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CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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News Highlights

NATIONAL

GLOBAL

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India's Finance Ministry To Revamp Duty Drawback Disbursement Process

India’s Ministry of Finance has changed the process for disbursing duty drawback to eligible exporters. The new process, which will come into effect on June 5, 2024, will discontinue the present system under which duty drawback claims are processed through the Customs Automated System (CAS), enumerated in a scroll/Computerised Customs Drawback Advice (CCDA), and sent to the authorised bank branch along with a supporting single cheque of the consolidated amount. It is considered that the new process of payment of duty drawback will expedite disbursement.
According to a letter issued by the Ministry’s Department of Revenue, the payment of drawback amounts into exporters' accounts post-scroll out will be facilitated through the Public Finance Management System (PFMS). Consequently, the practice of printing the Drawback scroll and issuing a cheque to the authorised banks for the total amount to be disbursed will be discontinued. Now, the authorised officer at each customs location shall process the duty drawback scroll queue. The scrolls generated at different locations will be automatically processed by the CAS for onward transmission to the Central Nodal eDDO. The nominated central nodal eDDO shall forward the consolidated All India Duty Drawback scroll to the nodal ePAO.

After approval from the nodal ePAO, duty drawback amounts shall be credited into the exporters' bank accounts linked with PFMS. The jurisdictional principal chief commissioners/chief commissioners shall ensure that the drawback sections functioning under their charge complete the following actions before June 5, 2024. All drawback scrolls generated prior to the said date should be processed, duly sent to the agency banks, and cheques issued for the same.

Home

A likely Modi 3.0 might just give Indian economy what it wanted for so long

India sovereign rating: A likely Modi 3.0 might just give Indian economy what it wanted for so long - The Economic Times (indiatimes.com)

Home

India receives highest FDI from Singapore in 2023-24; Mauritius second biggest investor: Government data

[India receives highest FDI from Singapore in 2023-24; Mauritius second biggest investor: Government data - The Hindu]

Home

India's GST revenue continues upward trend, reaching Rs 1.73 lakh crore in May 2024

India's Goods and Services Tax (GST) collections maintained their robust growth in May 2024, reaching Rs 1.73 lakh crore ($21.1 billion USD). This marks a 10% year-on-year increase compared to May 2023, signalling a positive trend in economic activity.

Strong Domestic Growth Offsets Import Slowdown
The growth in GST revenue was primarily fueled by a significant 15.3% surge in domestic transactions. This indicates a healthy uptick in consumer spending and business activity within India. While imports saw a 4.3% decline, likely due to softening global demand, the strong domestic performance helped drive overall GST revenue upward.

Key Highlights of May 2024 GST Collections:
Gross GST Revenue: Rs 1.73 lakh crore

Year-on-Year Growth: 10%

Net GST Revenue (after refunds): Rs 1.44 lakh crore

Domestic Transactions Growth: 15.3%

Import Transactions Growth: -4.3%

FY 2024-25 Collections Show Positive Momentum
The positive trend extends to the cumulative GST collections for the fiscal year 2024-25 (April 2024 to May 2024). Total gross GST revenue for this period reached Rs 3.83 lakh crore, representing a substantial 11.3% increase compared to the same period last year. This robust performance is attributed to a combination of increased domestic consumption (up 14.2%) and a marginal rise in imports (up 1.4%).

State-Wise Trends and Inter-Governmental Settlements
The report also highlights state-wise GST collection data, with significant variations in growth rates. Maharashtra, Karnataka, and Gujarat remained top performers. The central

government made substantial inter-governmental settlements, transferring funds from the Integrated Goods and Services Tax (IGST) pool to states to ensure their financial health.

Gunjan Prabhakaran, Partner & Leader, Indirect Tax, BDO India said, "The 10% increase on a year-on-year basis in GST collections is largely driven by the significant increase in collections in North Indian States, like UP, Delhi, Haryana, Punjab etc."

Positive Outlook for India's Economy

The sustained growth in GST revenue is a positive indicator for the Indian economy. It reflects increasing consumer confidence, robust business activity, and a broadening tax base.

Mahesh Jaising, Partner. Deloitte India said, "The gross GST revenue collection of ₹1.73 lakh crore in May 2024, with a year-on-year growth of 10% and 11.6% for FY 24-25, indeed signifies a very positive trend. With the statutory time limit for first few years of GST concluding over next few months, there is also an indication of the effectiveness of tax administration & better enforcement efforts. The continued buoyancy in domestic GST collections in the backdrop of muted growth in import GST also points to increased economic activity and sustained domestic demand' 'The continued & consistent buoyancy will hopefully help policymakers make bolder GST reforms, as we move to a GST 2.0 soon!'

MS Mani, Partner, Deloitte India commented, "These collections, which relate to supply of goods and services transactions on April 24, for which GST has been paid in May 24, indicate the beginning of a new normal in excess of Rs.1.7 Trillion in FY25 compared to Rs1.6 Trillion during FY24. This is in line with the recent GDP estimates which indicate a robust economy, which does not appear to have been impacted much either by the election season or the heat wave across the country. The resilience shown by the GST collections, without significant seasonal or event-based variations across recent months, indicates the maturity of the GST system. There will now be renewed confidence in moving ahead with the next stage of reforms in the coming months, without significant concerns on the revenue impact that such reforms could elicit."

Home

Cotton Sowing Hits A New Low In Pb, Far Behind Target

http://timesofindia.indiatimes.com/articleshow/110648697.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

Home

Cotton area set to reduce in northern States

Cotton Sowing: Cotton sowing hits a new low in Punjab, far behind target | Chandigarh News - Times of India (indiatimes.com)

Home

DGFT taps export bodies for inputs on efficacy of interest equalisation scheme

The DGFT has sought information from various export bodies on the trade finance eco system in India and related challenges to assess if the government's interest equalisation scheme for exporters is yielding results and how trade finance can be improved.

"The DGFT has been asked by the Finance Ministry to show that the interest equalisation scheme is yielding results. It has asked us for certain details for a study on trade finance it is carrying out. We have already provided those details to the DGFT. Once all export bodies give their submission, a report would be put together," a representative of a Delhi-based export body told *businessline.*

The interest equalisation scheme, first implemented in April 2015 for five years, allows exporters of 410 identified products and all exporters from the MSME sector, to get bank credit at a subsidised interest rate determined by the government. The banks are reimbursed by the government for their lower interest earnings.

The last extension given to the scheme is set to lapse on June 30 2024.

The objective

"The objective of the study being carried out by DGFT is to identify the current challenges faced by the institutions across the entire trade finance supply chain. The study is to help the department to assess the key gaps and make necessary recommendations to ensure seamless facilitation of Trade Finance in India," per an internal document circulated to its members by an export body.

According to exporters body FIEO, the interest equalisation scheme has served an important purpose as it has provided much-needed competitiveness to Indian exports, particularly to MSMEs, as the interest costs in India is much above that in competitors' countries.

“We not only want the interest equalisation scheme to continue, we want the rates to be increased to the previous levels and have communicated as much to the DGFT. The rates were reduced when repo rate was brought down to 4.4 per cent. Again it has increased to 6.5 per cent. That's why 2 per cent enhancement in subvention should happen,” said Ajay Sahai, DG, FIEO.

At present, MSMEs are provided a subvention of 3 per cent and the other eligible sectors 2 per cent. As the interest equalisation scheme is valid till June 30, a decision on its extension is likely to be taken by the new government at the Centre.

Home

GCCI To Hold 3rd Textile Leadership Conclave On June 15 In Ahmedabad

The Gujarat Chamber of Commerce & Industry (GCCI) is organising the Textile Leadership Conclave 2024, which will take place on June 15, 2024, at Golden Glory Hall, Karnavati Club, Ahmedabad, India. Textile leaders from various companies will share their success journey at the 1-day conclave. Fibre2Fashion is the media partner of the event. The Textile Leadership Conclave aims at providing a platform for in depth discussion and deliberation upon needs and issues of the textile industry.

The event highlights include an inauguration ceremony, networking, inspiring talks, startup presentations, and global insights. Additionally, the Start-Up Forum will feature ideas and pitches, fundraising, challenges, opportunities, and mentorship. The event will be followed by a gala dinner.

The third edition of the Conclave is supported by The Southern Gujarat Chamber of Commerce and Industry (SGCCI), ASSOCHAM, Maskati Cloth Mahajan, Spinners Association Gujarat and Indian Technical Textile Association.

The second edition of the Conclave was held in April last year in Ahmedabad. Bhupendra Patel, the chief minister of Gujarat, was the chief guest at the event, while Darshana Jardosh, Indian minister of state for textiles and railways, was the guest of honour. The speakers at the last year's Conclave included Kulin Lalbhai, executive director of Arvind Ltd; Santosh Banthia, director of Citizen Umbrella Manufacturers Ltd; Dr. Sharad Saraf, chairman of Technocraft Industries; Sanjay Jain, managing director of TT Ltd, Kushal

Shah, a trader from Louis Dreyfus Company (LDC); and Prashant Agrawal, joint managing director, Wazir Advisors Pvt Ltd.

Home

India's FY24 Real GDP Grows By Estimated 8.2% Compared To 7% In FY23

India’s real gross domestic product (GDP) has been estimated to grow by 8.2 per cent in fiscal 2023-24 (FY24) compared to 7 per cent in FY23. Nominal GDP grew at a rate of 9.6 per cent in FY24 over 14.2 per cent in FY23, according to provisional estimates released recently by National Statistical Office (NSO).

Real gross value added (GVA) grew by 7.2 per cent in FY24 over 6.7 per cent in FY23. A key contributor to this was a 9.9-per cent growth in the manufacturing sector over a 2.2-per cent decline in FY23.

Real GVA and real GDP have been estimated to grow by 6.3 per cent and 7.8 per cent respectively in the fourth quarter (Q4) of FY24.

Growth rates in nominal GVA and nominal GDP for Q4 FY24 have been estimated at 8 per cent and 9.9 per cent respectively.

Real GDP, or GDP at constant prices, is estimated to be ₹173.82 lakh crore in FY24 against the first revised estimates (FRE) of GDP for FY23 of ₹160.71 lakh crore.

Nominal GDP, or GDP at current prices, is estimated to be ₹295.36 lakh crore in FY24 against ₹269.50 lakh crore in FY23, showing a growth rate of 9.6 per cent.

Real GVA is estimated at ₹158.74 lakh crore in FY24, against the FRE for FY23 of ₹148.05 lakh crore, registering a growth rate of 7.2 per cent compared to 6.7 per cent in FY23.

Nominal GVA is estimated to be ₹267.62 lakh crore during FY24 compared to ₹246.59 lakh crore in FY23, showing a growth rate of 8.5 per cent.

Real GDP in Q4 FY24 is estimated at ₹47.24 lakh crore against ₹43.84 lakh crore in Q4 FY23, showing a growth rate of 7.8 per cent.

Nominal GDP in Q4 FY24 is estimated at ₹78.28 lakh crore compared to ₹71.23 lakh crore in Q4 FY23, showing a growth rate of 9.9 per cent.

Real GVA in Q4 FY24 is estimated at ₹42.23 lakh crore against ₹39.74 lakh crore in Q4 FY23, showing a growth rate of 6.3 per cent.

Nominal GVA in Q4 FY24 is estimated at ₹70.97 lakh crore against ₹65.74 lakh crore in Q4 FY23, showing a growth rate of 8 per cent.

Home

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China's International Trade Surges In April 2024

China's international trade in goods and services reached a total value of 4.11 trillion yuan (approximately $578.27 billion) in April 2024, marking a 13 per cent year-on-year increase, according to the State Administration of Foreign Exchange.
In US dollar terms, China's export and import values for goods and services stood at $297.4 billion and $281.6 billion, respectively, resulting in a trade surplus of $15.9 billion.

Breaking down the figures, the export value of goods was 1.9 trillion yuan, while imports totalled 1.62 trillion yuan, leading to a surplus of 281.5 billion yuan, as per Chinese media reports.

Home

US Trade Deficit Widens To $99.4 Bn In April 2024

The US trade deficit expanded to $99.4 billion in April, an increase of $7.1 billion from the $92.3 billion deficit recorded in March, according to the latest data from the US Census Bureau. This rise in the deficit was driven by higher imports and modest growth in exports. Exports of goods in April were valued at $169.9 billion, which is $0.9 billion more than the exports in March. Meanwhile, imports of goods for April surged to $269.3 billion, up $8.0 billion from the previous month.

Wholesale inventories for April, adjusted for seasonal variations and trading day differences but not for price changes, were estimated at an end-of-month level of $896.3

billion. This represents a slight increase of 0.2 per cent from March 2024. However, this figure is down 1.6 per cent compared to April 2023. The percentage change from February 2024 to March 2024 remained unrevised from the preliminary estimate of a 0.4 per cent decline, as per the bureau.

Retail inventories for April, also adjusted for seasonal variations and trading day differences but not for price changes, were estimated at an end-of-month level of $790.9 billion. This marks a 0.7 per cent increase from March 2024 and a notable 4.8 per cent rise from April 2023. The percentage change from February 2024 to March 2024 was revised from an initial estimate of up 0.2 per cent to up 0.1 per cent.

Home