1. GOVT TO CONSIDER FOREIGN INVESTMENT REGULATORY MECHANISM FOR FDI REVIEW; INFLOWS UP 47% IN Q1FY25
2. PLI PUSH: GOVT MAY EASE PUBLIC PROCUREMENT RULES FOR NEW, INNOVATIVE PRODUCTS
3. EXPORT REMISSION SCHEME MAY CONTINUE BEYOND SEPT
4. MINISTRY OF TEXTILES INTRODUCES QUALITY CONTROL ORDER FOR MEDICAL TEXTILES TO ENHANCE PUBLIC HEALTH AND SAFETY
5. MSME SECRETARY BATS FOR CHANGES TO MSMED ACT
6. BENGAL LIKELY TO GET TEXTILE CLUSTER AS PART OF MODI-BIDEN TRADE TALKS FOR EXPORT BOOST
7. INDIA, MYANMAR DISCUSS WAYS TO BOOST BILATERAL TRADE USING ₹, KYAT

==

1. GOVT TO CONSIDER FOREIGN INVESTMENT REGULATORY MECHANISM FOR FDI REVIEW; INFLOWS UP 47% IN Q1FY25

The government is considering setting up a foreign investment regulatory mechanism for post-investment review and monitoring in the country. According to the news agency PTI, the consideration is only at the discussion level. Sources told PTI that an oversight mechanism for foreign direct investment (FDI) should exist in India. It is a kind of oversight of money entering the country as FDI. It can help ascertain that the FDI coming into the country benefits the economy and originates from legitimate sources. India is a major destination for foreign direct investments given its 1.4-billion market, stable policies, demographic dividend, good investment returns and skilled workforce. The government has taken a series of measures to attract overseas investments, such as promoting ease of doing business through simplifying procedures and significantly reducing the industry's compliance burden.
(Source: LiveMint)

2. PLI PUSH: GOVT MAY EASE PUBLIC PROCUREMENT RULES FOR NEW, INNOVATIVE PRODUCTS

The government is considering the possibility of liberalising public procurement rules for new and innovative products produced under the Production Linked Incentive (PLI) scheme in order to attract more investments in the 14 identified sectors, Commerce & Industry Minister Piyush Goyal has said. All quality approvals, from agencies such as BIS, FSSAI, CDSO and NABL, for items produced under the PLI scheme will also be henceforth fast-tracked, the Minister said after consultations with PLI beneficiaries. “We (DPIIT) will be working with all line ministries to see how we can make sure that that whenever you (PLI beneficiaries) have to supply to government procurement, the prior experience conditions can be liberalized all your class 1, class 2 categorisation can be liberalised, to allow you through your journey to produce new and innovative products. We are working in that direction to give you greater market access in government procurement,” Goyal said. A list of items that could be covered under the liberalised government procurement rules will also be discussed with line ministries. The Minister said he was optimistic that the investment targets under the scheme would get surpassed. “We were expecting that this ecosystem will have an investment of ₹1,32,000 crore. But with today’s discussion, where many beneficiaries have talked about exceeding the investment commitments, my own expectation is that we will land up with investment upward of ₹2 lakh crore through the encouragement of this government,” he said. Investments coming into the semi conductor sector industry, could itself be upward of ₹2 lakh crore, beyond the 14 sectors. Jobs generated under PLI is also likely to exceed the target, Goyal added. “When we originally conceptualised PLI we were expecting about 8.5 lakh jobs will be created out of this investments. But listening to the stories that are coming across from various PMAs (Project Management Agencies), line ministries and my own detailed engagements with the industry, it looks like we could end up with direct employment exceeding 12 lakh people and indirectly possibly much more,” he said. The PLI scheme was announced in 2021 for 13 sectors (later extended to one more) with an outlay of ₹1.97 lakh crore, to incentivise local production in strategic areas and encourage exports. The support under the scheme, based on minimum investments and turnover, is provided over a period of five years. The 14 sectors include mobile manufacturing and specified electronic components; drug intermediaries & APIs; medical devices; automobiles & components; pharmaceuticals, specialty steel, telecom products; electronic/technology products; white goods, food products, textiles (MMF segment and technical textiles), high efficiency solar PV modules, ACC battery, and drones & components. Goyal said that the timeline for certain sectors covered under the scheme could be extended based on the submissions made by the line ministries and the clearances received. So far, the scheme has proved to be successful in a handful of sectors, most significantly in mobile manufacturing, and to some extent in ones like electronics, food processing, drones and pharmaceuticals. Per latest estimates, the PLI scheme has attracted ₹1.5 lakh crore investments (total investment expectation is ₹3-4 lakh crore), led to production worth ₹8-9 lakh crore of which ₹3-3.5 lakh crore were exported, the official said. Total disbursement of incentives touched ₹10,000 crore, but were concentrated in certain sectors.

(Source: Business Line)

3. EXPORT REMISSION SCHEME MAY CONTINUE BEYOND SEPT

Amid a slowdown in India's goods exports, the government has decided to continue with a crucial remission benefits scheme for exporters that was due to lapse on September 30. The benefits under Remission of Duties and Taxes on Exported Products (RoDTEP) will continue beyond September and the government will review the scheme in December, officials said. "RoDTEP will be reviewed in December and at present, the situation is not conducive to discontinue the scheme," said an official, who did not wish to be identified. The scheme aims to refund taxes and duties that are not rebated under any other scheme. These include various central, state and local levies that are incurred in the process of manufacturing and distribution of exported products but are not refunded through schemes such as goods and services tax or duty drawback. The current RoDTEP benefit rates range between 0.3-4.3%. The budget allocated ₹16,575 crore to the scheme for 2024-25. As per the Commerce and Industry Ministry, the existing RoDTEP outlay would be insufficient if exports grew at a faster pace. In that case, the outlay of around ₹800 crore of a separate programme, the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for apparel, garments and made-ups, could be used. Both RoDTEP and RoSCTL are e-scrips issued by customs in respect of remission of embedded local duties in exported goods. "We will take a call after the review if RoDTEP needs to be discontinued or incentives reduced in some sectors if the budget is breached," the official said. The ministry has forecast some savings under RoSCTL because textile exports haven't grown as much and can be accommodated in RoDTEP. However, the Commerce and Industry Ministry and Finance Ministry are still discussing the extension of the interest equalisation scheme on pre- and post-shipment rupee export credit which are due to expire at the end of this month. "Talks are not conclusive on the interest equalisation scheme. A notification is expected in a day or two," the official said. Exporters have sought an extension of the scheme as goods exports contracted 9.3% in August. The scheme helps exporters from identified sectors and from micro, small and medium enterprises to avail of rupee export credit at competitive rates at a time when the global economy is facing headwinds. The ministry has moved a note for the approval of the Expenditure Finance Committee to extend by five years the interest equalisation scheme, which is available for small businesses and products falling under 401 tariff codes till September 30. The total outlay for the scheme is capped at ₹750 crore.

(Source: Economic Times)

4. MINISTRY OF TEXTILES INTRODUCES QUALITY CONTROL ORDER FOR MEDICAL TEXTILES TO ENHANCE PUBLIC HEALTH AND SAFETY

Indian Minister of Commerce and Industry Piyush Goyal recently launched the department of commerce's Jan Sunwai Portal, designed to streamline communication between stakeholders and authorities, providing a direct and transparent channel for addressing trade- and industry-related issues. The portal offers on-demand video conferencing services, in addition to fixed video conference links for regular, scheduled interactions, an official release said. The portal was launched at the third meeting of the reconstituted Board of Trade in Mumbai. The portal's accessibility extends across various offices and autonomous bodies under the department. Goyal also inaugurated the Export Credit Guarantee Corporation's (ECGC) new online service portal, alongside a revamped in-house SMILE-ERP system. These innovations mark a significant leap towards paperless processing and faceless service delivery, benefiting both exporters and banks, the release said. Key outcomes include full automation of processes, business process integration, quicker claim disposals, enhanced operational control, and a meaningful reduction in the carbon footprint to support sustainability goals. The Central Board of Indirect Taxes & Customs (CBIC) informed that effective immediately, Remission of Duties and Taxes on Export Products (RoDTEP), Rebate of State and Central Taxes and Levies on Export of Apparel/Garments and Made-ups (RoSCTL) and drawback benefits will be extended to all exports made via courier in the realm of e-commerce exports. Plans to extend these benefits to postal route exports are also in the pipeline, creating a more equitable environment for e-commerce exporters utilising courier and postal mode.

(Source: pib.gov.in)

5. MSME SECRETARY BATS FOR CHANGES TO MSMED ACT

The Micro, Small and Medium Enterprises (MSME) Development Act needs to be amended to protect such entities and settle disputes between buyers and sellers through an online dispute system, MSME secretary SCL Das said Saturday. Banks, while lending to such businesses, should also look at factors like cash flow and digital footprint besides balance sheet, he advised. "We need to amend the MSMED Act to make the legal mechanism for protecting MSMEs more effective, especially for settling disputes between buyers and sellers through an online dispute system," Das said at an event organised by the Federation of Indian Micro and Small & Medium Enterprises. ET had reported that the government was planning to amend the MSMED Act to make the 45-day payment rule more effective by introducing online dispute resolution for overdue payments. The MSMED Act prescribes a 45-day payment timeline for buyers to make payments if they purchase from micro and small enterprises. If the buyers fail to pay within 45 days, they are liable to pay interest at three times the prevalent bank rate on the pending amount. Das underscored the need for banks

to rely on the digital footprint of enterprises rather than just restricting to balance sheets and collaterals when lending to MSMEs.
(Source: The Economic Times)

6. BENGAL LIKELY TO GET TEXTILE CLUSTER AS PART OF MODI-BIDEN TRADE TALKS FOR EXPORT BOOST

Kolkata: West Bengal is likely to get a textile cluster soon as part of the recent trade discussions held between Prime Minister Narendra Modi and US President Joe Biden where India has plans to set up 75 such textile clusters across the country to boost its export. In the recent Modi-Biden meeting, the leaders welcomed the signing of a Memorandum of Understanding (MoU) between the Ministry of Micro, Small and Medium Enterprises and Small Business Administration for promoting cooperation between U.S. and Indian small and medium-size enterprises by improving their participation in the global marketplace through capacity building workshops in areas such as trade and export finance, technology and digital trade, green economy and trade facilitation. Sources said that the decision to set up such textile clusters to boost exports also comes at a time when India is planning to strengthen its trade with the US. Experts view this as a strategy to tackle India’s trade deficit with China. Amid such a situation, India has apparently decided to find an alternative. The Union government has plans to set up textile clusters across the country and Bengal is likely to be in the top five states which will have a contribution in this aspect. Several production units are to be set up for this purpose. The Ministry of Commerce and Industry will act as the nodal agency. Sources said that India’s textile market is presently worth Rs 10 lakh crore and the target is to push it above 20 lakh crore in the next five years. The textile clusters will help establish a robust distribution and supply chain. Experts in the sector said Kolkata already has a good market in terms of textile. State government officials think that Bengal has already been taking several measures in a bid to make the state into a textile hub. Sources said the Union minister of Commerce Piyush Goyal may soon visit Bengal to hold talks with the state government. The state government reportedly released Rs 32.50 crore for the financial year 2024-25 to facilitate the smooth functioning of infrastructure projects under SIDBI Cluster Development Fund (SCDF). Some well-known clusters are textile clusters in Metiabruz and handloom clusters in Nadia and East Burdwan. To promote and increase the sale of ‘Banglar Saree’ across the state, the MSME and Textiles department encouraged opening outlets in all the district headquarters.
(Source: Millennium Post)

7. INDIA, MYANMAR DISCUSS WAYS TO BOOST BILATERAL TRADE USING ₹, KYAT

Myanmar and India are scouting ways to boost bilateral trade through their local currencies. Indian commerce and industry minister Piyush Goyal discussed this with Myanmar's Minister of Investment and Foreign Economic Relations Kan Zaw on the sidelines of the 12th East Asia Summit Economic Ministers' Meeting in Vientiane, Laos. Both discussed potential cooperation areas in trade and the ongoing ASEAN-India Trade in Goods Agreement (AITIGA) review negotiations. The local currency trading mechanism is expected to reduce transaction costs by eliminating the need for dual currency conversion. At the meeting, Goyal reiterated India’s commitment to strengthen the East Asia Summit Forum and acknowledged its role in promoting peace, stability and economic prosperity in the region, a release from Indian Ministry of Commerce and Industry said. While the global economy is expected to grow at 3.2 per cent in fiscal 2024-25, India’s growth rate is projected at 7-7.2

per cent, with India on the way to become the 3rd largest economy by 2027, he said. He urged ASEAN countries to come forward for collaboration on issues of global south at the World Trade Organisation (WTO) and to strengthen multilateralism. Goyal also met Inkyo Cheong, South Korean Minister for Trade, Industry and Energy and discussed bilateral trade relations, progress in negotiations for upgrading India-Korea Comprehensive Economic Partnership Agreement and promoting inclusive investments in India.

(Source: Fibre2Fashion)