaders say the repercussions could extend into the third quarter of the current fiscal year. The country earned $55.55 billion from exports in the FY 2022-23, with nearly $47 billion coming from the garment industry, making up 85 percent of the total.

The immediate disruption aside, the recent unrest has also raised serious questions about Bangladesh's political and economic stability under Prime Minister Sheikh Hasina.

For the RMG exports certainly, this event has both short-term and long-term impacts on the supply chain and sourcing strategy of the customers. If the situation does not stabilize soon, it could have a deeper impact in the long run.

Statement of Shri Sudhir Sekhri, Chairman AEPC on the Bangladesh protest and prospect of RMG business diversion

Commenting on the pressing situation in Bangladesh, Shri Sudhir Sekhri, Chairman AEPC stated that, "Buyers are very concerned with the escalation of the civil unrest in Bangladesh. In the short term, fast fashion buyers have no option but to pull out their orders from Bangladesh and place them elsewhere." Most of these orders are in man-made fabrics, purchased from buyer nominated sources in China, Korea and even Europe. Shifting these short-delivery orders using special imported fabrics to India is not viable, given India's current import policies. Only orders in fabrics of Indian origin are expected to be shifted to Indian factories, he added.

Further Shri Sekhri observed, "On the long term, buyers will remain skeptical of being overly dependent on Bangladesh. Even before the current turmoil in Bangladesh, buyers were already looking for capacities elsewhere, due to capacity saturation in Bangladesh. The recent turmoil will expedite their plans. Indian factories will get a piece of the cake only if they ramp up capacities. However, Buyers will continue to be hesitant to place their orders in India unless the government of India tweaks its import policies to allow greater and easier access to imported man- made fabrics, trims and accessories."

Union Budget 2024-25 focuses on jobs creation through support to MSMEs and startups

Hon'ble Finance Minister Smt. Nirmala Sitharaman outlined a robust plan focusing on jobs, MSME, agriculture sector, startups, and economic growth amid global uncertainties while presenting Union Budget 2024-25.

India's inflation remains low and stable, progressing towards the 4 per cent target, with core inflation (excluding food and fuel) at 3.1 per cent. Measures are being taken to ensure adequate market supply of perishable goods.

Smt. Sitharaman emphasized the interim budget's focus on four key groups: the poor (Garib), women (Mahilayen), youth (Yuva), and farmers (Annadata). Sitharaman unveiled the Prime Minister's package, which includes five schemes aimed at providing employment, skills, and opportunities for 41 million youth over the next five years, with a central allocation of Rs 2 lakh crore.

This year, Rs 1.48 lakh crore is earmarked for education, employment, and skill development.

For the 'Viksit Bharat' vision, the budget outlines nine priorities to foster opportunities for all: enhancing productivity and resilience in agriculture, creating employment and skill development opportunities, promoting inclusive human resource development and social justice, boosting manufacturing and services, advancing urban development, ensuring energy security, improving infrastructure, supporting innovation, research, and development and implementing next-generation reforms.

The budget will support farmers with the release of 109 high-yielding, climate-resilient crop varieties. Over the next two years, 10 million farmers will be introduced to natural farming, with support for certification and branding. Additionally, 10,000 bio-input resource centres will be established.

To achieve self-sufficiency in pulses and oilseeds, the government will enhance production, storage, and marketing, focusing on crops like mustard, groundnut, sesame, soybean, and sunflower.

The implementation of Digital Public Infrastructure (DPI) in agriculture will be facilitated to cover farmers and their lands within three years.

An allocation of Rs 1.52 lakh crore is set aside for agriculture and allied sectors this year.

The government will introduce three 'Employment Linked Incentive' schemes under the Prime Minister's package, targeting EPFO enrolment, first-time employee recognition, and support for both employees and employers.

Over the next five years, 2 million youth will be skilled, and 1,000 Industrial Training Institutes will be upgraded. The Model Skill Loan Scheme will be revised to offer loans up to Rs 7.5 lakh with government-backed guarantees, benefiting 25,000 students annually.

Financial support for higher education loans up to Rs 10 lakh will be provided, with e-vouchers issued to 1 lakh students each year for a 3 per cent interest subvention.

The government will expand existing schemes like PM Vishwakarma, PM SVANidhi, National Livelihood Missions, and Stand-Up India.

A new plan, Purvodaya, will focus on the holistic development of eastern states, including Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh.

The Pradhan Mantri Janjatiya Unnat Gram Abhiyan will aim for comprehensive coverage of tribal families in 63,000 villages, benefiting 50 million tribal individuals.

India Post Payment Bank will establish over 100 branches in the Northeast, and Rs 2.66 lakh crore is allocated for rural development, including infrastructure.

A new self-financing guarantee fund will provide guarantee cover up to Rs 100 crore for applicants, while public sector banks will enhance their ability to assess MSMEs for credit internally, read the press release.

The Mudra loan limit will be increased to Rs 20 lakh for successful borrowers, and financial support will be provided for setting up 50 multi-product food irradiation units and 100 food quality and safety testing labs.

E-Commerce Export Hubs will be created to help MSMEs and traditional artisans access international markets.

Under PM Awas Yojana Urban 2.0, Rs 10 lakh crore will address the housing needs of 10 million urban poor and middle-class families, including central assistance of Rs 2.2 lakh crore over five years.

The Surya Ghar Muft Bijli Yojana will install rooftop solar panels to provide free electricity up to 300 units per month for 10 million households. The scheme has seen significant interest, with over 1.28 crore registrations and 14 lakh applications.

The government will maintain strong fiscal support for infrastructure while adhering to fiscal consolidation goals. This year's capital expenditure is set at Rs 11.11 lakh crore, representing 3.4 per cent of GDP.

Financial support for irrigation and flood mitigation projects in Bihar, Assam, Himachal Pradesh, Uttarakhand, and Sikkim will be provided.

The Finance Minister announced the establishment of the Anusandhan National Research Fund for basic research and prototype development, with a Rs 1 lakh crore financing pool to stimulate private sector-driven research and innovation.

A venture capital fund of Rs 1,000 crore will be set up to expand the space economy.

For 2024-25, total receipts (excluding borrowings) are estimated at Rs 32.07 lakh crore, and total expenditure at Rs 48.21 lakh crore.

Net tax receipts are projected at Rs 25.83 lakh crore, with a fiscal deficit estimated at 4.9 per cent of GDP. Gross and net market borrowings are estimated at Rs 14.01 lakh crore and Rs 11.63 lakh crore, respectively.

Smt. Sitharaman highlighted that the fiscal consolidation strategy introduced in 2021 has been effective, with a goal to reduce the deficit below 4.5 per cent next year, read the press release.

In the Budget for 2024-25, the standard deduction for salaried employees opting for the new tax regime has been increased from Rs 50,000 to Rs 75,000.

Additionally, the deduction for family pensions has been raised from Rs 15,000 to Rs 25,000. These changes are intended to provide greater financial relief to these groups.

Furthermore, the rules regarding the reopening of tax assessments have been revised. Assessments can now be reopened up to five years from the end of the assessment year, but only if the escaped income exceeds Rs 50 lakh. This modification aims to streamline tax compliance and enforcement.

The new tax regime has also been updated to offer salaried employees potential savings of up to Rs 17,500 in income tax.

The revised tax rate structure is designed to provide clearer benefits across different income slabs.

According to the new structure, income up to Rs 3 lakh is tax-free, while income between Rs 3 lakh and Rs 7 lakh is taxed at 5 per cent.

Income ranging from Rs 7 lakh to Rs 10 lakh is taxed at 10 per cent, and income from Rs 10 lakh to Rs 12 lakh is taxed at 15 per cent.

For income between Rs 12 lakh and Rs 15 lakh, the tax rate is 20 per cent, and income above Rs 15 lakh is taxed at 30 per cent.

The Budget has boosted the entrepreneurial spirit and start-up ecosystem by abolishing angel tax for all types of investors

It also proposes a simplified tax regime for foreign shipping companies involved in domestic cruises, recognizing the considerable potential of cruise tourism, read the press release.

Additionally, foreign mining companies selling raw diamonds in India can now benefit from safe harbour rates, which will positively impact the diamond industry.

The corporate tax rate for foreign companies has been reduced from 40 per cent to 35 per cent to attract more foreign investment. The Budget has also simplified the direct tax system for charities, revised the TDS rate structure, and reformed capital gains taxation.

The two existing tax exemption regimes for charities will be merged into a single regime. The TDS rate on many payments will be reduced from 5 per cent to 2 per cent, and the 20 per cent TDS on repurchases of units by mutual funds or UTI will be removed.

The TDS rate for e-commerce operators will be cut from 1 per cent to 0.1 per cent. Additionally, credits for TCS will now be applied to TDS deducted from salaries, and delays in TDS payments will no longer be criminalized if settled by the due date of the TDS statement.

Simplified and rationalized compounding guidelines for TDS defaults will be introduced soon.

For capital gains, short-term gains will now be taxed at 20 per cent on certain financial assets, while long-term gains on all financial and non-financial assets will be taxed at 12.5 per cent.

The exemption limit for capital gains has been increased to Rs 1.25 lakh per year to benefit lower and middle-income groups.

The Budget also proposes further digitization and paperless processing of Customs and Income Tax services over the next two years.

Custom duties have been revised to ease trade and reduce disputes.

Cancer patients will benefit from the full exemption of three additional cancer-treating medicines from customs duties: Trastuzumab Deruxtecan, Osimertinib, and Durvalumab.

The Basic Customs Duty (BCD) on X-ray machine tubes and flat panel detectors has been reduced, while BCD on mobile phones, Printed Circuit Board Assembly (PCBA), and mobile chargers is now 15 per cent.

To encourage the processing and refining of critical minerals, customs duties on 25 rare earth minerals like lithium have been fully exempted or reduced.

Exemptions are also proposed for capital goods used in solar panel manufacturing. To boost seafood exports, BCD on broodstock, polychaete worms, shrimps, and fish feed has been lowered to 5 per cent, read the press release.

The Budget aims to enhance the competitiveness of Indian leather and textiles by reducing BCD from 7.5 per cent to 5 per cent on Methylene Diphenyl Diisocyanate (MDI), used in spandex yarn production.

Custom duties on gold and silver have been reduced to 6 per cent and on platinum to 6.4 per cent. BCD on ferro nickel and blister copper has been removed, while BCD on ammonium nitrate has been increased from 7.5 per cent to 10 per cent to support new and existing capacities, read the press release.

The BCD on PVC flex banners has been increased from 10 per cent to 25 per cent due to environmental concerns.

To promote domestic manufacturing, BCD on PCBA for specific telecom equipment has been raised from 10 per cent to 15 per cent.

The Union Finance Minister introduced the Vivad se Vishwas Scheme, 2024 to address specific income tax disputes that are currently under appeal.

The financial thresholds for filing appeals involving direct taxes, excise, and service tax have been raised to Rs 60 lakh for High Courts, Rs 2 crore for the Supreme Court, and Rs 5 crore for tribunal.

What budget announcement for the textiles and apparel sector meant?

Enhancement in the duty free import limit for samples: *Limit for duty free import of commercial samples for exporters has been increased from Rs. 1 lakh to Rs. 3 lakh.*

ATUFS: *Allocation of funds for Amended Technology Upgradation Fund Scheme (ATUFS) has been reduced from Rs. 675 crores to Rs 635 crores.*

Procurement of Cotton by Cotton Corporation under Price Support Scheme: *Rs. 600 crores have been provided for procurement of cotton by Cotton Corporation of India under Price Support Scheme.*

Support for promotion of MSMEs: *Collateral-free term loans for MSMEs with a self-financing guarantee fund covering up to Rs. 100 crore have been given under the Credit Guarantee Scheme.*

Foreign Direct Investment and Overseas Investment: *The Rules and Regulations for Foreign Direct Investment and Overseas Investments will be simplified to (1) facilitate foreign direct investments, (2) nudge prioritization, and (3) promote opportunities for using Indian Rupee as a currency for overseas investments.*

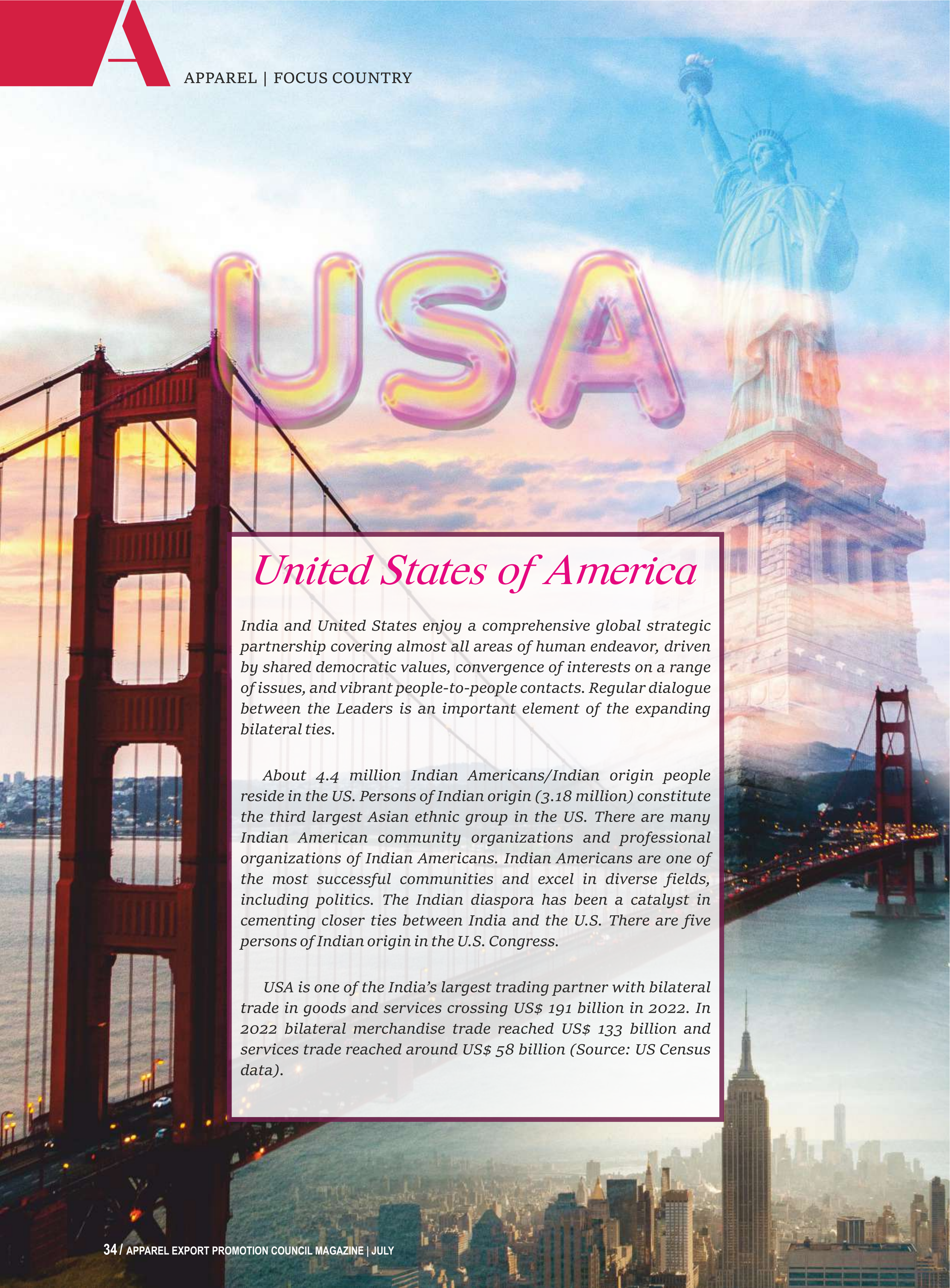
Enhancing Export Competitiveness: *BCD has been reduced from 7.5% to 5% in Methylene Diphenyl Diisocyanate (MDI) which is used for manufacturing of spandex yarn.*

List for the duty free import of trimmings and embellishments under the IGCR for making of readymade garments for export has been further expanded, which now includes

1. *Wet white leather*
2. *Crust leather*
3. *Finished leather of all kinds*
4. *Reinforcement materials*
5. *All types of Labels or Price Tag or Hang Tag*
6. *Polyurethane*
7. *Draw cord or cord*
8. *Elastic Band or Tape,*
9. *Metal Tab or Stopper or Clip*
10. *Tape*
11. *Velcro Tape*
12. *Die Set*
13. *D-Ring*

Employment and Skilling: *The government will implement three 'Employment Linked Incentive' schemes.*

Scheme A provides one-month wage benefits up to ₹15,000 for new employees earning up to ₹1 lakh/month. Scheme B covers EPFO contributions for new manufacturing employees for four years. Scheme C reimburses employers up to Rs. 3,000/month for two years for additional employees.



United States of America

India and United States enjoy a comprehensive global strategic partnership covering almost all areas of human endeavor, driven by shared democratic values, convergence of interests on a range of issues, and vibrant people-to-people contacts. Regular dialogue between the Leaders is an important element of the expanding bilateral ties.

About 4.4 million Indian Americans/Indian origin people reside in the US. Persons of Indian origin (3.18 million) constitute the third largest Asian ethnic group in the US. There are many Indian American community organizations and professional organizations of Indian Americans. Indian Americans are one of the most successful communities and excel in diverse fields, including politics. The Indian diaspora has been a catalyst in cementing closer ties between India and the U.S. There are five persons of Indian origin in the U.S. Congress.

USA is one of the India's largest trading partner with bilateral trade in goods and services crossing US$ 191 billion in 2022. In 2022 bilateral merchandise trade reached US$ 133 billion and services trade reached around US$ 58 billion (Source: US Census data).

Economic Overview:

High-income, diversified North American economy; NATO leader; largest importer and second-largest exporter; home to leading financial exchanges; low interest rates.

♦ Economic Indicators:

Indicators	Value (in USD)
Real GDP (Purchasing Power Parity), 2021 est.	*21.132 trillion*
GDP (Official Exchange Rate), 2019 est.	*21,433.23 Bn.*
Real GDP (Per Capita), 2021 est.	*63,700*
Real GDP (Growth Rate), 2021 est.	*5.95 %*
Inflation Rate, 2021 est.	*4.7 %*
Source: The World Factbook – CIA 2024	

♦ Exchange Rate:

Indicators	Value (in USD)
Indian Rupees (INR) per USA Dollar (USD)	*83.00*
Source: X-Rates 2024 (Feb 2024 average)	

♦ Climate:

Mostly temperate, but tropical in Hawaii and Florida, arctic in Alaska, semiarid in the great plains west of the Mississippi River, and arid in the Great Basin of the southwest; low winter temperatures in the northwest are ameliorated occasionally in January and February by warm chinook winds from the eastern slopes of the Rocky Mountains.

♦Average Tariff for India:

14.3 % for HS Code 61; 10.7 % for HS Code 62

♦ USA's Apparel Trade:

USA's RMG Import from World and India (In USD Mn.)				
	2021	**2022**	**2023**	**% Change 2023 over 2022**
USA's RMG imports from World	87287.4	105352.8	81591.4	-22.6
USA's RMG imports from India	4490.7	6004.9	4679.5	-22.1
India's Share in USA's total RMG imports from World, %	5.1	5.7	5.7	0.6
Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC				

The above table shows that USA's RMG import from the World were to the tune of USD 81591.4 mn in 2023 showing decline of 22.6 % as compared to 2022. RMG import from India has also decreased to USD 4679.5 mn, registering a decline of 22.1 % as compared to 2022. India's percentage share in USA's RMG import from the World has increased to 0.6 % in 2023.

♦ Top RMG Supplier to USA:

Top RMG Supplier to USA and India's Position			
Position	Countries	Imported value in 2023 (in USD mn)	% Share
	World	*81591.4*	*100*
1	China	17803.8	21.8
2	Viet Nam	14424.2	17.7
3	Bangladesh	7254.2	8.9
4	*India*	*4679.5*	*5.7*
5	Indonesia	4344.4	5.3

Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC

The above table shows that China has remained a top supplier of RMG to USA with 21.8 % share in 2023. India is the 4th largest supplier of RMG to USA with 5.7 % share. Vietnam and Bangladesh has a share of 17.7 % and 8.9 % respectively.

♦ USA's top 10 RMG Products Import from World vs India's share:

Top 10 RMG products imported by USA from World

S. No.	HS Code	Product label	Imported from World in 2023	Imported from India in 2023	India's Share in %
		Total RMG	**81591.4**	**4679.5**	**5.7**
		Sum of Top 10	**35382.7**	**1413.0**	**4.0**
1	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	7239.5	425.3	5.9
2	611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	5034.3	32.8	0.7
3	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	4881.1	368.0	7.5
4	620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excl. knitted ...	4597.3	123.2	2.7
5	620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton (excl. knitted ...	3894.1	116.0	3.0
6	620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres (excl. ...	2111.3	25.4	1.2
7	610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excl. cotton)	2050.0	21.5	1.0
8	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	1994.4	262.4	13.2
9	621210	Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or ...	1971.9	34.4	1.7
10	610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, ...	1608.9	4.1	0.3

Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC

The above table shows USA's top 10 RMG products imported from the World vis-à-vis from India and India's % share in those top 10 products. The top 10 products imported from the World were to the tune of USD 35382.7 mn. in 2023 and import from India of these top 10 products were to the tune of USD 1413.0 mn. India has 4.0 % share in USA's top 10 products import from the World.

*The top products imported by USA from the World includes **(i)** Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted; **(ii)** Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted; **(iii)** T-shirts, singlets and other vests of cotton, knitted or crocheted.*

♦ USA's top 10 RMG products import from India:

Top 10 RMG Products Imported by USA from India (in USD mn)

S. No.	HS Code	Product label	Import from India, 2023	% Share in 2023
		Total RMG	4679.5	100.0
		Sum of Top 10	2528.7	54.0
1	611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	425.3	9.1
2	610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	368.0	7.9
3	620442	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	364.2	7.8
4	620520	Men's or boys' shirts of cotton (excl. knitted or crocheted, nightshirts, singlets and other ...	262.4	5.6
5	620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excl. knitted or crocheted and ...	260.4	5.6
6	611120	Babies' garments and clothing accessories of cotton, knitted or crocheted (excl. hats)	256.2	5.5
7	610510	Men's or boys' shirts of cotton, knitted or crocheted (excl. nightshirts, T-shirts, singlets ...	212.6	4.5
8	620444	Women's or girls' dresses of artificial fibres (excl. knitted or crocheted and petticoats)	127.1	2.7
9	620443	Women's or girls' dresses of synthetic fibres (excl. knitted or crocheted and petticoats)	126.8	2.7
10	621142	Women's or girls' tracksuits and other garments, n.e.s. of cotton (excl. knitted or crocheted)	125.6	2.7

Source: UN Comtrade 2024; Compiled by the R&PA Dept, AEPC

The above table shows USA's top 10 RMG products imported from India. USA's top 10 products imported from India were to the tune of USD 2528.7 mn with 54.0 % share in USA's total RMG import from India.

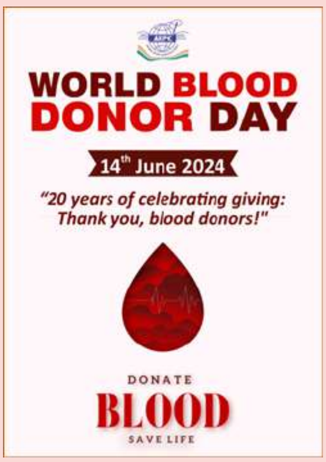
*The top products imported by USA from India includes **(i)** Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted; **(ii)** T-shirts, singlets and other vests of cotton, knitted or crocheted; **(iii)** Women's or girls' dresses of cotton.*

AEPC ordained blood donation camp to mark the occasion of the ' World Blood Donar Day'

On the occasion of the world blood donor day Apparel Export Promotion Council had organized a blood donation camp. During the camp many AEPC employees made the blood donation. To mark the occasion following activities were organized by the Council:

1. A Web banner highlighting the slogan for the event was designed and uploaded in the Council's website. The creative is displayed below for ready reference.

2. Two posters were designed, printed and displayed in all the offices of the Council. The creative is pasted below :



3. A mass mail was sent in the trade to all the member exporters of the Council requesting them to celebrate the "World Blood Donor Day" on 14.06.2024 in their respective offices/factories and encourage their staff members to take the Blood donation Oath and donate blood. The members were also asked to share the pictures of their celebrations to publish in the Council's forthcoming monthly magazine.

4. A thanks giving note was written by the son of one of the Council's employee to get published in the Council's monthly magazine

5. A Shapath Ceremony was organized by the Council in all its offices on 14th June, 2024. The glimpses are displayed below :

6. The Council in collaboration of the Lions Club Blood Centre had organized the blood donation camp in the Apparel House, Gurgaon on 14th June, 2024.

7. The AEPC team had also motivated the officials of the surrounding offices and staff members from three adjacent offices had visited the camp and donated their blood after having their hemoglobin and BP checked. Refreshment boxes were given to the donors. The Lion's Club had distributed certificates and a donor's card to each donor.



(Group Photo of AEPC Officials who had donated their blood)

8. *Awareness message was also circulated through the Council's social medial Ids.*

A Heartfelt Thank You to Unknown Blood Donors: A Lifeline for Thalassemia Patients"

Thanks giving by Aman Dudeja

Dear Blood Donors,

In the bustling world we live in, it's easy to overlook the silent heroes who selflessly give of themselves to help others. Today, we want to shine a spotlight on you – the unknown blood donors – whose generosity serves as a beacon of hope for thalassemia patients and their families.

our decision to donate blood is nothing short of extraordinary. It's a gesture that transcends the ordinary bounds of generosity, becoming a lifeline for thalassemia patients. Thalassemia is a genetic blood disorder that affects millions worldwide. Patients with this condition often require regular blood transfusions to maintain their health and quality of life. These transfusions replenish their depleted red blood cell count, alleviating symptoms such as fatigue, weakness, and shortness of breath. With each donation, you breathe new life into their weary bodies, infusing them with the vitality they need to persevere in the face of adversity.

For those living with thalassemia, your blood is more than just a biological necessity – it's a symbol of hope, resilience, and unwavering solidarity. It represents the embodiment of compassion, a tangible manifestation of the kindness that resides within the human spirit. With each drop of blood you donate, you become a silent guardian of hope, a beacon of light illuminating the darkest corners of uncertainty.

Moreover, your contribution extends beyond the immediate recipient. It fosters a sense of community and compassion, demonstrating that strangers can come together to support one another in times of need. Your selfless act sets an inspiring example for others to follow, encouraging more people to become blood donors and thereby saving even more lives. Your decision to donate blood sends a powerful message of unity and compassion to society. It reminds us that in a world often plagued by division, there are still individuals like you who believe in the inherent worth of every human life.

So, on behalf of thalassemia patients everywhere, we want to express our deepest gratitude to you, the unsung heroes of our communities. Your altruism may go unrecognized, but its effects ripple far and wide, touching the lives of countless individuals in profound ways. Thank you for being a lifeline for those in need and for making a profound difference in the world.

Thank you for being the silent guardians of hope, the unseen champions of compassion. Your kindness does not go unnoticed, and your generosity will forever be remembered in the hearts of those whose lives you've touched.

With heartfelt gratitude,
Aman Dudeja
Son of Sh. Sanjay Dudeja, Additional Director

AEPC organizes a discussion session on the Union Budget engaging industry, academia & experts

The Apparel Export Promotion Council (AEPC) hosted a panel discussion to analyze the 2024-25 budget and its implications for the textiles and apparel industry. Shri Mithileshwar Thakur, Secretary General, Apparel Export Promotion Council (AEPC) moderated the session which engaged industry, academia and domain experts. The session analyzed in detail the hits and misses for the apparel sector, in particular. The esteem panelists included: Shri Ram Singh, Professor, Indian Institute of Foreign Trade (IIFT), Shri Parthsarathi Jha, Partner - Competition Law & Policy | International Trade & Customs, Economic Laws Practice (ELP), Dr. Rudrani Bhattacharya, Associate Professor, National Institute of Public Finance and Policy (NIPFP), Dr. Sangeeta

Ghosh, Assistant Professor, Institute for Studies in Industrial Development (ISID), Shri Priyesh Ranjan, Senior Director, Sales & Partnerships - India, Stenn Technologies, Shri Karanjot Singh, Partner - Lakshmikumaran & Sridharan (LKS) and Ms Shweta Walecha, Director - Lakshmikumaran & Sridharan (LKS).

The panelists deliberated on the budgetary measures critical to sustaining and enhancing India's apparel exports amidst global challenges. Key issues such as the budget's long-term strategic framework for industry planning, India's potential to become a global hub for apparel manufacturing, Support of MSMEs, jobs creation, banking and taxes related and provisions for innovation, sustainability, and getting investment in raw material manufacturing, etc.

The discussion aimed to evaluate whether the Union Budget supports long-term industry planning and investment with a 5 to 10 year horizon. The engaging session with more than 120 participants concluded with the Q&A session.

Key highlights of the discussion:

The session addressed the budget's provisions for research and development (R&D), technology up gradation, innovation, and sustainability. While some support is provided, attendees advocated for more substantial funding and specific programs to foster innovation and sustainability, which are crucial for the industry's long-term success.

The budget allocation for the textile industry has increased, with enhancements such as duty-free import of crucial raw materials, and a significant increase in budget for cotton procurement by the Cotton Corporation of India under the price support scheme. Approximately 80 percent of the textile sector comprises MSMEs, and the budget allocation for MSMEs is expected to boost the apparel sector. However, concerns were raised about the threshold levels for MSMEs to avail benefits under the Production Linked Incentive Scheme. Panelists suggested that India should penetrate existing markets by becoming an all-weather manufacturer of apparel instead of focusing only on summer clothing.

The discussion also covered various 'Employment Linked Incentive' schemes aimed at boosting employment. These include wage benefits for new employees in a specific income range, coverage of EPFO contributions for new manufacturing employees over time, and reimbursement for hiring additional staff. Additionally, a new skilling initiative aims to train a significant number of youth over the coming years.

Changes in the rules of origin, allowing for self-certification, were highlighted. This provision is expected to facilitate the import of raw materials (trimmings and embellishments under IGCR.). However, concerns were expressed about the potential influx of poor-quality goods from competitive countries into the Indian market. The panelists also noted that the detailed modalities for self-certification are still forthcoming.

The session addressed budget measures to attract investments and joint ventures, particularly in the manufacturing sector. However, changes in the long-term capital gains tax structure and removal of indexation are likely to impact investments.

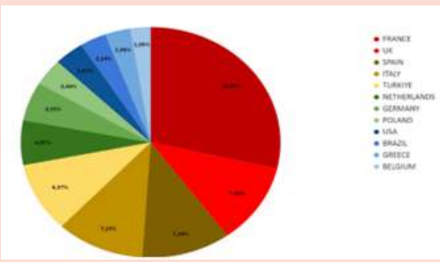
Attendees emphasized the need for a stable and predictable policy framework to encourage long-term investments. While the current budget outlines the government's vision to some extent, participants stressed the importance of detailed, sector-specific roadmaps to help industries plan strategically.

AEPC PARTICIPATED IN TEXWORLD APPAREL SOURCING, PARIS

AEPC participated in the Texworld Paris with more than 30 exhibitors, held in Paris between 1st to 3rd July 2024. Texworld highlights international weavers from Bangladesh, China, India, Japan, Türkiye, etc. This offer is divided into several sectors: cotton, drapery & tailoring, embroidery & lace, jacquard, knitted fabrics, linen & hemp, prints, shirting, silk, silky aspects, sportswear & functional fabrics, trims & accessories, wool and woollen materials. The Fair had a large denim section with leading companies.

BUYER PROFILE

Top 10 exhibiting countries this year included China, Turkey, India, South Korea, Myanmar, Pakistan, Ethiopia, Rwanda, Hong Kong. AEPC had represented Indian garment manufacturers for the first time under the banner of Texworld Paris.

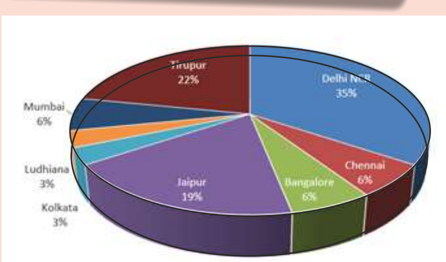


Buyers profile included footfall from across the EU nations including maximum footfall from within France followed by Spain, Italy, Netherlands, Germany, Poland and Turkey. Few buyers were also from Greece and Belgium. Countries outside EU included UK, USA and Brazil.

MAJOR BRANDS

- Armand Thiery
- Asos
- Bershka
- Bonprix
- Carhartt Wip
- Champion International
- Coach
- Damart
- Desigual
- Diesel
- El Corte Ingles
- Etam Group
- Father and Sons
- Groupe Beaumanoir
- Hugo Boss
- Inditex
- Izac
- La Maison Simons
- Le Bon Marche
- Mango
- Marks & Spencer
- Monchler
- Morgan
- Oxbow
- Primark
- River Island
- Ted Baker
- Undiz
- Veja
- Vivienne Westwood
- La Maison Simons

AEPC PARTICIPANT PROFILE



AEPC have visited the show with 32 participants (33 BOOTHS OF 9 SQMS). Maximum number of booths were from Delhi-NCR followed by Tirupur and Jaipur. Bangalore, Chennai, Mumbai, Kolkata and Ludhiana had minor participation with 1-2 exhibitors.

DAYWISE REPORT

Day 1: 1st July 2024

Fair was inaugurated by Mr Javed Ashraf, Indian Ambassador to France.



Chairman apprised the Ambassador about the changing scenario of Indian garment and the vision of India with respect to enhancing trade with France. Status of Indo-EU and Indo-UK FTA was also discussed. Diversification of Indian RMG to MMF with support from GOI PMMITRA/PLI was also discussed. Indian Ambassador expressed his appreciation and full support.

Ambassador along with Chairman AEPC visited AEPC exhibitors during the fair.


AEPC PARTICIPATION IN PRESS CONFERENCE

- AEPC participation in Press Conference in the Agora area

The press conference chaired by Julien Schmoll, Marketing and Communication Director of Messe Frankfurt France, invited to take the floor. The program is listed below .

- ***Introduction by M. Schmoll -*** *Marketing and Communication Director of Messe Frankfurt France*
- ***India:*** *A sustainable source of fashion apparel by M. Sudhir Sekhri - Chairman of the Apparel Export Promotion Council*

AEPC Chairman briefed about India's efforts at sustainability, especially in wind & solar power, water conservation, water recycling, use of recycled fibers, etc. Chairman also spoke about the upcoming Textile event in India Bharat Tex 2025 and various initiatives launched by the Government of India for promoting Apparel and Textile production to promote Trade and Investment by French Brands.

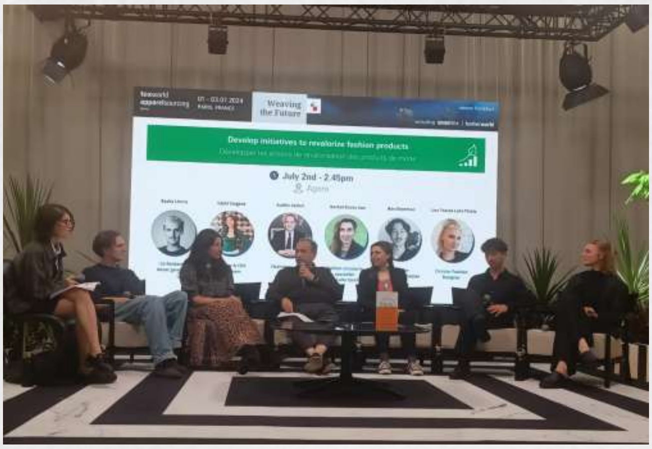
- ***Can African grown business models be the answer?*** *Pink Mango, a Rwandan proof of concept by Ms Mbonyumutwa Mukangabo - CEO and founder of Pink Mango Group*
- ***IFA Paris:*** *a fashion school focused on sustainable development and new technologies by M. Andreani & M. Ho Tsang - CEO of IFA Paris & Founder of Beyond Form*
- ***Aware™:*** *Setting the Standard for Digital Product Passports by Ms de Seze - Business Development Representative at Aware™*
- ***Conclusion by M. Schmoll -*** *Marketing and Communication Director of Messe Frankfurt France*

Chairman met the team of Aware




Aware™ makes the journey of a sustainable fiber traceable and transparent. From raw fiber to end consumer. Through their services Aware™, final brands, and consumers can see this complete journey in an Aware™ Digital Product Passport (DPP). They do it by using a tracer and blockchain. The tracer is detectable by a hand scanner when it is physically woven into the product. The data can track and validate end-to-end impact of sustainable textiles from origin to consumers. The Aware™ Tracer is a physical marker embedded into any type of raw material at the source. The Aware™ scanner is used to *authenticate the sustainable material anywhere, anytime.*

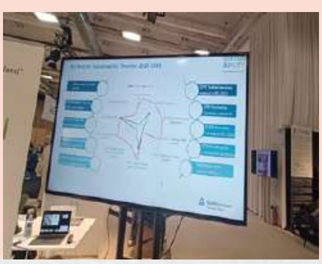
Day II: 2nd July 2024



Chairman participated in the Round Table on Develop initiatives to revalorize fashion products. Chairman said we are presenting current status of circularity in India and also explaining the new initiative by GOI on integrating textile value chain for sorting textile waste and our association with Fashion for Good and Reverse Resources. Other panelists were from Germany, Netherland, South Africa and UK.

Meeting with TUV Rheinland. TÜV Rheinland tests technical systems, products and services, supports projects and tests processes for companies and organizations.

Chairman met TUV Germany team. TUV Rheinland made a presentation on upcoming EU regulations on CBAM, Deforestation and sustainability timelines until 2026 and its impact across textile value chain. Chairman discussed about creating a global database on import standards and regulations across 20 important garment importing countries along with TUV team conducting series of webinars to apprise AEPC members on import regulations across the globe. TUV team would also assist AEPC members on auditing and certification across global compliances.



Chairman along with DSG met Mr Adam Scibor, International manager, Ptak, Poland. Possibilities of organising a virtual webinar on Business Opportunities for Indian RMG in Poland was discussed. Thereafter a trade delegation with committed meetings of AEPC delegates was also discussed as a preliminary step to explore the opportunities for Indian RMG before planning/proposing BSM in Poland in 2025.

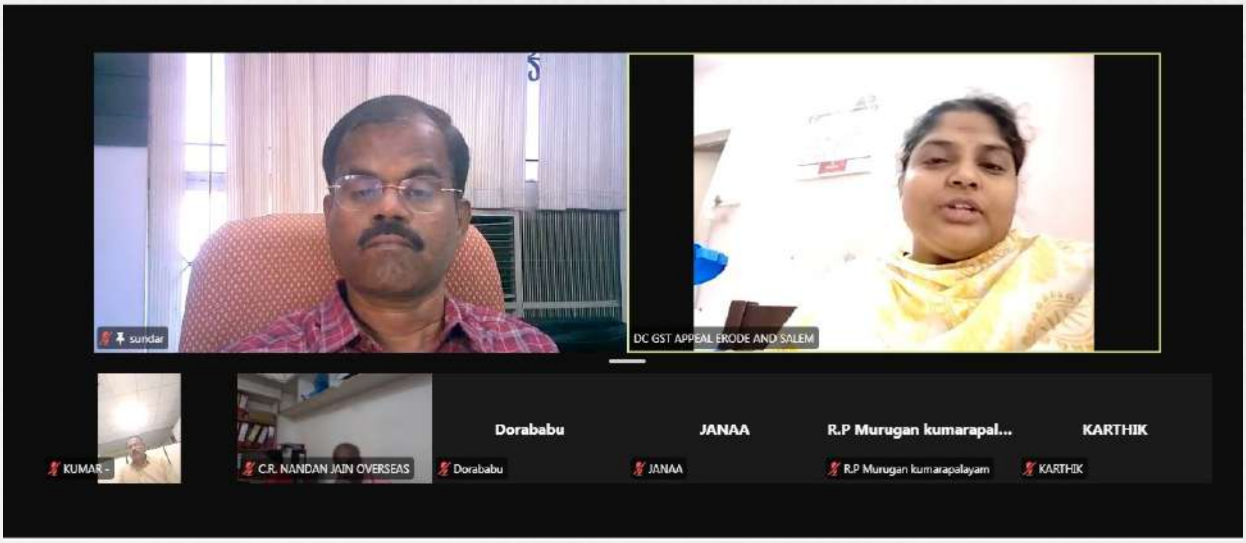
AEPC efforts towards Branding

It was told by MFI that the fair was organised as per the product categories i.e for women wear across countries were put under one zone and since Indian exhibitors across four councils participated across product categories there was no India Pavilion as such. We would like to deliberate on pros and cone of this new set up.

__1.__ AEPC though had circulated our product brochure to buyers visiting the fair. Had placed product brochures across all the major counters at the reception along with other country display material.

__2.__ One of the major issues that participants faced was not being placed in the exact product categories. For instance, the Tirupur knitwear exhibitors 7 of them were placed in woollen and knits of China, Shell Apparels dealing in Denim was placed in men's/women's casual despite the fact that there was a specific denim counter in the fair.

AEPC Tirupur Office and AXN Infotech jointly organized a Webinar on "53rd GST Council updates and GST Notices & Appeal"



AEPC-Tirupur Office, jointly with AXN Infotech, successfully organized a webinar on "53rd GST Council Updates and GST Notices & Appeals" on July 19, 2024 (Friday). The Tirupur office of the Council continuously facilitates various activities to benefit our trade members and supply relevant trade related information. This webinar was part of these efforts, persecuting our trade members to create awareness on GST's crucial updates and insights.

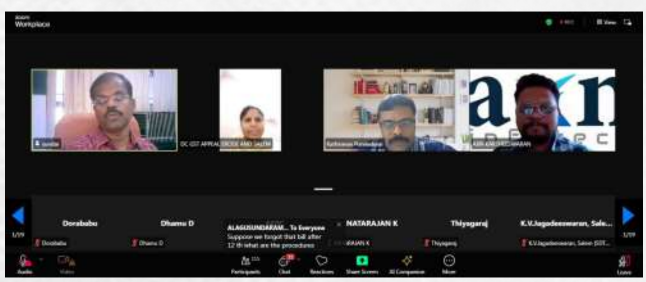
Mr. C Eswarasundar, Addl. Director, AEPC-Tirupur was moderating the session and welcomed the gathering.

The GST Council (53rd Council) met recently and issued various new notifications to the trade. Further to eloberate and clearify the issues for understanding the expert speaker Mr. Kathiravan, Tax Consultant/Advisor had made a detailed presentation on the recent GST updates. He provided information on awareness regarding GST, response to notices and how to appeal legally.

Mrs. Saranya, DC, GST-Appeal, (Erode, Salem & Tirupur) explained the do's and don'ts while appealing and also briefed about appeal procedures. During the Q & A Session, the members raised several queries regarding the difficulties they face in appeal. Mrs. Saranya, DC, has clarified the doubts and answered the queries raised by our members.

AXN Infotech proposed the vote of thanks. They expressed gratitude to AEPC Southern Region Incharge, Officials of AEPC, HO & Tirupur, GST officials for effectively organizing the webinar.

Around 150 members participated in this webinar. They have thanked and appreciated AEPC's initiative and mentaion that this webinar was very useful and informative.



ATDC MEETS HIGH LEVEL DELEGATION FROM MEGHALAYA – EMPLOYABLE SKILL IN APPAREL SECTOR

ATDC had invited Shri James P.K. Sangama, Chairman, Meghalaya Industrial Development Corporation (MIDC) to ATDC NHO, Gurugram. Shri Rakesh Vaid, Sr. Vice-Chairman, ATDC welcomed Shri James P K Sangama, Chairman, MIDC. He said that I am very happy to receive the delegation under Shri James P.K. Sangama Ji, Chairman, Meghalaya Industrial Development Corporation. He said that his visit is historic and a new milestone in ATDC. ATDC extended traditional warm welcome to the delegation. Shri Rakesh Vaid, Sr. Vice-Chairman, ATDC explained to the delegation that ATDC over the years has established excellent relationship in Vocational Education in Garment sector employement with States like Rajasthan, Madhya Pradesh, Uttar Pradesh, Karnataka, Tamil Nadu to name a few. Further, he added that today is the beginning of our relationship with Meghalaya and he is confident that with the active support under the leadership of Shri James P K Sangama , a new chapter on empowering the youth of Meghalaya particularly girls and boys would be started.

Dr. Vijay Mathur, Director General & CEO, ATDC said that ATDC can contribute significantly to "Mission 10" economy which is to transform $10 billion economy of Meghalaya by 2028 can be a part of creating 5 lakhs new job opportunities. The policy road map of Meghalaya rightly speaks about the empowering local communities through key objective for promotion of entrepreneurship and employment generation. The core value of employment generation in the Mission document and the role of ATDC is quite similar.

Shri James P K Sangama, Chairman, MIDC visited the ATDC Gurugram Centre and interacted with the ATDC students and Faculties. He mentioned that Meghalaya Govt. desires to make its citizens entrepreneurs as well as wage earners. He was very impressed with the activities of ATDC.

The other delegates who accompanied Shri James P K Sangama were :-

- *Shri DD Nongmalieh, Managing Director, MIDC*
- *Shri Kerlang Malngiang, Advisor*
- *Shri Anirban Paul, Advisor*
- *Shri Sanbor Kharjana, DGM (Tech)*
- *Shri Marilang Dkhar, AGM (Finance)*

Dr. Neera Chandra, Director, ATDC gave a detailed Presentation about AEPC and ATDC, various vocational education and training eco-system, highlights of one year programme, ATDC's role for vocationalization for schools, skill training under State Skill Mission, implementation of One District One Product (ODOP) and Vishwakarma Shram Samman Yojna (VSSY), technical support to the industry through ATDC Pro-up and wage employment linkages through a dedicated Placement Cell of ATDC.

ATDC has offered setting up of ATDC Centre at Shillong and West Garo Hills, Tura with financial support from the Govt. of Meghalaya.

Union Minister of Commerce and Industry Shri Piyush Goyal holds met with counterparts at G7 Trade Ministers' meet in Italy

Union Minister of Commerce and Industry, Shri Piyush Goyal, attended the G7 Trade Ministers' meeting held at Villa San Giovanni, Reggio Calabria, Italy. The meeting served as a pivotal platform for discussions on enhancing global trade relations and economic cooperation. On the sidelines of the meeting, Shri Goyal engaged in several high-level bilateral meetings with his international counterparts, reflecting India's commitment to fostering stronger economic partnerships globally.

During discussions with Antonio Tajani, Italy's Deputy Prime Minister and Minister of Foreign Affairs and International Cooperation, both the Ministers agreed to enhance bilateral trade and investments, industrial co-production, and cooperation in clean technologies. Minister Goyal congratulated Mr. Tajani for hosting a productive G7 Trade Ministers' meeting.

Discussions with Valdis Dombrovskis, Executive Vice President of the European Commission focused on promoting India-EU trade and economic collaborations, including ongoing FTA negotiations. Both sides explored opportunities to strengthen cooperation in various areas of mutual interest.

Shri Goyal in talks with New Zealand's Trade Minister, Mr. Todd McClay explored opportunities to enhance bilateral trade and investment ties for mutual growth. The discussions aimed at giving further impetus to the existing strong trade relationship between India and New Zealand.

Shri Goyal congratulated Mr. Jonathan Reynolds, UK Secretary of State for Business and Trade on his appointment and discussed deepening bilateral economic relations. The conversation included plans to take forward the discussions on Free Trade Agreement (FTA) between India and the UK.

Shri Goyal in conversation with Dr. Robert Habeck, Federal Minister for Economic Affairs & Climate Action, Germany discussed opportunities to elevate the growing Indo-German trade and economic partnership. The discussions focused on the upcoming Inter-Governmental Consultations and the Asia-Pacific Conference of German Businesses in Delhi.

These bilateral engagements are expected to pave the way for significant advancements in India's trade relations with key international partners.

Shri Goyal's participation in the G7 Trade Ministers' meeting underscores India's proactive approach in engaging with global economies to foster trade and economic cooperation.

During this session, Shri Goyal thanked Mr. Antonio Tajani for the invitation and highlighted the importance of analyzing global supply chains' robustness in times of crisis, referencing the Covid-19 pandemic, Ukraine-Russia conflict, and Red Sea crisis.

He emphasized the efforts of various countries to build resilient supply chains under platforms like the G20 Generic Framework for Mapping GVCs, the 14 Member IPEF association, Trilateral Supply Chain Resilience Initiative (SCRI), and India-EU TTC.

He discussed India's initiatives with strategic partners such as the US, GCC countries, and the EU, including the India-Middle East-Europe Economic Corridor (IMEC) to strengthen supply chains, and highlighted India's domestic measures to enhance multimodal connectivity for a seamless supply chain integrated with markets, distribution systems, and logistics.

The minister proposed collaboration among trusted partners to reinforce global supply chains in critical areas such as critical minerals, semiconductors, pharmaceuticals, and green energy; and advocated public-private partnerships, investments in critical infrastructure, innovation, and consistent regulatory frameworks across G7 countries and partner nations.

He addressed the impact of the 3 Cs - Covid, Conflicts, and Climate change - on global value chains, emphasizing the necessity for robust partnerships and cooperation. He also introduced the concept of the 3 Fs - fragmented, fragile, and fraught with uncertainties - characterizing the current global context and urged for greater alignment of investment, trade, environment, and energy policies to fortify global supply chains.

He emphasized the need for resilient supply chains that endure beyond the current generation.

Shutdown, internet blackout cost Bangladesh economy over $10 bn: FICCI

Bangladesh's worst political violence since Prime Minister Sheikh Hasina extended her grip in power in January elections could cost the economy $10 billion, a major setback for the nation looking to shore up its foreign exchange reserves.

The recent curfew and internet blackout in Bangladesh due to a week of unrest arising out of protests against job quotas have significantly affected the domestic economy, with cumulative losses, the Foreign Investors Chamber of Commerce & Industries (FICCI) has said.

FICCI president Zaved Akhtar recently met Salman F Rahman, prime minister's adviser on private industry and investment, with business leaders and stressed the need to resume full mobile data connectivity, saying it is critical for every sector.

"If we fail to prioritise the ease of doing business for our current investors, we will discourage potential investors from considering Bangladesh as a likely investment destination, especially when the investors are facing existential crises," he was quoted as saying.

"While the country is slowly recovering with limited online and physical connectivity, full operations are yet to come back, and we are at best 50 per cent of the economic potential," Akhtar said in a statement. The FCCI represents investors from 35 countries.

Bangladesh has over 2,800 garment factories engaged in direct exports, that experienced production disruptions due to the quota reform protests since mid-July. Ahammed Ali Babu, director, marketing and merchandising, Blue Planet Group, told Fibre2Fashion that their factory remained closed for 2 days.

Zaved, who is chairman and managing director of Unilever Bangladesh Ltd, also demanded faster release of goods from ports and shipments outwards.

Smoothening the authorised economic operator approval process will also help a lot in reducing port congestion and demurrage impact, FICCI added.

Bangladesh unblocked the mobile internet Sunday after 11 days of near-complete blackout and the authorities eased the curfew with longer daytime breaks to help businesses. But at the same time, security forces have arrested about 10,000 people in the past 12 days, according to the Prothom Alo newspaper, raising concerns the crackdown will widen after the protests died down.

Khadi, handloom sales rising, creating job opportunities in large numbers: PM Modi

Prime Minister Shri Narendra Modi said that Khadi Gramodyog's business has crossed Rs 1.5 lakh crore for the first time and asserted that the rising sales of Khadi and handloom were creating new job opportunities in large numbers. In his Mann Ki Baat monthly radio broadcast, Shri Modi said many people who would not be using Khadi products earlier now wear them with great pride.

"The Khadi Gramodyog's business has crossed Rs 1.5 lakh crore for the first time. Do you know how much sales of Khadi have gone up '400 per cent'. The rising sales of Khadi and handloom are creating new job opportunities in large numbers," he said.

Mostly women are associated with this industry so they are benefitting the most, he added.

"You must be having different types of clothes and till now if you have not bought khadi clothes then start buying them," Shri Modi said.

Key export scheme norms simplified for ease of business

To make it easier for exporters to do business, the government has simplified the Export Promotion Capital Goods (EPCG) scheme which allows import of capital goods at zero customs duty against an obligation to export.

As per a public notice issued by the Directorate General Of Foreign Trade (DGFT), exporters will now get additional time to submit installation certificates for imported capital goods, reducing pressure on businesses to meet timelines.

Also, from now all Policy Relaxation Committee (PRC) decisions regarding Export Obligation extensions and regularisation of exports will be implemented with a levy of a uniform composition fee making it easier to implement through the system. "With a view to enhance ease of doing business and reduce the compliance burden, certain provisions...are amended for EPCG authorizations issued under Foreign Trade Policy," the DGFT said in a public notice. The DGFT has also simplified the fee structure for extending Export Obligation periods with less paperwork and more efficiency. "These operational amendments are aimed at enhancing ease of doing business by providing up to three years from date of completion of import for submitting installation certificates, which may further be extended upon payment of a fee of 10,000 per year.

Additionally, requirement for submission of installation certificates for import of spares have been done away with. These changes would ease compliance burden on capex heavy manufacturers, such as electronics, mobile and IT equipment, who have committed to make large investments under the PLI Schemes.

An extended deadline for submitting Installation Certificates and by expanding automated rule-based processes, DGFT aims to reduce human intervention, mitigate risks and improve overall efficiency in trade facilitation.

India's growth likely to be closer to 7.5% in FY25: NCAER DG

Based on the momentum in the high frequency indicators, normalised monsoon, a relatively benign global outlook and receded electoral uncertainty, both in India and in the rest of the world, growth will likely turn out to be higher than 7 percent, and possibly closer to 7.5 percent in the current fiscal, National Council of Applied Economic Research (NCAER) Director General Poonam Gupta said.

Meanwhile the Economic Survey has projected economic growth during the year to be between 6.5-7 percent in 2024-25.

“Amid signs of receding global shocks, the latest high frequency indicators like PMI expansion for manufacturing and services and bank credit growth besides forecast of above normal monsoon rains in July hold out the projected growth promise for the Indian economy,” the monthly economic review for July released by NCAER said on July 29.

The latest data point to the growth dynamism of the domestic economy with the Purchasing Managers’ Index (PMI) for both manufacturing and services increasing in June (composite PMI at 60.9) and total outstanding credit of scheduled commercial banks expanding by nearly 21 percent on a year-on-year basis.

Personal loans and credit for agriculture and allied activities expanded by nearly 29 percent and over 22 percent, respectively. India’s foreign exchange reserves reached an all-time high at $666.9 billion on July 12, giving cushion for over 11 months of projected imports.

Budget guidance on fiscal restraint is likely to keep the economy in good stead. Gupta said, “The Union Budget 2024-25 lived to the expectations of unwavering commitment to fiscal consolidation, prudence, and quality.” The Union Budget for FY2024-25 emphasised fiscal prudence, and capex. Nominal GDP is projected to grow at 10.5 percent in FY2024-25 while the fiscal deficit is budgeted at 4.9 percent of GDP.

India elected as Vice-Chair of the Supply Chain Council

India to play a crucial role in developing a resilient Supply Chain in the Indo-Pacific region

In a significant milestone, India and 13 other Indo-Pacific Economic Framework (IPEF) partners have established three supply chain bodies under the landmark Indo-Pacific Economic Framework for Prosperity (IPEF) Agreement relating to Supply Chain Resilience. The inaugural virtual meetings of the Supply Chain Council (SCC), Crisis Response Network (CRN), and Labour Rights Advisory Board (LRAB) marked a major step forward for cooperation among partner countries for strengthening supply chain resilience in the region.

Through these inaugural meetings, 14 IPEF partners reaffirmed their commitments and collective resolve to facilitate closer cooperation to strengthen the resilience and competitiveness of critical supply chains and better prepare for and respond to supply chain disruptions that pose a risk to economic prosperity while strengthening labour rights.

The first-of-its-kind IPEF Supply Chain Resilience Agreement was signed by the Union Minister Commerce and Industry, Shri Piyush Goyal along with the Ministers from other IPEF partner countries in November 2023 in Washington D.C. with an objective to make IPEF supply chains more resilient, robust, and well-integrated, and contribute towards economic development and progress of the Indo-Pacific region. The Agreement was ratified in February 2024 and is in force since then. On earlier occasion, Shri Goyal has highlighted India's global production capacities in many critical sectors, which provide supply diversification opportunities for IPEF partners.

Earlier in June 2024, Secretary, Department of Commerce, Shri Sunil Barthwal, at the IPEF Ministerial meeting held in Singapore, highlighted that India, with its skilled manpower, natural resources, and policy support, aims to become a major player in the global supply chain. Government initiatives are proactive in finding solutions and ensuring India's participation in diverse and predictable supply chains.

Pursuant to the Supply Chain Agreement, the IPEF partners established three supply chain bodies – a Supply Chain Council to pursue targeted, action-oriented work to strengthen the supply chains for those sectors and goods most critical to national security, public health, and economic well-being; a Crisis Response Network to provide a forum for a collective emergency response to exigent or imminent disruptions; and a Labour Rights Advisory Board that brings together workers, employers, and governments at the same table to strengthen labour rights and workforce development across regional supply chains.

India shared its views on the importance of a resilient supply chain network and the ongoing consultations with stakeholders on sectors that are critical to it from the perspective of national security, public health and economic well-being. India also emphasised on the need for collaboration in skill development sector. It was stressed that identifying gaps and ensuring the right skills across our economies will be a priority, including technical assistance for workforce development and digitalization for a resilient supply chain ecosystem.

During the meetings, each of the three supply chain bodies elected a Chair and Vice Chair, who will serve for a term of two years. The elected chairs and vice chairs are:

- ***Supply Chain Council:*** *USA (Chair) and India (Vice Chair)*
- ***Crisis Response Network:*** *Republic of Korea (Chair) and Japan (Vice Chair)*
- ***Labor Rights Advisory Board:*** *USA (Chair) and Fiji (Vice Chair)*

The Supply Chain Council adopted Terms of Reference and discussed initial work priorities, to be further explored at its first in-person meeting to be held in Washington, D.C. in September 2024 on the margins of Supply Chain Summit. The Crisis Response Network discussed near and longer-term priorities, including conducting a table top exercise, and planned its first in-person meeting to be held alongside with the Supply Chain Summit. The Labour Rights Advisory Board discussed priorities on strengthening labour rights across IPEF supply chains. The convening not only will advance the work of the Labour Rights Advisory Board, but also focus on the labour provisions in the IPEF Clean Economy Agreement and Fair Economy Agreement.

The IPEF partners also underscored the significance of the upcoming in-person meeting to be held in Washington, D.C. in September 2024 on the margins of a Supply Chain Summit.

About IPEF : *IPEF was launched on 23 May 2022 at Tokyo, Japan, comprising of 14 countries – Australia, Brunei, Fiji, India, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, Vietnam and USA. The IPEF seeks to strengthen economic engagement and cooperation among partner countries with the goal of advancing growth, economic stability and prosperity in the region.The framework is structured around four pillars relating to Trade (Pillar I); Supply Chain Resilience (Pillar II); Clean Economy (Pillar III); and Fair Economy (Pillar IV). India had joined Pillars II to IV of IPEF while it has maintained an observer status in Pillar-I.*

3rd Meeting of National Traders' Welfare Board held in New Delhi

The Third Meeting of the National Traders' Welfare Board (NTWB) was held on 11th July 2024, at Vanijya Bhawan, New Delhi under the chairmanship of Shri Sunil J. Singhi.

During the meeting, an Open VC link on the website of Department for Promotion of Industry and Internal Trade (DPIIT) was launched which would enable weekly interactions with the traders across the country. The VC interaction would help traders interact with NTWB on various issues related to retail trade on a weekly basis.

In the meeting Shri Singhi highlighted that the representations received from the members and trade associations have been brought to the notice of concerned Ministries/departments for needful action. Suggestions and inputs were sought from the members for improving the awareness and reach of welfare schemes, related to retail trade.

The meeting was attended by the non-official members nominated by the Central Government representing Trade Associations and States/UTs as well as the ex-officio members representing Nine Ministries/ Departments of Government of India.

Commerce Secretary participates in the 14th BRICS Trade Ministers' meeting

➢ **Commerce Secretary focused his intervention on the development aspect of WTO, the contemporary issues linked to Global Value Chain, E-commerce and digitalization of Logistics Documentation, collaboration in Special Economic Zones and MSMEs in the meeting.**

➢ **Commerce Secretary extends strong support to BRICS spirit of equality, openness, inclusiveness, consensus, mutual respect and understanding.**

Commerce Secretary Shri Sunil Barthwal attended the 14th BRICS Trade Ministers' Meeting held on 26 July 2024 under the BRICS Presidency of Russian Federation. The theme of BRICS this year was "Strengthening Multilateralism for Just Global Development". While congratulating the Russian Presidency for the bringing in proposal on contemporary issues, Shri Sunil Barthwal, welcomed the new members of BRICS (Iran, Egypt, Ethiopia and UAE) and congratulated them on their fruitful participation in discussions, this year.

The Commerce Secretary expressed the need for strengthening multilateral trading system with WTO at its core, effective functioning of Joint Value Chains, expanding interaction among MSMEs, India's successful story on Digitalization and e-commerce and the relevance of cooperation among Special Economic Zones.

On the strengthening Multilateralism, he reiterated on the collective efforts to find a solution for long pending mandated issues of WTO, in particular, the development aspect and the Special and Differential treatment. He stressed on the urgent need for resolving the issues including the permanent solution to Public Stock Holding, constitution of two-tier Dispute Settlement system, WTO Reform to be based on the principles &

objectives of WTO, leading to more responsive to development requirements of emerging economies, invigorating the WTO through "30 for 30" bringing in alt least 30 operational improvements to the WTO before the organization completes 30 years in 2025. He stressed upon strengthening the resiliency of supply chain through decentralization and diversification, furthering co-operation in value chains through G20 generic Mapping framework for GVCs and by enunciating guiding principles for collaboration. In this context, as an initial step towards digitalization, he stressed on paperless trade including digitalization of documents like Bill of lading.

He laid emphasis on collaboration for making access to affordable emerging technologies critical for green transition and climate resilience. On the climate related unilateral measures impacting trade, Commerce Secretary expressed concern as such measures nullify rights and obligations under specialized Multilateral Environmental Agreements and violative NDC Principles, and ignores the CBDR principles.

The Commerce Secretary also mentioned the importance on MSME related developments and their integration with the Global Value Chains. While re-iterating the Jaipur call for action for enhancing access to information for MSMEs issued during India's Presidency in 2023, he lauded the Russian Presidency for carrying forward the initiative by making efforts to compile certain basic information pertaining to MSMEs among the BRICS members. As MSME's are an integral part of the BRICS Members, Commerce Secretary stressed on the importance of cooperation and collective efforts for outcome oriented support for MSMEs. He expressed the need to focus on key areas like, exploring cooperation in the form of Research and Development, Technology transfers and joint Ventures as well as the Business development opportunities.

Commerce Secretary underscored the urgency of accelerating inclusive digital transformation. While referring to India's success story of building up an open source India Stack of Critical Digital Public infrastructure as part of its digital industrialization following the core principles of open access, transparency, trust and respect for data protection and privacy, expressed India's willingness to share its experience with the BRICS countries on the e-revolution in the domains of payments, e-commerce, national identity, banking, education, etc,

On the Russian presidency's initiative on cooperation in Special Economic Zones (SEZs), Commerce Secretary acknowledged the transformative impact of SEZs in providing employment, state of art technologies, boosting exports. He underscored the importance of exchanging information and best practices regarding the same.

In conclusion, Commerce Secretary laid stress upon the importance of collaborative efforts and commitment along with resilience, unity and transparency to face challenges under the principles of compassion, empathy and understanding, for a common brighter future of BRICS countries.

The Trade Minister's meeting endorsed the Joint Communique and 6 outcome documents pertaining to various issues mentioned earlier.

Further on the sidelines of BRICS TMM, Commerce secretary had bilateral meetings with the Minister for Economic development Maxim Reshetnikov, Member of the Board (Minister) of Trade, Eurasian Economic Commission Andrey Slepnev, Deputy Minister of Industry and Trade Alexey Gruzdev, and Head of FSVPS, Sergei Dankvert of the Russian Federation as well as with the Deputy Minister for the Department of Trade, Industry & Competition, South Africa, Zuko Godlimpi and the Minister of State for foreign Trade, UAE, Thani Bin Ahmed Al Zeyoudi, wherein bilateral trade issues were discussed in brief for their early resolution.

India-Australia FTA yielding astonishing results, says Australian envoy Philip Green

In the last five years, India's exports to the world have gone up by about 37% but in the same period, India's exports of goods to Australia were up by 66%, he says

Indo-Australian trade is on a great trajectory owing to the recently floated free trade agreement — the Economic Cooperation and Trade Agreement (ECTA) — and exports from India to Australia have gone up substantially, said Australian High Commissioner Philip Green. He said that Australia is actively exploring the possibilities in building Amaravati capital city in Andhra Pradesh.

Speaking to media, before a meeting with Andhra Pradesh Chief Minister Shri N. Chandrababu Naidu in Amaravati, Mr. Green said, "In the last five years, India's exports to the world have gone up by about 37% but in the same period, India's exports of goods to Australia were up by 66%, nearly twice as much."

With regard to the trade pact, there is a 77% utilisation rate by traders and key sectors in the last four months of this year; Indian exports of apparel have gone up more than 20%, iron and steel by 25% and agriculture exports up by 30%.

Mr. Green said he was visiting to congratulate Mr. Naidu on his election victory and also to explore development opportunities in Amaravati. "We can talk about a number of sectors where Australia has interest in engaging — education, agriculture, water management, green energy, supply chain etc. You may know, Canberra, the capital of Australia was developed from three sheep farms. And it's now one of the most beautiful capitals in the world. I'll be listening very carefully to what Chief Minister Mr. Naidu has to say on the plans for Amaravati," he said.

Australia is also focused on export of clean coal, critical minerals for green hydrogen, green battery manufacture, green steel, iron ore and solar panels needed for rooftops. "Mr. Modi wants over ten million roofs with solar panels across the country, a huge opportunity for Australia," Mr. Green said.

He lauded the contribution of the Indian diaspora in Australia in the fields of information technology and other service sectors. The Indian community makes up over one million, out of the 26 million population of Australia. "It's the fastest growing community in our country. Last year, over 1,00,000 visas were issued to people from India," he said.

USA Introduces Bill to Crack Down on International Trade Crimes

A bipartisan coalition of House members, led by Ranking Member Raja Krishnamoorthi (D-IL), Congresswoman Ashley Hinson (R-IA), and Chairman John Moolenaar (R-MI) introduced the bipartisan Protecting American Industry and Labor from International Trade Crimes Act. Other original co-sponsors of this bill include House Appropriations Committee Ranking Member Rosa DeLauro (D-CT) as well as Reps. Glenn Ivey (D-MD), Ted Lieu (D-CA), Deborah Ross (D-NC), Haley Stevens (D-MI), Lou Correa (D-CA), Darin LaHood (R-IL), Nate Moran (R-TX), Ben Cline (R-VA), Kevin Kiley (R-CA), and Elise Stefanik (R-NY).

Companies based in the People's Republic of China (PRC) frequently commit crimes violating U.S. trade laws including fraud, duty evasion, and transshipment which benefit the PRC's non-market economy and severely harm U.S. companies and workers. Many companies have shuttered their doors and countless Americans have lost their jobs due to this criminal activity.

This legislation aims to combat these crimes by directing the DOJ to establish a new structure within its Criminal Division dedicated to prosecuting international trade crimes. This effort will enhance U.S. capabilities for detecting, investigating, and prosecuting trade fraud, duty evasion, transshipment, and other trade-related crimes.

"For years, the Chinese Communist Party's predatory trade policies have violated American trade laws and victimized American companies, workers, and consumers through trade crimes like dumping, duty evasion, and fraud. Our bipartisan legislation cracks down on these crimes by establishing a new unit at the Department of Justice dedicated to enforcing U.S. trade laws and holding perpetrators criminally liable for these illegal activities. Whether it is dumping below-market iron and steel, flooding the American market with illegal vapes, or violating the Uyghur Forced Labor Prevention Act, we must send an unmistakable message to companies based in the People's Republic of China that their illegal trade practices must end now." – Ranking Member Raja Krishnamoorthi (D-IL).

"For decades, Communist China has blatantly violated U.S. trade laws and ripped off American workers with no accountability or consequences. This has led to shuttered factories and devastating job losses across the country, hollowing out American industry and gutting rural manufacturing towns while enabling the CCP's forced labor practices. My bipartisan legislation will ensure we finally crack down on Communist China's illicit trade practices so that we can reshore American manufacturing and provide opportunities for American workers." –Congresswoman Ashley Hinson (R-IA).

Trade crime undercut American manufacturing and undermines American workers, perpetrators need to be held accountable.

Background:

- *Establishes a new task force, named program, or similar structure within DOJ's Criminal Division to investigate and prosecute trade-related crimes.*
- *Enhances nationwide responses to trade-related offenses by providing training and technical assistance to other federal, state, and local law enforcement agencies, expanding investigations and prosecutions, and collaborating with international partners.*
- *Requires the Attorney General to submit an annual report to Congress assessing the DOJ's efforts, statistics on trade-related crimes, and fund utilization.*
- *Authorizes $20,000,000 for FY 2025 to support these efforts.*

Mutual Recognition Agreement between India and Taiwan for Organic Products

The Mutual Recognition Agreement (MRA) for organic products between India and Taiwan has been implemented w.e.f. 8th July 2024 during the 9th Working Group on Trade Meeting with Taiwan at New Delhi. The implementation of the MRA between India and Taiwan is a landmark achievement as it is the first bilateral agreement for organic products.

The implementing Agencies for the MRA are Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Commerce and Industry, India and Agriculture and Food Agency, Ministry of Agriculture (AFA), Taiwan. By virtue of this agreement, agricultural products produced and handled organically in conformity with the National Programme for Organic Production (NPOP) and accompanied by an organic demonstration document (transaction certificate, etc.) issued by an accredited certification body under NPOP are allowed for sale in Taiwan as organically produced including display of the "India Organic" logo.

Similarly, agricultural products produced and handled organically in conformity with the Organic Agriculture Promotion Act and accompanied by an organic demonstration document (transaction certificate etc) issued by an accredited certification body under the Taiwanese regulation are allowed for sale in India as organically produced including display of the "Taiwan Organic" logo.

The mutual recognition will ease the export of organic products by avoiding dual certifications; thus, reducing compliance cost, simplifying compliance requirement by adhering to only one regulation and enhancing trade opportunities in the organic sector.

The MRA will pave the way for the export of major Indian organic products such as Rice, Processed Food, Green/Black and Herbal Tea, Medicinal plant products etc to Taiwan.

Indian textile exports rise on demand from CIS, South Asian markets

♦ *The rise in textile exports shows buyers' shift from China and Bangladesh, experts say*

♦ *Exports to North East Asia and Africa though have seen significant declines*

Indian textile exports have increased 4.15% in the first quarter of the current fiscal year, driven by rising demand from Commonwealth of Independent States (CIS) and South Asian markets.

According to the latest data from the commerce ministry, textile exports grew to $8.78 billion in the first quarter of FY25 compared to $8.43 billion in the same period last year.

This assumes importance given that the domestic apparel and textile industry contributes about 2.3% to the country's GDP, 13% to industrial production, and 12% to exports. India is the world's sixth largest exporter of textiles and apparel.

The CIS region, including nations like Russia, Armenia, Belarus, Kazakhstan, and Kyrgyzstan, recorded a growth of 113.33%, increasing to $64 million in the quarter compared to $30 million in the corresponding months of the last fiscal year.

South Asia also saw a significant increase of 35.65%, reaching $898 million.

Exports to Latin America increased by 15% to $346 million in the first quarter due to strengthened trade relations and rising demand for Indian textiles in Latin American markets.

However, regions like North East Asia (NEA) and Africa witnessed a decline in exports, highlighting the need for strategic adjustments to address market-specific challenges.

Textile exports to NEA contracted by 28%, decreasing to $298 million in the first quarter. Similarly, exports to Africa contracted 15.74% to $423 million.

According to a Crisil report, India's textile industry is expected to grow in the calendar year 2024, driven by a consistent improvement in domestic demand, gradual recovery in exports, and lower cotton prices.

The main buyers of Indian ready-made garments are European nations led by Germany, Netherlands, Italy, Poland, and Denmark.

RECENT IMPORTANT UPDATES AND CIRCULARS UNDER GST

BY - BALKISHAN CHHABRA

Gross GST revenue collection in May 2024 stands at ₹1.73 lakh crore; Records 10% y-o-y growth

The gross Goods and Services Tax (GST) revenue for the month of May 2024 stood at ₹1.73 lakh crore. This represents a 10% year-on-year growth, driven by a strong increase in domestic transactions (up 15.3%) and slowing of imports (down 4.3%). After accounting for refunds, the net GST revenue for May 2024 stands at ₹1.44 lakh crore, reflecting a growth of 6.9% compared to the same period last year.

Key Recommendations Made in the 53rd GST Council Meeting Held June 22, 2024 at New Delhi

1. Waiver of Interest and Penalty on Demand Notices:

- Interest and penalty waivers for demand notices issued under Section 73 for the financial years 2017-18, 2018-19, and 2019-20.

- Applicable in cases where full tax payment is made by March 2025.

2. Extended Time Limit for ITC:

- The time limit to avail ITC under Section 16(4) for the financial years up to March 2021 is extended to invoices filed by November 30, 2021.

3. Monetary Thresholds for Departmental Appeals:

- The monetary threshold for departmental appeals is set at ₹20 lakh for Tribunals, ₹1 crore for High Courts, and ₹2 crore for the Supreme Court.

4. Reduced Pre-deposit for Appeals:

- The maximum pre-deposit amount for filing appeals before the Appellate Authority for CGST and SGST is reduced from 25 crore to 20 crore.

5. Pre-deposit for Appeals Before Tribunals:

- The pre-deposit for appeals filed before Tribunals is reduced to 20%, with a cap of 20 crore for CGST and SGST.

6. No Interest on Cash Ledger Balance:

- No interest will be charged on the available balance in the cash ledger when filing GSTR-3B.

7. New Form GSTR-1A for Corrections:

- Introduction of Form GSTR-1A to allow corrections

in GSTR-1 before filing GSTR-3B.

8. Biometric-based Aadhaar Authentication:

- Implementation of biometric-based Aadhaar authentication across India in a phased manner.

9. Clarifications on Various Issues:

- GST rate on 'carton, boxes and cases of both corrugated and non-corrugated paper or paper-board' (HS 4819 10; 4819 20) to be reduced from 18% to 12%

Benefit of extended date of Section 16(4) has to be given retrospectively from July 2017: Kerala High Court

Prior to the amendment in Section 39 by the Finance Act 2022, the date for furnishing the return under Section 39 was 30th September. Considering the difficulties in the initial stage of the implementation of the GST regime, its understanding, and compliance, the Legislature effected the amendment and extended the time for filing the return for September to 30th November in each succeeding Financial Year.

The amendment is only procedural to ease the difficulties initially faced by the dealers / taxpayers. Therefore, where for the period from 01.07.2017 till 30.11.2022, if a dealer has filed the return after 30th September and the claim for ITC was made before 30th November, the claim for ITC of such dealer should also be processed if he is otherwise entitled to claim the ITC.

Therefore, if a person has furnished the return for the month of September till 30th November, their claim should also be considered and processed and should not be rejected if the dealer did not furnish the return for the month of September on or before 20th October. This amendment being procedural has to be given retrospective effect and, therefore, it is provided that it should be treated that the time limit for furnishing the return for the month of September is 30th November in each Financial Year with effect from 01.07.2017, considering the peculiar nature of difficulties in the initial period of implementation of the GST regime.

LATEST GSTN PORTAL UPDATE:

Guidelines for initiation of recovery proceedings before three months from the date of service of demand order:

Major points for consideration:

1. As per section 78 & 79, standard time for initiation of recovery proceedings from taxpayer is 3 months from the date of service of demand order.

2. However, in exceptional situations, approval for early initiation of recovery proceedings before the standard time of 3 months may be given but it should not be given by officers in a mechanical manner. Proper officer should clearly provide specific reasons for asking the taxpayer for early payment of the demand.

3. Such reasons could include high risk to revenue e.g.

- apprehension on taxpayer that he may close the business in near future,

- possibility of default by taxpayer due to his declining financial conditions or impending insolvency, or likely initiation of proceedings under Insolvency and Bankruptcy Act, etc.

4. Proper officer must duly consider the financial health, status of business operations, infrastructure, and credibility of the taxable person, and strike a balance between the interest of the revenue and ease of doing business.

5. Proper officer for general recovery proceedings u/s 79 is the jurisdictional Deputy or Assistant Commissioner of Central Tax.

6. Proper officer for giving approval for early initiation of recovery proceedings is the jurisdictional Principal Commissioner/ Commissioner of Central Tax.

[The author is Senior Partner in M/s. CHHABRA B K & ASSOCIATES (Delhi / NCR).

Global Freight Forwarding Industry Report 2024

The Global Freight Forwarding 2024 Report shows that the global freight forwarding market continues to normalise, with demand for air and sea freight forwarding services remaining soft.

Global Freight Forwarding 2024 Report from Ti Insight, attributes the market contraction to challenges arising from a global economic downturn, shifts in consumer behaviour, and an oversupply surpassing demand.

Challenges arising from a global economic downturn, shifts in consumer behaviour, and an oversupply surpassing demand have led the global freight forwarding market to contract by 1.3% in real terms (holding prices and exchange rates constant) in 2023.

Global Freight Forwarding 2024 contains unrivalled insight into the state of the freight forwarding market in 2024 and out to 2028.The report contains bespoke market size, growth rates, 5 year ahead forecasts and analysis of 2024State of Logistics Forwarding survey.

Use the report to keep ahead of market trends, develop your digitisation strategy, and understand the growth trajectory of key markets and potential emerging markets amidst challenging market conditions.

The performance of the market can be largely attributed to the weakness in air freight forwarding, which shrank by 2.1 per cent in 2023. Sea freight forwarding also underperformed, contracting by 0.6 per cent. The global economic downturn is cited as the main underlying reason for these disappointing results in the forwarding market.

In nominal terms (holding exchange rates constant only), the global freight forwarding market contracted by a significant 45.6 per cent in 2023. This substantial drop is attributed to reduced freight rates for air and sea compared to the previous year. However, the global forwarding market is expected to expand slightly in 2024, with a projected growth of 1.7 per cent in real terms, as per the report.

The Asia Pacific freight forwarding market experienced the third-largest market contraction compared to other regions. Despite this, it remains the largest region, accounting for 35 per cent of the global freight forwarding market. Ti data indicates that the global freight forwarding market will see a real compound annual growth rate (CAGR) of 3.3 per cent from 2023 to 2028.

"The market for freight forwarding has reflected the volatility of the wider market for air and sea freight over the past four years. For large freight forwarders especially, the years 2020-22 were a boom, with revenues increasing by half and profits doubling. However, 2023 saw results falling 'back-to-earth' with profits and revenues falling as the markets returned to what might be called some sort of normality. However, the market remains complex with exceptional events, such as the effective obstruction of the Suez Canal exerting effects on the market that have specific effects on different types of providers," said Thomas Cullen, chief analyst at Ti.

Ti's State of Logistics Air and Sea Freight Forwarding Survey 2024 reveals that 91.1 per cent of freight forwarders are currently experiencing increased pressure on margins. Rising competition and stronger negotiation by clients are identified as the main reasons for this increased pressure. To combat margin erosion, targeting higher-margin clients and offering more value-added services are likely to be the most successful strategies in the next 12 months.

The report also notes that the exceptional market conditions of the past two years have ended, with markets now on a new trajectory. This shift has led to a significant downturn in revenue and profits among freight forwarders in 2023, with results falling back to what might be called normality. All of the top 20 forwarders saw revenue declines in 2023.

PROPOSED CALENDAR OF EVENTS 2024-2025

S. No.	Name of Event	Date of Event
1	Sourcing at Magic, Las Vegas, USA	19-21 Aug.'24
2	Alfashion Sourcing Fair- Cape Town, South Africa	10-12 Sep.'24
3	Global Sourcing Expo Australia (GSEA)	19-21 Nov.'24
4	Sao Paulo Pret-a-Porter, Sao Paulo, Brazil	January 25
5	India Fashion & Lifestyle show - Tokyo, Japan	January 25

- Media Coverage -


ET The Economic Times

Apparel exporters see global orders partly shifting to India amid crisis in Bangladesh


the pioneer

Taaya Trend

THREAD


इंवेस्टर्स मीट में 100 से अधिक निवेशक आए

22 निवेशकों ने बिहार में निवेश की इच्छा जताई


The Indian EXPRESS

AEPC hail the support to MSMEs and manufacturing sector in Budget

MUMBAI, JULY 23— Commenting on the Union Budget 2024-25 Mr. Sudhir Sekhri, Chairman Apparel Export Promotion Council has welcomed the Union Budget presented by the Union Finance Minister Nirmala Sitharaman.


22 निवेशकों ने बिहार में निवेश की इच्छा जताई

बिहार में 22 उद्यमी वस्त्र उद्योग में करेंगे निवेश : गिरिराज सिंह


India's Garment Export Orders Likely to Increase 10-20%

Cotton yarn and fabric exports could benefit more than synthetic and manmade fibres: Experts

Kirtika Suneja

Export Boost

Apparel exports could grow $2-3 bln over next 2 yrs

China, Bangladesh largest importer of cotton yarn from India

Dhaka to lose duty-free benefits after LDC graduation in 2027

Start PM Mitra parks, expand PLI scheme, remove duty on cotton staple, says industry

"Some diversion will happen and if factories in Bangladesh don't open in the next 5-6 days, then Diwali and Christmas supplies will have to be met from here"

REPRESENTATIVE, Cotton Textile Industry

BANGLADESH CRISIS

राज्य में मुजफ्फरपुर, बेतिया के बाद बेगूसराय तीसरा टेक्सटाइल क्लस्टर होगा

बिहार में 22 उद्यमी वस्त्र उद्योग में करेंगे निवेश : गिरिराज सिंह

वस्त्र निवेशक सम्मेलन

निवेशकों को मिलेगा पूरा सहयोग: विजय सिन्हा

100 कंपनियों के प्रतिनिधि रहे मौजूद

बिहार से बढ़ेगा निर्यात : सुधीर

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(Sponsored by Ministry of Textiles, Government of India)

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