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1. TEXTILE MINISTRY SUBMITS RE-DRAFTED PLI SCHEME WITH WIDER SCOPE FOR CABINET APPROVAL

The Textile Ministry has re-drafted the much-awaited ₹10,683 crore Production Linked Incentive (PLI) scheme for the textile sector, to include a wider range of items with focus on value-addition, and has submitted the fresh Cabinet note for approval after getting a nod from the Expenditure Finance Committee (EFC). “After consultations with the industry and experts, the Ministry re-drafted the list of items eligible for the PLI scheme to encourage more value addition. Demands to lower the turnover threshold to include smaller players was also considered,” an official tracking the matter. Following inter-ministerial consultations, a Cabinet note was drafted on the recommendation of the EFC and has now been submitted to the Cabinet Secretariat, PMO and Department of Expenditure for approval of the Cabinet. Focus Product Incentive Scheme The PLI scheme for the Textile industry is to be implemented through the Focus Product Incentive Scheme which is focussed on creating global champions in man-made fibre (MMF) and technical textiles sectors. The scheme will provide incentive from 3 per cent to 15 per cent on stipulated incremental turnover for a period of five years after one year gestation period for brownfield investment (companies already in operation) and two years gestation period for greenfield investment (new set-ups). The initial plan of the Textile Ministry was to offer the ₹10,683 crore allocated under the scheme for incremental production in 40 identified MMF apparel items and 10 technical textiles lines over five years. But the industry and experts pointed out that it was important not to restrict the benefits to end-products such as sweaters, garments, diapers and sanitary napkins but to also extend it to much needed inputs for the industry such as fibre and filaments to encourage value addition in the country. To be implemented soon “The re-working of the list of items and considering demands including lowering eligibility threshold took some time. But the scheme is now ready and will be implemented as soon as the Cabinet gives its nod,” the official said. As per the initial plans, for brownfield companies the incentive rates were reportedly proposed to be fixed at 9 per cent of turnover in the first year for companies with a turnover of ₹100-500 crore (for 50 per cent incremental turnover) and 7 per cent for those above that. In the subsequent four years it would keep decreasing. For greenfield projects (new set-ups), a minimum investment of ₹500 crore was reportedly proposed with incentives at 11 per cent to start with. The industry had complained that the threshold levels were too high and needed to be brought down to include small scale units. Textiles is one of the 13 sectors for which the Centre has announced the PLI scheme to enhance India’s manufacturing capabilities and exports.

(Source: The Hindu Business Line)

2. INDIA GRABS SHARE FROM CHINA AS TEXTILE EXPORTS TO U.S. JUMP DURING PANDEMIC

India's textile exports to the U.S. have surged this year on a rebound in demand, helping the nation grab share from China. Total exports of yarn to household textiles to the U.S. jumped 46.4% over a year earlier in the first five months of the year to $4.5 billion (about Rs 33,000 crore), according to data by Otexa, a body of U.S. Department of Commerce. That came as demand recovered in the U.S. after vaccination against Covid-19 picked up pace. While exports from India jumped on a low base, a shift away from China is also underway. India's neighbour to the east saw exports fall as American importers added suppliers outside to counter higher tariffs and diversify the supply chain. China's share declined from 35% of total U.S. imports in the first five months of 2020 to 28% in 2021. India's market share rose to 9.1% from 7% a year earlier. The nation's contribution to the U.S. exports remained before the pandemic hovered around 7%. India has benefitted from China losing orders from the U.S. in the apparel segment, but countries like Vietnam and Bangladesh have benefited even more than us," Rahul Mehta, chief mentor at the Cotton Manufacturers Association of India, said. This year's data for Bangladesh and Vietnam isn't available yet. Overall, India is the second largest exporter of yarn after China and has a 14% market share. It also ranks No. 2 in home textiles with 11%. The nation has a 4% share in the global textile and apparel trade. Kailash Lalpuria, executive director and chief executive officer at Indo Count Industries Ltd., a supplier to global chains including Bed Bath & Beyond and Walmart, said.
(Source: BloomBerg Quint)

3. COMPENDIUM ON MMF GARMENTS RELEASED

Textiles Secretary Upendra Prasad Singh released a compendium on man-made fibre garments at the executive committee meeting of the Apparel Export Promotion Council (AEPC). The compendium, compiled by the Council, has details of all 90 MMF garment HS lines, including the top 10 high potential MMF garments for the United States market. It has the details of fabrics used to produce the 90 HS lines and their supplier details. Mr. Singh said the apparel sector is important for the economy as it provides livelihood to a large segment of population and has a major contribution towards exports and GDP. The Rebate of State and Central Taxes and Levies (RoSCTL) scheme, along with the proposed Production Linked Incentive (PLI) scheme and Mega Investment Textile Parks (MITRA) will help growth of apparel exports, he said. AEPC chairman A. Sakthivel said the compendium has details of HS codes, pictures, fabric suppliers and prices. MMF garments contribute to around $165 billion in total ready made garment exports of $470 billion globally. India's There is huge opportunity for Indian apparel manufacturers to diversify to MMF garments.
(Source: The Hindu)

4. LAUNCH OF BHIM-UPI IN BHUTAN TO FURTHER STRENGTHEN BILATERAL TIES: FM NIRMALA SITHARAMAN

Finance Minister Nirmala Sitharaman said the launch of BHIM-UPI QR-based payments in Bhutan will further strengthen the cooperation between the two neighbouring nations. The service was formally launched by the Finance Minister at a virtual ceremony in the presence of Minister of State for Finance Bhagwat K Karad, Financial Services Secretary Debasish Panda and Joint Secretary Madnesh Kumar Mishra. Finance Minister of Bhutan, Lyonpo Namgay Tshering, Governor of Royal Monetary Authority (RMA) of Bhutan, Dasho Penjore, Ambassador of Bhutan to India General V Namgyel, Ambassador of India to Bhutan, Ruchira Kamboj were also present. Appreciating the efforts of RMA, and National Payments Corporation of India (NPCI) in linking BHIM-UPI app and RuPay Card with the Bhutanese payments system, Sitharaman said, "I think this stands out as a very good example and it is only going to strengthen further and further cooperation between the two countries." The launch is expected to benefit more than 2,00,000 tourists from India who travel to Bhutan each year. With this launch, Bhutan will become the first country to adopt Unified Payment Interface (UPI) standards for its QR deployment. Bhutan will also become the only country to issue and accept RuPay cards as well as accept BHIM-UPI. It is to be noted that India launched indigenously-developed RuPay Card in Bhutan in 2019 and the phase two was launched in November 2020. This launch fulfils the commitment made by the two countries during Prime Minister Narendra Modi's visit to Bhutan in 2019. Following that visit, India and Bhutan have already enabled inter-operability in acceptance of RuPay cards in each other's countries in two phases - acceptance of RuPay cards issued in India at Bhutan-based terminals in the first phase, and vice versa in the second phase, the Finance Ministry said in a statement. Asserting that the inherent strength of BHIM-UPI is something which India feels proud of, Sitharaman said, it processed 22 billion financial transactions worth Rs 41 lakh crore in 2020-21 when the world was under the grip of pandemic. During the pandemic, UPI stood out as an effective instrument of payment as people were able to buy essentials by making digital payments, she added. Terming BHIM-UPI as one of the achievements of India in terms of fintech, she said, it is a very successful experiment that India has undertaken. The launch of BHIM UPI in Bhutan will add a new milestone in financial integration between the two economies and the collaboration will enable acceptance of UPI-BHIM app in Bhutan. UPI is an instant real-time payments system, allowing users to transfer money on a real-time basis, across multiple bank accounts without revealing details of one's bank account to the other party. This strategic partnership with Bhutan in the area of digital payments will not only enhance the ease of transacting for Indian travellers to Bhutan but will also add value to lives of customers in Bhutan. As a part of the launch, Sitharaman also made a live transaction using BHIM-UPI to purchase an organic product from a Bhutanese OGOP (One Gewog One Product) outlet, which sells fresh farm produce made organically by local communities in Bhutan.

(Source: The Economic Times)

5. PUBLIC PROCUREMENT NORMS APPLICABLE TO PPP PROJECTS: DPIIT

The government clarified that public procurement norms to give preference to local suppliers are applicable to public private partnership (PPP) projects as well. In an office memorandum, the Department for Promotion of Industry and Internal Trade (DPIIT) said it is “directed to clarify that the Public Procurement (Preference to Make in India) Order 2017 is applicable mutatis mutandis to all procurement of government of India including public private partnership projects”. The order was last amended on September 16, 2020 enabling departments to notify higher minimum local content requirement for Class-I & Class-II local suppliers which was earlier fixed at 50% and 20% respectively, aimed to promote make in India and make the country self-reliant. “If any project has to be exempted from this order, the procedure prescribed in the order cited above shall be followed,” DPIIT said in the memorandum. India had also added a reciprocity clause in the amendment made last year wherein foreign entities of countries which do not allow Indian companies to participate in their government buying will not be permitted to take part in domestic procurement. It also said that specifying foreign certifications, unreasonable technical specifications, brands and models in the bid document is restrictive and discriminatory practice against local suppliers.

(Source: The Economic Times)