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1. GARMENT EXPORTERS WELCOME NEW TEXTILE POLICY, WANT FOCUS ON CREATING SKILLED MANPOWER

Garment manufacturers and exporters in the city welcomed the new textile policy, approved by the Haryana cabinet, and said more government support in terms of easy finance, research and development, and availability of new technology will help the sector, and consequently boost the state economy. They said there is also a need to have a specific export-oriented component in the policy to help garment makers. Gurugram has more than 1,500 small and large units manufacturing and exporting garments, with a turnover of more that ₹20,000 crore, as per industry watchers. It also employs more than 200,000 workers and is a major job creator in the city. The Haryana Aatma Nirbhar Textile Policy 2022-25, announced by the state government plans to focus on man-made fibres and ensure more investments in weaving and knitting. The estimated budget for the policy is ₹1,500 crore with capping for capital incentive cases. A government spokesperson said the policy aims to attract investments worth ₹4,000 crore and generate 200,000 jobs in the state. The policy aims to provide an impetus for diversification of Haryana's textile industry to the B, C and D category blocks, which are industrially backward. It will also focus on the promotion of technical textiles and support the setting up of textile parks in the state, the government said. HKL Maggu, Managing Director, Jyoti Apparels, who has extensively worked with industry bodies in the textile industry, said while increasing investment and research is welcome, more steps are needed to provide financial incentives and subsidy to the manufacturers in the short and long run. "The government must focus on financial incentives such as increasing duty drawback, increasing interest subvention. There should be more focus on natural fibres as the garment industry in north India is more cotton centric," he said. The garment exporters also wanted the textile policy to focus on training local workers, skill improvement and providing subsidised housing to workers near industrial areas such as Manesar and across the state. They also said with Haryana among the top cotton producers in the country, the textile policy must put equal focus on taking advantage of this raw material. Manmohan Gaind, vice-president, Manesar Industries Welfare Association, and a garment exporter, said new textile policy should also focus on attracting labour and providing them affordable accommodation so that workers are motivated to come and work in the state. "Skill centres must be opened to teach stitching and related trades to local people," he said. Industry players also said that subsidy on yarn and tax exemptions on samples made by them will help the garment exporters. Sudhir Sikri, vice-president, Apparel Export Promotion Council, and a garment exporter, also said policies need to change the mindset of local populace and provide them adequate training and skills. "The workers in the state come from outside mostly. There is need

to focus on developing local workforce apart from providing other incentives to the industry," he said.
(Source: Hindustan Times)

2. INDIA TAKING OVER G20 PRESIDENCY WATERSHED MOMENT: PM'S PRINCIPAL SECY

The Prime Minister's Principal Secretary, P K Mishra, described India taking over the G-20 presidency as a "watershed moment" and said it is our responsibility to showcase the country in "the most rightful ways befitting her stature and glory". Holding the meeting at 56 different locations in the country will ensure that the pan-India nature of event is truly showcased, he said, adding that every state government, Union territory and citizen is a stakeholder in the process of India's presidency. "India has as much uniqueness as it has diversity. We have a responsibility to bring out the best traditions of India before the world," Mishra said in his address at the University Connect: Engaging Young Minds programme to mark the occasion. India has got a glorious opportunity to host the largest multilateral event on its soil, he said, according to a statement. "G-20 presidency is an opportunity to present the diversity that is India to the outside world. Universities can train students about local history and important landmarks, art-forms and other cultural traditions of their area," Mishra said. Such students can then be a part of organising meetings and in guiding foreign delegates, he said. Apart from places of historical, economic and cultural importance, there could be immersive experiences like nature walks, village visits, visits to weekly and local markets, the official told the audience comprising university students in large numbers. "Universities can select bright students and train them in being rapporteurs of sessions," he added. Noting that the world is passing through challenging times, Mishra said it also offered opportunities and India has taken the lead in the global sphere to spearhead the transition towards cleaner sources of energy. "Our global initiatives such as One Sun One World One Grid and the International Solar Alliance have been complemented by our domestic commitment for achieving 50 per cent installed electricity capacity through non-fossil sources. If a country such as ours shows the way then the world will have to follow," he said. Noting that the G-20 presidency has been passed onto India during its "Amritkaal", a term used by Prime Minister Narendra Modi to define the period leading to the country's independence centenary, he said the related events related to the exercise should showcase a glimpse of our tradition of "Atithi Devo Bhavah" (guests are Gods). He noted that PM Modi has stressed the importance of forward-looking actions but with firm roots in our culture and recalled the launch of 'Mission Lifestyle for Environment' in the presence of the UN secretary general. "This LiFE Mission is one such mantra we have given to the world," Mishra said. The Unified Payment Interface (UPI), pioneered by India, is another example of how Indian solutions have the potential to come to the aid of the world, he said. "Our evolving experience with bridging the domestic digital divide can provide valid lessons to the international community to bridge the global digital divide," he said. The vibrant start-up eco-system in the country is evidence that sky is the limit as far as the youth are concerned, he added, noting that India is currently ranked third globally in its fintech strength after the USA and China. Under Modi, India has continuously moulded its policies to suit the needs of its youth and the National Education Policy 2020 is a holistic and futuristic policy based on the foundational principles of access, equality, quality, affordability and accountability, he said.
(Source: Business Standard)

3. TRADING IN LOCAL CURRENCIES

At a time geopolitical tensions are rising and threaten to split the world into “two trade blocks, two financial systems, two currency blocks, two payment systems and two separate world-wide webs” to borrow an expression of former RBI Governor Duvvuri Subbarao it is but natural that countries like India would push settlement of trade in local currencies. Four months ago, the Reserve Bank of India notified invoicing and settlement of trade transactions in rupees to “support the increasing interest of the global trading community in INR”. For starters, the expectation was that this move would facilitate more trade with Russia that is facing punitive Western sanctions, as also with neighbouring countries like crisis-ridden Sri Lanka. The rupee-rouble trading arrangement, however, is still a work-in-progress with RBI approving the opening of special vostro accounts by more banks for cross-border trade in the Indian currency. Sri Lanka has acceded to India’s request to designate the rupee as an international currency. Of late, corporates in selected jurisdictions have also been utilising non-dollar currencies to procure crude and other commodities like coal to by-pass Western sanctions, striking deals in the renminbi, the Hong Kong dollar and the UAE dirham pairs, according to a SBI research report. Settlement of a part of India’s growing import bill in rupees would definitely ease the strains on its current account or goods and services trade with the rest of the world. This would, in turn, reduce the demand for dollars to finance such imports and ease the downward pressure on the rupee. For such reasons, it makes sense for India to negotiate with trading partners like UAE, Indonesia and Sri Lanka to settle transactions in local currencies. Sri Lanka thus can export to India and get paid in the Indian rupee, which can then be used for imports from India. This issue featured in the 14th India-UAE Joint Commission Meeting in early September. India has prepared a concept paper regarding rupee-dirham trade, and the central banks of both nations are discussing the creation of a mechanism to facilitate settlement in local currencies. UAE happens to be India’s third-largest trading partner and second-largest export destination. Besides reducing the cost of trading transactions, this move can also make a dramatic difference on remittances from the 3.4 million-strong Indian diaspora in the UAE who transfer $15 billion to their families back home. Although South Asia is the least expensive region to send remittances, this could come down drastically if instant payment platforms in either country are linked, say, through the United Payment Interface of India, to wire payments from the Indian emigrants. These are concrete steps forward to push the global acceptance of the rupee to settle India’s trade transactions. It is a no-brainer that the profile of the rupee is bound to grow in tandem with the country’s rise in global trade. Although India’s exports of goods and services are growing rapidly, they currently account for only 2.4% of global exports of goods and services. More critical mass is necessary for internationalization of the rupee. As indicated in RBI’s payments vision document for 2025, the rupee’s inclusion in the continuous linked settlement initiative, which provides protection for cross-currency settlement in 18 currencies, would help in a big way. This should be taken up in right earnest. A mechanism for rupee settlement through CLS Bank will boost its acceptance in the global trade community.
(Source: Financial Express)

4. DUTIES ON 100 PERCENT TARIFF LINES TO BE ELIMINATED BY AUSTRALIA UNDER THE LANDMARK INDIA-AUSTRALIA ECONOMIC COOPERATION AND TRADE AGREEMENT (IND-AUS ECTA): SHRI PIYUSH GOYAL

Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal said that duties on 100 percent tariff lines would be eliminated by Australia under the landmark India-Australia Economic Cooperation and Trade Agreement (Ind-Aus ECTA). Minister expressed his gratitude to Prime Minister Shri Narendra Modi and said that the ECTA was made possible because of the bond that he had built with the leadership in Australia cutting across party lines. Shri Goyal said that the ECTA would give a big boost to several sectors of the economy, especially textiles, gems and jewellery and pharmaceuticals. It may be noted that 10 lakh jobs are estimated to be created as the result of the ECTA. He noted that the Agreement would also open new opportunities for the service sector in India and would immensely benefit students by offering them an opportunity to work in Australia. Annual Visa quota of 1800 is to be instituted for India Yoga teachers and Chefs. The Minister underscored that the Agreement was finalized after extensive and exhaustive stakeholder consultations and pointed out that it was unanimously accepted and supported by all quarters. Shri Goyal observed that the Agreement reflected the confidence and trust between the two countries, and India's growing stature in the world. He said that ECTA would further deepen India's relationship with Australia, a vibrant democracy which shared several of India's interests. Ind-Aus ECTA which was signed on 2 April 2022, is now ready for ratification for its early implementation, with the Ind-Aus ECTA Bill and the DTAA amendment bill being passed by the Australian Parliament today and is being placed before Executive Council to get Royal Assent. The Agreement will enter into force shortly, on a mutually convenient date once both the sides have completed their domestic processes. Australia is an important strategic partner of India and both the democracies are part of the four nation QUAD, Trilateral Supply Chain Initiative and the Indo-Pacific Economic Forum (IPEF). The trade relationship facilitated through ECTA will open a new chapter on India-Australia Comprehensive Economic Partnership between two vibrant economies with shared interest and trade complementarities. This agreement initiated by the Hon'ble Prime Ministers of both the sides, is the cornerstone of our multi-faceted bilateral relations. ECTA is the first trade agreement of India with a developed country after more than a decade. The Agreement encompasses cooperation across the entire gamut of bilateral economic and commercial relations between the two friendly countries. This will also connect with more than seven lakhs of Australia's Indian diaspora, second highest taxpaying diaspora, which makes a significant contribution to Australia's society and economy. ECTA provides for an institutional mechanism to encourage and improve trade between the two countries. For the first time, decisions completely based on extensive stakeholder consultations with every industry, Ministries, trade associations etc unlike the previous FTAs was undertaken. It is expected that with this agreement, the total bilateral trade will cross US$ 45-50 bn in 5 years from existing US$ 31 bn. India's Merchandise Exports is likely to increase by 10 billion by 2026-27. Moreover, since the labour-intensive sectors will be benefitted, it is expected to create an additional employment of atleast 10 lakhs jobs in India, create ample opportunities for investment, promotion of start-ups. Similarly, it would provide enhanced job opportunities for Indians in Australia and increased remittance flows to India. Around 96% of Australia's exports are raw materials and intermediate products which will allow many Indian industries to get cheaper raw materials and make them competitive.

Investments will help increasing presence of higher value products of advanced technology, thereby promoting vertical Movement in the value chain (Engineering, Electronics, Pharmaceuticals & Medical devices). Another major gain is in Pharmaceuticals sector, where Drugs approved in other developed jurisdiction will get fast track approval for patented, generic and biosimilar medicines. As regards trade in services, Australia has offered wide ranging commitments in around 135 sub sectors. which cover key areas of India's interest like IT, ITES, Business services, Health, Education, and Audio visual. Some of the key offers from Australia in the services space include: Quota for chefs and yoga teachers; Post study work visa of 2-4 years for Indian students on reciprocal basis; mutual recognition of Professional Services and Other licensed/regulated Occupations; and Work & Holiday visa arrangement for young professionals. Moreover, the long pending issue under Double taxation related to IT/ITES has been resolved under this Agreement which will provide a financial savings of more than US$ 200 million per year as per the estimates received from the Industry Associations. As part of the commitments under ECTA, for the Comprehensive Ind-Aus ECTA, Chief Negotiators from both the sides will have a meeting shortly to finalise the Scoping document. In a nutshell, the India-Australia ECTA will further cement the already deep, close and strategic relations between the two countries and will significantly enhance bilateral trade in goods and services, create new employment opportunities, raise living standards, and improve the general welfare of the peoples of the two countries.

(Source: pib.gov.in)

5. CCI TO REPLACE NAA FOR ANTI PROFITEERING COMPLAINTS UNDER GST

CBIC has notified that the Competency Commission of India (CCI) will take the place of the National Anti-Profiteering Authority (NAA) for GST anti-profiteering complaints, i.e., CCI will be stepping into the shoes of the NAA, from December 1, 2022. The CCI has been empowered to investigate whether or not a registered person's use of input tax credits or a reduction in the tax rate has actually resulted in a corresponding reduction in the price of the goods or services or both supplied by him. The CBIC made this amendment in conformity with earlier news reports that the CCI would replace the NAA. In light of this, CBIC has officially confirmed that the CCI will have the authority to handle complaints pertaining to anti-profiteering. The CGST Rules established an initial term of office for the NAA, which was periodically extended by amendments to these rules. However, with the current amendments to the rules, such provisions have been completely removed from the CGST Rules. This amendment/development confirms that the anti-profiteering provisions are going to stay in the GST laws more or less permanently, contrary to the initial belief that they were meant to be temporary. That's in contrast to the way it seemed at first, when it seemed like the anti-profiteering provisions would only be in place temporarily. While the Courts deliberate on whether or not the anti-profiteering provisions are constitutional, the industry would welcome a uniform methodology to determine whether or not profiteering has occurred and, if so, how much profiteering has occurred.

CBIC notifications on CCI replacing NAA for Anti Profiteering Complaints and corresponding amendments in CGST Rules

CBIC Central Tax Notification 23/2022 dated 23/11/2022: CCI to handle GST anti-profiteering cases from December 1, 2022

This notification seeks to empower the Competition Commission of India (CCI) to handle the anti-profiteering cases under CGST Act, 2017 with effect from December 1, 2022.

CBIC Central Tax Notification 24/2022 dated 23/11/2022: CGST (4th Amendment) Rules 2022 to effect changes required for empowering CCI by replacing NAA for handling GST anti-profiteering cases from December 1, 2022

This notification seeks to make corresponding amendments in the CGST Rules, 2017, i.e. omission of CGST Rules 122 (Constitution of NAA), 124 (Appointment/ Salary of Chairman/ Members of NAA), 125 (Secretary to NAA), 134 (Decision to be taken by the majority at NAA) and 137 (Tenure of NAA). Further, the Explanation (a) after the CGST Rule 137 has been amended to stipulate that the 'Authority' means the one notified u/s 171(2) of the CGST Act 2017, being the CCI.

(Source: CaClub)