

1. **INDIA AMENDS SCHEDULE OF RODTEP; MAY AFFECT COTTON & OTHER T&A ITEMS**
2. **INTERNATIONAL TRADE IN RUPEE CURRENCY SOON: PIYUSH GOYAL**
3. **LAUNCH 'PLI PLUS' INITIATIVE; FOCUS ON NEW PRODUCT DEVELOPMENT TO BOOST MFG: GTRI TO GOVT.**
4. **NATIONAL MANUFACTURING INNOVATION SURVEY (NMIS) 2021-22 FINDINGS RELEASED, CAN HELP ENHANCE COMPETITIVENESS OF INDIAN MANUFACTURING**
5. **SHRI GOYAL SAYS ONDC POISED FOR RAPID GROWTH IN MONTHS AHEAD, INVITES ALL E-COMMERCE COMPANIES TO JOIN**

1. INDIA AMENDS SCHEDULE OF RODTEP; MAY AFFECT COTTON & OTHER T&A ITEMS

India has amended the schedule of the Remission of Duties or Taxes on Export Products (RoDTEP) scheme with effect from May 1, 2023. The Ministry of Commerce and Industry issued a notification to add 149 tariff lines at the 8-digit level and delete 52 tariff lines from the RoDTEP schedule. The amendment affects cotton and some other textile and apparel (T&A) items. The government issued a notification on Monday stating that it has made additions and amendments to Appendix 4R, effective from May 1. The details of HS codes and RoDTEP rates/value caps are available on the DGFT website. These amendments were made to align the RoDTEP schedule with the first schedule of the Custom Tariff Act, as per the enactment of the Finance Bill 2023. The North India Textile Mills Association (NITMA) has announced through a tweet that Annexure 4R has been updated to include new tariff items and delete certain others, which affect some textile and apparel items. The amendment includes five tariff lines under HSN Code 5201 (cotton fibre). Tariff line 52010021 (for staple length not exceeding 20.0 mm) will have RoDTEP rates of 3.1 per cent, with a value cap of ₹1.6 per kg. Similarly, tariff lines 52010022, 52010023, 52010024, and 52010025 will have the same rates and value cap, with each tariff line representing staple fibre for different lengths. Tariff lines 54021100 (of Aramids), 54025900, and 57023990 will have RoDTEP rates of 1 per cent of the FOB value of the export consignment. NITMA said that the tariff lines 52010020, 54021110 and 54025990 related to the textile and apparel sector have been deleted from the schedule.

(Source: Fibre2Fashion)

2. INTERNATIONAL TRADE IN RUPEE CURRENCY SOON: PIYUSH GOYAL

Commerce and Industry Minister Piyush Goyal expressed hope that traders will soon be able to settle foreign trade in the rupee currency as several banks from different countries are opening special Vostro accounts with Indian banks. The Reserve Bank of India (RBI) has approved 60 requests to open Special Rupee Vostro Accounts (SRVAs) of correspondent banks from 18 countries, including the UK, Singapore, and New Zealand. The RBI, he said, is in discussion with the central banks of other countries on the matter. "We will soon start seeing operationalisation of this rupee trading in international trade with several countries," Goyal told reporters here. He also said that negotiations for free trade agreements (FTAs) with developed regions like the European Union, the UK, and Canada are in "advanced" stages. Groups including European Free Trade Association Free Trade Agreement (EFTA), Gulf Cooperation Council (GCC) and Eurasian Economic Union (EAEU) are also keen to start talks for similar pacts with India. "The whole world wants to have a comprehensive economic partnership agreement with India," the minister said. On the second phase of the production-linked incentive scheme for the textiles sector, he said that extensive stakeholder

discussions have happened on the subject. "I am quite confident that very soon we will be able to finalise the contours of the scheme and take it up for approval at the highest level," he added. Goyal said that Indian textile exporters were earlier facing customs duty disadvantages in developed markets vis-a-vis countries like Bangladesh, but as the government is inking trade pacts with regions like the UAE and Australia, domestic exporters would be able to push shipments. On promoting sustainability in the textiles sector, Goyal said that the textiles ministry has decided to set up an ESG (environmental, social, and governance commitments) task force. The task force will come up with suggestions to make the sector more environment-friendly and sustainable. The textiles ministry has also launched a portal to promote the sale of handicrafts and handloom products. On the National Textiles Corporation, he said that viability and other issues of its units have been discussed with the Finance Ministry but no final decision has been taken yet. On pink worms affecting cotton crops in certain places, the minister said that they are in discussion with the agri ministry and scientists to develop pink worm-resistant varieties. On exports, Goyal said expressed confidence that the USD 100-billion target for the textiles sector would be achieved. He also said working with industry would help take the industry's combined domestic and international economic value to USD 250 billion. "It is possible. We will definitely achieve that," he added.

(Source: The Print)

3. LAUNCH 'PLI PLUS' INITIATIVE; FOCUS ON NEW PRODUCT DEVELOPMENT TO BOOST MFG: GTRI TO GOVT

The government should consider launching a 'PLI Plus' scheme with focus on development of new products, industrial designs and enhancing productivity with a view to boost domestic manufacturing, economic think tank GTRI. A production-linked incentives scheme (PLI) is under implementation by the government with a budgetary outlay of about Rs 2 lakh crore for 14 sectors such as white goods, mobile, telecommunication and auto components. The Global Trade Research Initiative (GTRI) report said that creating sustainable and competitive manufacturing is imperative to increase the share of manufacturing in GDP to 25 per cent by 2030, up from 15 per cent at present. "This will require shifting focus to one step back from quick manufacturing outcomes to R&D, reverse engineering, and deep work. "This can be done under the Make in India framework with the launch of eight PLI Plus initiatives. These initiatives will strengthen the foundation of Indian manufacturing and aspire to bring the expertise level at par with developed countries like Germany, the US, Japan etc," GTRI co-founder Ajay Srivastava said. Under the initiative, he called for focus on laying the foundation for new product development; enhancing productivity of entire product sectors; supporting industrial design, development and manufacturing to cut imports; and boost ease of doing business measures. For the initiative, he suggested the government use Rs 1 lakh crore from the existing funds. Creation of global quality basic science research set up; inviting more Suzuki, GE and Apple type of firms in india; developing end-to-end product ecosystems; supporting manufacturing of products made by small and medium-size firms; and localising production of fertilizer and plastics will help India strengthen foundation of its manufacturing and aspire to bring the expertise level at par with developed countries, it added. "India must develop expertise in basic sciences, chemistry, metals, electronics, etc. These require long-term and sustained investment and collaborations with institutions across the world. Most such expertise is available only with firms located in Germany, Japan, and the US," it said. India imported machinery of value USD 54 billion in 2022 and therefore India needs to reverse engineer these to enable local, high-quality manufacturing, it said, adding a beginning may be made by reverse-engineering products such as machinery for textiles

sector, mining, and agriculture. "India imported fertilizers worth USD 17 billion and plastics products of value USD 27 billion in 2022. Technology for making these products is at least five decades old, and India has abundant raw materials. We must explore if most imports of fertilizer and plastics serve the interests of the trading lobby," the report said. Further, it suggested that the Ministry of MSME and the Department of Science and Technology devise an intensive program to identify high-potential existing manufacturers and handhold them to upgrade. "A beginning may be made with the following products. These are imported in large quantities," it said. The GTRI further said that most electronic products are made with lakhs of components and India must focus on developing this sector for sustainable advantage. Currently, India imports most components. "Our component strategy should concentrate on developing a component hub to facilitate quick imports, setting up manufacturing for low-end components, and allowing credit for duty-free imports to firms," it said, adding the government should look at setting up component hubs for prompt supply of imported components. Component hubs will be Bonded Cargo warehouses allowing vendors to import and store components without payment of duty. The hubs will trigger domestic electronic and IT hardware goods ecosystem development, the report said.

(Source: *The Economic Times*)

4. NATIONAL MANUFACTURING INNOVATION SURVEY (NMIS) 2021-22 FINDINGS RELEASED, CAN HELP ENHANCE COMPETITIVENESS OF INDIAN MANUFACTURING

"The National Manufacturing Innovation Survey (NMIS) 2021-22 was undertaken by DST as the Government of India has prioritised enhancing the competitiveness of Indian manufacturing and increasing its share in the GDP," Dr. Chandrasekhar said while launching the summary report for policymakers that encapsulated the results of the survey. "The survey findings offer wide-ranging insights into the enabling activities and barriers to innovation by firms and has closely evaluated how states and sectors have performed with respect to the manufacturing firms' ability to produce new products, services and business processes. The detailed analysis of the survey results also provides valuable insights on the innovation ecosystem in India. Thus, I anticipate this report to be of great interest to policymakers, researchers, and practitioners in the field of innovation and economic development", Dr Chandrasekhar elaborated. Dr. Chandrasekhar highlighted that these learnings can add significant value to the Make-in-India programme objective, specifically the Production Linked Incentive (PLI) schemes, positioned to boost manufacturing in a variety of sectors, including electronics, pharmaceuticals, and automobiles, that are already yielding results. He added that innovators should come out with really good innovations that are affordable, and require minimal changes in processes, and the resultant products should be cheaper, better, and environment friendly. Also, there should be enough factories with the capacity to absorb innovations. "The NMIS study & findings will contribute to strengthening the baselines to some of capacities and capabilities, opportunities and challenges in the manufacturing value-chains that require immediate attention," Dr. Chandrasekhar pointed out. The National Manufacturing Innovation Survey (NMIS) 2021-22 is a joint study by the Department of Science and Technology (DST) and the United Nations Industrial Development Organization (UNIDO) to evaluate the innovation performance of manufacturing firms in the India. The NMIS 2021-22 study was conducted as a 2-pronged survey that examined the innovation processes, outcomes, and barriers in manufacturing firms and also studied the innovation ecosystem that affects innovation outcomes in these firms. This study is a follow-up of DST's first National Innovation Survey held in 2011. The collaborative study by DST-UNIDO allowed a 360-degree approach to measuring

manufacturing innovation outcomes, processes, and barriers at the firm level, mapping the contributing processes and interactions and thereby assessing the performance of states, sectors, and firm sizes. Dr. Akhilesh Gupta, Secretary SERB, Senior Adviser, and Head PCPM, DST, gave the outline of the survey and said that the survey offered an empirical understanding of current innovation activities of the manufacturing economy in India as well as ways to navigate organisational rigidity to facilitate market demand for innovations. “Evidences of the barriers and challenges to technological learning, innovation and development, and up-gradation of Indian industries shall be used for devising policies, programs, and partnerships to strengthen innovation outcomes and benefits,” he added. “The NMIS survey shows that innovation is not yet common in manufacturing but has proved to be profitable for firms. Focus on manufacturing innovation is needed in addition to expanding production,” said Dr. René Van Berkel, Representative & Head, Regional Office in India, UNIDO. The NMIS 2021-22 survey had two specific components: the firm-level survey and the sectorial systems of innovation (SSI) survey. The Firm-level survey captured data related to types of innovations and innovative measures taken by firms, including the process of innovation, access to finance, resources, and information for innovation, besides also recording the factors impacting the innovation activities in a firm. One in four firms was found to have successfully implemented an innovation in the observation period, and over 80% of these firms benefitted significantly in expanding markets and production and reducing costs. The Sectorial System of Innovation survey mapped the manufacturing innovation system and its enabling role in achieving innovations in firms. The SSI study measured the interactions between stakeholders of the innovation ecosystem, relative barriers to innovation, as well as the convergence or divergence of current policy instruments in select five key manufacturing sectors important to the Indian economy textiles; food & beverage; automotive; pharma; and ICT. A total of 8,087 firms participated in the firm-level survey, while 5,488 firms and non-firms participated in the SSI survey. The findings from the firm-level survey are captured in the ‘Assessment of Firm-Level Innovation in Indian Manufacturing’. Separately, five reports from the study of the sectorial systems of innovation within five manufacturing sectors, namely, Automotive, Pharmaceutical, Textile, Food & Beverages, and Information & Communication Technologies (ICT), have been developed.

(Source: pib.gov.in)

5. SHRI GOYAL SAYS ONDC POISED FOR RAPID GROWTH IN MONTHS AHEAD, INVITES ALL E-COMMERCE COMPANIES TO JOIN

Union Minister of Commerce & Industry, Consumer Affairs, Food & Public Distribution and Textiles, Shri Piyush Goyal said that the Open Network for Digital Commerce (ONDC) of tomorrow will be a transformational engine across the world and not only in India during his address at “Enabling Bharat 2.0”, a one-day workshop conducted by ONDC in New Delhi. The Minister said that he is optimistic about a significant growth of ONDC in the next few months. He invited all e-commerce companies, big and small, to join ONDC and be part of this new bazaar that reimagines digital commerce. He mentioned that ONDC will promote local languages, products, and cultural heritage, and create opportunities for small businesses. He said that small artisans and workers can offer better quality through ONDC and also earn better without having to pay commission for their products. He emphasized that ONDC will foster healthy competition, benefit consumers and contribute to the overall growth of the digital commerce ecosystem in India. He said that the Prime Minister believes that our ability to develop depends on our ability to leverage technology. He said that monolithic e-commerce platforms will never be able to provide the services of the kind that a

network of platforms like ONDC can offer. The Minister highlighted the various sectors that may benefit from ONDC like farmers who can access bigger markets and demand better prices for their products, students who can compare prices of books and online courses, people who can avail health services at the best prices, etc. He emphasized on the need to create systems that benefit everyone and create opportunities for all. He said that the efforts are being undertaken to ensure that e-commerce becomes an engine of growth that empowers both buyers and sellers. The Minister highlighted that ONDC will unlock doors of opportunities in an inclusive manner for both big and small businesses, benefitting the entire value chain of commerce. He said that ONDC will provide a much larger market for sellers, without any preferred or priority sellers, ensuring equitable and fair treatment for all stakeholders. He said that ONDC will foster economies of scale, competition, and better pricing and quality, ultimately benefiting consumers. He said that ONDC is customer-centric, keeping in line with the vision of Mahatma Gandhi, where the customer is king. The Minister emphasized that India can only be defined as Bharat, as it thrives in villages and small habitations across the country. He mentioned that ONDC is targeting this 'Bharat' for inclusive growth, ensuring that the benefits of e-commerce reach every corner of the country. He said that the Prime Minister Shri Narendra Modi firmly believes in solving challenges the Indian way and trusts the people of India to come up with innovative solutions. He said that ONDC was born in such a manner when the e-commerce sector was grappling with multiple challenges and small businesses were under threat. He highlighted the need for alternate ways to address these challenges of the e-commerce ecosystem, while balancing the interests of small retailers and businesses led to the evolution of ONDC. The Minister outlined the unique features of ONDC, which aims to provide a win-win solution for both buyers and sellers. He said that ONDC, with its concept of using interfaces between various platforms, will open up more options for buyers, enhance price discovery and market opportunities for sellers, and also empower consumers to make informed choices. He said that this will result in more competition in the market and will not be limited through algorithms. He emphasized that ONDC will enable speedy, efficient, and real-time settlement of transactions, catering to hyperlocal and global needs simultaneously. During his address, the Minister said that 'Enabling Bharat 2.0' converges with the commitment of making India a developed nation by 2047 and it is desirable to plan for the future. He said that digital public infrastructure is the need of the hour. He said that all the efforts of the government have been citizen centric as was evident during the COVID pandemic with the development and production of vaccines and the launch of Co-WIN Vaccinator App to monitor the distribution of vaccines to everyone in the country. He cited the success of initiatives like the Unified Payments Interface (UPI) in the financial services sector, which has brought about a transformational journey and encouraged hundreds of fintech companies to innovate and promote financial inclusion. He said that UPI has brought about innovation in the fintech sector at a pace never seen before and promoted startups and unicorns through socialising valuation. He drew parallels with ONDC, which is based on a similar concept of interoperable interface, opening up more options for buyers and creating more competition, while providing ease of operation for sellers across multiple platforms and also providing them a bigger market. The 'Enabling Bharat 2.0' workshop has been organized to find potential synergies and deepen collaboration among the various open protocol-enabled initiatives and generate awareness amongst multiple stakeholders.

(Source: pib.gov.in)