LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

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News Highlights

NATIONAL

CII calls for more cooperation between India Inc, govts in North East

The Confederation of Indian Industry (CII) on Wednesday called for more cooperation between corporates and the government in the North East states of India.

It launched a project, North East CSR Connect, to increase Corporate Social Responsibility (CSR) spending in the region and showcase its economic and security importance.

A spokesperson of the industry body told *Business Standard* that currently, CSR spending on the North East region is less than 3 per cent of the total such spending in the country. The project aims to increase this number.

"While the government is working on the development of the region, it is also important for corporates to participate," they said.

Over the next 5–6 years, the industry body will work with around 100 non-government organisations (NGOs) in the region and build their capacity to attract more funds from corporate India.

Moreover, CII would also keep showcasing the requirements of the North East region and evaluate the impact of funds used there.

It has also organised a two-day conclave in New Delhi to shed light on the North East region.

As per the policy in India, the board of directors needs to make sure that their company, every year, spends a minimum of 2 per cent of the average net profits made during the three preceding financial years on CSR activities.

R Mukundan, vice-president, CII and managing director, Tata Chemicals Limited, said that over the last 10 years, the journey of CSR has moved from a 2 per cent compliance-oriented approach to increased focus on transparency and an impact orientation.

"Companies are taking an active role in tracking key metrics to measure how their CSR initiatives are impacting the communities they serve," he said.

Chanchal Kumar, secretary, Ministry for Development of North Eastern Region, added that there is a need to mobilise additional resources for the North East and that the infusion of private funding is "likely to hasten the development of the region".

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India faces high debt, but sustainable for now: NCAER Director General Poonam Gupta

At nearly 82% of GDP, India's public debt is very high, but the country doesn't face debt sustainability issue on account of high growth rate and higher share of local currency debt, NCAER Director General Poonam Gupta has said.

Participating in an event organised by NCAER, Ms. Gupta said India's high debt levels are sustainable for now because of higher real or nominal GDP and as most of the debt is held in rupee.

The states together hold one-third of the total debt, and in the 'business as usual' situation, their debt levels will only increase further over the next five years, Ms. Gupta said.

"In a handful of states like Punjab and Himachal Pradesh, Debt-to-GDP ratio could increase by 50%," Ms. Gupta said, adding that the states, including the most indebted ones, also don't face sustainability issue as they have implicit guarantee of the Centre and as states cannot hold debt in foreign currency or floating rate.

Drawing a comparison between Punjab, one of the most indebted states, and Gujarat, with low debt, she pointed out that the most indebted states are ironically better off, as the interest rate is similar for all and in fact more indebted states hold longer maturity and pay little premium.

"More prudent states need a better deal. They are de facto subsidizing the more indebted states. The Finance Commission may reward such states for their fiscal prudence, and incentivize the profligate ones to become fiscally more responsible," Ms. Gupta said.

Participating in the discussion on "States' Fiscal Challenges", M Govinda Rao, Councilor, Takshashila Institution, cited "proliferation of subsidies for electoral gains" as one of the reasons for rising debt of the states.

Pointing to the Centre's overall responsibility of control of debt and stressing the need for a different approach, he said, "interest payments of profligate states are still taken as legitimate."

As of 2022-23, Punjab, Himachal Pradesh and Bihar are top three most indebted states, while least indebted are Odisha, Maharashtra and Gujarat.

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‘India should start privatising public sector banks': Here's what ace economist Arvind Panagariya has to say about India's economy

Arvind Panagariya, Professor of Economics and Jagdish Bhagwati Professor of Indian Political Economy at Columbia University, is the Chairman of the 16th Finance Commission. Panagariya, who was the first Vice Chairman of the NITI Aayog and is a former Chief Economist of the Asian Development Bank, has a PhD in Economics from Princeton University. In an interaction with Business Today TV Managing Editor Siddharth Zarabi at the recent Business Today Banking & Economy Summit held at GIFT City, Gandhinagar, the 71-year-old economist says it is a good time to privatise public sector banks as they are now in good health, are flourishing, and have solid value. Edited excerpts

Q: There has been a growing debate around rising inequality in India in the recent past. Is it true that India has become more unequal?

A: There are many aspects to the question of inequality. One of these is that inequality has many different measures. You can measure inequality through a Gini coefficient that economists typically use to determine overall inequality in a group. But then you can also measure rural and urban inequality, you can measure [the] top 1% relative to the bottom 10%, you can measure the wages of the skilled to the unskilled in the organised sector. With all these measures, if you are really after alarming people, you can always find a measure that shows rising inequality.

The claim that the top 1% of Indians have 23% of income and wealth share is a common one that alarmists love to use. The point is that if a country is generating wealth, somebody will have to generate it. And even if they were keeping 2-3% of that wealth for themselves, [they are] distributing the rest of it across the rest of the population. Look at the sheer numbers when you have got 1.4 billion people. So, you could choose not to create wealth, and everybody could stay poor. Or you could create wealth, and some people will get wealthier. I don't lose sleep over that, because after a point, the main function of it is not so much the consumption of wealth, but a matter of how you allocate that wealth for further growth.

" Our poverty in 2011-12 was somewhere around 20% or so. In the latest survey (for which full unit-level data is yet to be released), it is clear that extreme poverty has fallen below 3-4%, down from 20% "

The second aspect is what kind of inequality really offends us? Generally, what we lose sleep over is within our own immediate social context. If I have a colleague at Columbia, who is given a salary increase of 20% and I get only 5%, that really is something over which I will lose sleep. But if a billionaire makes another billion or five in any given year, it doesn't matter to me.

Q: Another debate is around the reduction of poverty in India. What is your view on the debate about India pulling people out of poverty in the past 10 years?

A: The latest consumption expenditure survey (2022-23) has come out [recently]. The previous one was in 2011-12. These are very comparable surveys. And if anything, the new one perhaps overstates poverty a little bit, rather than understate it. I won't go into the reasons as they are a little technical.

Our poverty in 2011-12 was somewhere around 20% or so. In the latest survey (for which full unit-level data is yet to be released), it is pretty clear that extreme poverty has fallen below 3-4%, down from 20%.

Q: Recent data showed a big spurt in India's economic growth at 8.4% in the October-December quarter of 2023. Some people continue to cast doubts about India's growth numbers and ask if the country's GDP data is being fudged, particularly in the past 10 years. What's your response?

A: You know, my late brother, who was a very distinguished neurologist, used to tell me that the brain works like Velcro for negative news, and like Teflon for positive news. Some people have made it a business to stay in the limelight and continuously question the GDP data. Any good news is questioned, either on the quality of the data or the government's intentions. But you know, it is not that easy to fudge GDP growth data. What you would fudge is the GDP to do that. So, if this year I fudge the data to raise the growth rate by 2%, I hike the GDP by that much. Next year, this becomes my base GDP, over which I would have to calculate the growth rate. So, I would have to fudge 4% to get the extra 2% growth next year. In the third year, I would have to fudge 6%. Very quickly it will get out of hand, and I will get caught. It is not that easy.

GDP data collection is a very broad exercise. It is not like you are collecting one number, so you can easily fudge it. It is a mass of numbers that are being collected, and ultimately it is the aggregate of those. A lot of experts turned out to be wrong in their forecasts by several miles, and they go ahead and say the gross value added (GVA), which is the calculation of output at factor prices, has grown by 6.45% and that is about right as that is what we expected. But the 8.4% is not right because that is just tax revenue.

Now, if you are an economist, that borders on nonsense because there is output associated with tax revenue also. The government controls a certain amount of output associated with tax revenue. That is in no way anything less of an output, than the rest of the GVA is.

Q: Let us come to the issue of jobless growth. The point being made is that while India is growing at the aggregate level, it is not necessarily translating into significant job growth, and people at the lower end of the income spectrum have been suffering higher inflation and lesser wage growth as well…

A: I would like to put it differently. You know when we say jobless, somehow, we think of unemployment massively rising. I have always maintained that India's problem is not unemployment really. If you interpret the data of the Periodic Labour Force Survey, which is very credible and consistent, it actually shows a steady decline in the unemployment rate. So, in this sense, certainly, jobs are being created.

The problem is that we are not creating good jobs. As a result, the productivity levels in India remain low. I think the problem is of underemployment—a job that could be done by one person is done by three or four persons due to the lack of capital. That means [the] output per worker is low. We need to do something about this. One way that you can see this is you have got 45% of the workforce in agriculture, [and] another 45% in the micro and small enterprises. This means the output per worker of 90% of the workforce is very low.

Q: How do you view the evolution of the Indian banking sector from a time of the so-called 'phone banking' [when calls would be made from ministries to banks to sanction loans] to the current era? Do you believe that Indian banking, particularly the public sector, has transformed?

A: When I was at the NITI Aayog, I greatly worried about non-performing assets (NPA) in the banking sector, which were massive at some point of time. That episode is now behind us. But, you know, I would hate to be duped once again into thinking that we are now in a very secure zone. It is true that there is no 'phone banking' going on in the current administration. But you know, finance is a strange animal, and it is hard to predict if NPAs will be recreated. In our own history, it [the NPA crisis] was not the first episode, but the biggest one so far of NPAs happening. One thing you see, which is very asymmetric, is that all the money the government had to invest was invested in the public sector banks. The government did not invest anything in private sector banks, although it did rescue one of them. But in the end, no public money actually got lost in doing so.

"In my assessment, now we will probably not see a growth rate of China that is more than 5%—more likely 3% or 4% "

I think this is in fact a good opportunity when the banks are now in good health, they are flourishing, and they have solid value. This is a good time to privatise. I think when the government comes back in its next term, and I say this wearing my economist hat, it should seriously start privatising some of the banks. This is going to be a very long-drawn process anyway. It is not an issue of privatising all the public sector banks, but the process should begin. Because I still think that in the end, the pressure of the market is very important for banking to be efficient. As privatisation progresses, we can assess and judge whether the privatised banks are actually doing better than those that have not been [privatised]. We can then take a call on the other banks at that stage. But that process, really, I think, does need to begin soon.

Q: How do you read the situation in the Chinese economy? Do you think it is out of the woods or will it continue to flounder?

A: Well, one thing is certain that the 10% growth that we observed in China is now behind us. That is not coming back. Singapore, Taiwan, South Korea and counting Hong Kong as well, are the four countries before China that had grown for about three decades at rates that were 9-10%. After three decades, when you get to the fourth decade, growth usually drops to somewhere between 5% and 7%, and when you get to the fifth decade, it drops to below 5%. So even without any of the other things, any of the other shocks, Chinese growth was certainly ready to drop. In addition, now it seems to me that the Chinese leadership has done things that were detrimental to the business environment. The growth rate that was already declining, got another negative shock through the actions of the government. In my assessment, now we will probably not see a growth rate of China that is more than 5%—more likely 3% or 4%.

"GDP data collection is a very broad exercise. It is not like you are collecting one number, so you can easily fudge it. It is a mass of numbers"

Q: Do you think India can grow and sustain it at 8% without overheating?

A: I wouldn't say the economy had overheated in any way. I think we made mistakes in the second term of the United Progressive Alliance government. And that is what set back the growth rate. And then, of course, the banking crisis, the NPAs took their toll. We are very much capable of sustaining 8% growth. If we do the right things, including on trade, we certainly have the prospects of getting to 9-10%. There is no reason, in my view, why we cannot do that.

Q: Would you say that Modi 3.0 should focus on trade and go ahead with free trade agreements?

A: One hundred per cent! Absolutely! I think that is imperative, it is essential. I would love to see us knock down the tariff barriers across the spectrum, meaning uniformly across all countries. But that is probably not going to happen. So, the next best thing really is free trade agreements, which come together with our geopolitics because the government clearly wants to move away from China.

Q: Can the return of Donald Trump as US President wreck what is left of the global free trade order?

A: Well, we will see. There is some rhetoric of that kind that is coming in. But you know, certainly President Trump was very much for reciprocity. So, if on a reciprocal basis, he will keep his own barriers low, I have no problem with that. We should lower our trade barriers. That is good for us. If reciprocity will do it, I think we can still remain in business. But we have to be willing to engage reciprocally. By the way, free trade agreements are all about reciprocity. We should first very quickly complete the one with the UK, and the one with the European Union. We will then be very well placed to deal with the US.

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States' GST kitty expected to rise 13%-14% this year: CRISIL

https://www.thehindu.com/business/Economy/states-gst-kitty-expected-to-rise-13-14-this-year-crisil/article68363902.ece

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Eyebrows raised after Centre stops release of monthly GST data

Even as the country marked the seventh anniversary of the implementation of the Goods & Services Tax (GST) on 1 July, eyebrows are being raised over the discontinuation of the release of monthly tax collection data by the Centre.

The union Ministry of Finance has been issuing a formal statement on the first day of every month providing a comprehensive overview of GST collections.

The most recent data release hosted on the Press Information Bureau website for GST collections in the month of May was released on June 1.

For June, GST collections stand at Rs 1.74 lakh crore. This data was not shared in a formal press release, but provided to reporters informally.

Henceforth, only the gross total collections amount will be released, sources said.

No reasons have been formally given for the move that comes just weeks ahead of the first budget of the third term of Prime Minister Narendra Modi led NDA government. Rising prices, and slowing consumption have led to demands for tax relief including the high levies of GST on many services including health insurance among others.

Gross collections of GST have risen significantly over the years. As per the last release on June 1, gross GST collections in the first two months of the current financial year stood at Rs 3.83 lakh crore. "This represents an impressive 11.3 per cent year-on-year growth, driven by a strong increase in domestic transactions (up 14.2 per cent) and marginal increase in imports (up 1.4 per cent). After accounting for refunds, the net GST revenue in till May 2024 stood at Rs 3.36 lakh crore, reflecting a growth of 11.6 per cent compared to the same period last year", the release said.

Earlier, the detailed data release provided a breakdown of monthly collections for central Goods and Services Tax, state Goods and Services Tax, integrated Goods and Services Tax, as well as cess collection data.

Until May, the ministry had also shared key highlights of the monthly inter-governmental settlement, highlighting the total central and state revenue.

Also shared were two charts explaining the trends in gross GST revenues with state-wise figures and a comparison to the collections from the year earlier.

Discontinuing the monthly GST data release means that now if the state-wise GST data breakup is to be released, it will only happen if the states are willing to disclose it.

Not too long ago, former Chief Economic Adviser Arvind Subramanian raised concerns regarding India's GST numbers on social media platform X. He said the focus should be on revenues, net of refunds, and not on headline collections.

Unless revisited, from now on, the data is likely to mostly have headline figures such as gross GST collections per month and annual. Details of monthly IGST settlement between the centre and states may also be disseminated, the sources added.

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'Moderating inflation aiding goods trade recovery in India, China'

India and China exhibited "very strong" quarter-over-quarter export performance as the decline in goods trade among major economies reversed during the first quarter of 2024, UN Trade and Development (UNCTAD) said in its report released on Tuesday.

In the first quarter of 2024, global trade continued its modest and gradual increase that began in the second half of 2023, fuelled by positive trade dynamics for the US amid moderating inflation and improving economic growth forecast.

“Overall, moderating global inflation and improving economic growth forecasts suggest a reversal of the downward macroeconomic trends that have characterised most of 2023. Additionally, rising demand for products related to energy transition and artificial intelligence should contribute to trade growth through 2024,” UNCTAD said. However, the global trade outlook for 2024 remains subject to downside risks. Persistent geopolitical tensions, rising shipping costs, and emerging industrial policies could significantly impact global trade, the report said.

The contours of global trade are becoming uneven as global supply is becoming increasingly concentrated in the hands of a few major exporters on the back of heavy subsidies which is hurting global trade and marginalising smaller economies, UNCTAD said.

In what could fuel inflation further, the report said that the prices for traded goods have remained constant in Q1 2024 but are expected to increase in Q2 2024, with trade growing faster in values than in volumes.

“The decline in merchandise trade among major economies in 2023 reversed in Q1 2024, but only for some. Specifically, imports increased for Brazil, the Russian Federation, and the United States. On the export side, China and India exhibited very strong quarter-over-quarter export performance. Exports also grew for the Russian Federation and the United States. In contrast, trade continued to decline for Japan and South Africa,” the report read.

UNCTAD said that a subsidy race could lead to trade fragmentation among major suppliers seeking to gain trade dominance within their major trade relationships.

“By providing heavy subsidies to their own industries, developed countries and major emerging economies are expected to enhance their global competitiveness in these sectors. This will impact not only their domestic markets but also global trade, potentially marginalising smaller economies from entering these lucrative markets," the report said.

Unilateral actions in the form of industrial policies often distort trade and trading partners may respond with trade restrictions, escalating protectionism and potentially triggering retaliatory actions that undermine the rule- based global trading system, the report said.

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RBI Proposes Rationalisation Of Norms For India's Exim Transactions

To encourage ease of doing business and enable banks to deliver faster and better services to foreign exchange customers, India's central bank recently proposed rationalisation of norms governing export and import transactions in its draft regulations under the Foreign Exchange Management Act (FEMA) and directions to authorised dealer banks.

Every exporter should furnish a declaration specifying the amount of the full export value of the goods or services, according to the Reserve Bank of India (RBI) draft norms.

The amount representing the full export value of goods and services shall be realised and repatriated to India within nine months from the date of shipment for goods and date of invoice for services, RBI said.

The central bank sought comments on the draft by September 1 this year.

The authorised dealer may place an exporter who has not realised the full value of export within the time specified in the caution list, the draft proposed.

An exporter who has been in caution listed can export only against receipt of advance payment in full or against an irrecoverable letter of credit, to the satisfaction of the authorised dealer.

Advance payment for export of goods and services can be received according to the export contract. Rate of interest charged on the advance for export shall not exceed the all-in-cost ceiling of trade credit.

If the exporter is unable to meet the export obligation as per the contract terms, the advance received should be refunded immediately, the draft norms said. The authorised dealer could extend the time for the completion of the export obligation.

Banks should put in place a comprehensive, well-documented policy approved by its Board within six months of issuance of this circular for handling payment transactions related to export/import of goods and services, the central bank added.

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ITAMMA Explores Technical Textiles' Future At Texfair In Coimbatore

ITAMMA organized Seminar on “Road map for manufacturing machines and components for technical textiles - with b2b interactions - an initiative of ITAMMA Technology Cell ” and enrolled good number of new members during “Texfair 2024” from 21-24 th June 24 at Coimbatore.

Mr Bhavesh Patel in his felicitation speech said that “The market for Indian textiles and apparel is projected to grow to reach US$ 350 billion by 2030 and exports expected to reach US$ 100 billion. In 2022-23, the production of fibre in India stood at 2.15 million tones, yarn stood at 5,185 million kgs, whereby Natural fibres being backbone of the Indian textile industry, expected to grow from US$ 138 billion to US$ 195 billion by 2025.

Considering the above huge potential for Indian Textile Industry which is a good sign, thus increasing the demand for relevant textile machines and components whereby such exhibition is a good platform, connecting Supply and User Industry to understand their problems and demands for future business growth.”

14th edition of SIMA Texfair 2024 had an overwhelming response, with 240 Exhibitors and over 60,000 visitors and understood that the business recorded was around Rs.1000 crores.

ITAMMA, being closely associated with SIMA, supporting its each Texfair series since decades was offered a stall no. D 112-A to execute our services and activities to the visitors.

Considering ease of doing business, environment during Texfair’24, we interacted with more than 75 exhibitors and invited them to be our member.

Mr Bhavesh Patel, President, ITAMMA delivered his felicitation speech and joined Lamp lighting and Souvenir release celebrations during inaugural ceremony of Texfair 24. Mr Ganapathi Rajkumar, Member of Parliament was the Chief Guest.

Mr Bhavesh Patel in his welcome speech said that “Today, Technical textiles is considered as the sunrise industry whereby India is the 5th largest market in the world, as the Exports for 247 technical textile items stood at Rs. 5,946 crore (US$ 715.48 million) between April-June (2023-24); and so Govt. of India has also extended its support through various dynamic schemes.

Accordingly we have taken initiatives by forming a Technology Cell of Industry Experts & Textile Research Institutes and Associations to help our member companies to transform into Technical Textile field. A Seminar on “Road map for manufacturing machines and components for technical textiles - with b2b interactions - an initiative of ITAMMA Technology Cell ” was organized inviting the stalwart as guest speaker Mr Sudarsan

Rajagopalan, A Textile Engineer (B.Text Engr) from MS University, Baroda (1991), Post Graduation in Management studies (MBA) from Bharathiar University (1998) and a drop out of PhD (2014) with a specialization on Strategic Management. in the field of medical textiles for his technical presentations on the subject.

Mr Sudarsan Rajagopalan, presented as below:

They say that the sale is made in the first seconds of any conversation. To the topic “Road for manufacturing machines and components for Technical Textiles” the direct answer on its potency was a “Definite Yes”.

The evening was only to discuss beyond the known and rhetoric about Technical Textiles. The meeting was intended to build confidence, motivation and clarity while taking a step forward. He tried to look beyond the known and rhetoric stratification viz. Autotex, Meditex, Agritex etc. He forecasted the concept of high-value and high-volume and the criticality associated with it. He also conservatively computed the quantum of its value while orienting the thinking to that abundance.

Sudarsan Rajagopalan presentation was a slice of his experiments in Technical Textiles. He tried to keep his presentation deliberately away from what was available on the internet. He has been an advocate of Technical Textiles for decades. His oration only scoped that the potential was immense. However, one has to set his own plate from the buffet service.

Traditionally, the supplies of textile machines, the investors of those machines, the producer of yarn or fabric, the finishing, garment or Made-up converters or even the retailers; all are hail from the same “Textile” Industry. However, in Technical Textiles the customers will be from a totally different industry. Their language, their terminology, would have to be adopted. One has to self-equip with the knowledge, alternatively heir personnel or team up with competent resources and communicate with the end user to understand their needs.

A JV with companies within the Indian union states could be a new order of collaboration. International association beyond just advance countries can be a new dimension to look at while sourcing elements or technology. Getting out of the cosy space can make exponential earning. The liability one’s produce does not end at the gate of the manufacturer but will have to be extended to the domain of its usage.

Communicating with the ultimate customeris a new talent to be acquired. Channel partners and the team has to be secured with good MOU and NCNDA (non-circumventing, non-disclosures) agreements. Patents make countries powerful. Textile needs to patent its own innovations when it is relatively easy now. We must inspire ourselves from our own Vaccine Story as we are challenged to fly where eagles dare.

Technical Textiles is a performance-oriented execution and it will have some Empirical Values (EV) to be attained with dexterity. Benchmarking quality, compliance to standards and patenting has to be a collateral objective while making a sustainable business model.

Textiles has accrued great & deep vocabulary over eons and it has to draft a sensible sentence for the customer (across the domain) in a simple act of Transduction.(Like DC to AC current conversion, translating the Textile Terminology to the domain of usage and vice versa).

The speaker pronounced that “Testing may be Expensive but No-Testing is even more Expensive in Technical Textiles”.

Rolled goods need converter. Converters spread the products, get market access and provides for the last mile reach of the services. More rolled goods investment will arrive with more converters and market access. The converter and a trader has to be a parallel path. They should not be confused. Converters are capable of customizing to the customers’ needs; which may not be possible by the roll goods manufacture at all times with the volume or customization specifics. Converters` can involve into MASS-CUSTOMISATION. The synergy of convertor, rolled goods manufacturer, customer, research agencies, and government could be a big-bang theory.

Entrepreneurs provide the opportunity to reduce cost, introduce innovation and provide value. He seeks a good sustainable investment. Technical Textiles offers the objective strategically. For tactically benefits his access to technology, knowledge and machines should be a simple possibility. His present machines or tools are sometimes cross-industry supply borrowed from leather or traditional garments (Sewing machine); which are just make shift. He desires more innovations by the machine & equipment suppliers that suites his needs. If Gaganyan is to put the man in space, who is making the composite fabric and stitching the space suite? The speaker suggested that ITAMMA needs to synergise the opportunity with the machine manufacturers to create SPVs and look up the NTTM (National Technical Textile Mission) scheme to develop local machines and tools/ equipment for opportunities that opens with Technical Textiles as a whole. It would take the supplies to the domestic and the world too.

The Technical Textiles uses synthetic in excess. The synthetics are hydrocarbons and a source of energy. Textiles industry has many systems for reuse or recycle of its wastage coming out of the production process. However, textiles disposed after usage has challenged environments. Flexible textiles are an enigma to the recycling operator and most of them land in sea beds. Machines to segregate shred and process are not-well accomplished in the disposal process. Besides the mechanical shredding and processing, the elementary configuration of the product has to be understood as they can become a rogue during the thermodynamic disposal cycle.

It would mean either avoid those elements that pollute or take care of them in the process of disposal so that they avert a pollution. These Waste to energy needs a proper machine for flexible textile machine. The speaker also explained the pollution process and also highlighted that disposal cycle also needs machines for processing flexible textile.

About 4 ITAMMA Members registered for b2b sessions and interacted across the table with the guest speaker for the road –map for exploring Technology and Business opportunities for them in Technical Textiles either starting a new Start-up OR modifying their present business set-up for the manufacturing of Technical Textiles

Taking forward the above initiatives under 'ITAMMA Technology Cell' we will be forming "Member-Group for Technical Textile Project" under different fields/applications of Technical Textiles. Accordingly inviting related Industry Experts of that field for rendering guidance /consultancy/handling turnkey projects for the members of these groups.

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India's AM Green & SJVN Sign Pact For Massive Renewable Energy

AM Green and SJVN Green Energy Limited (SGEL), a wholly owned subsidiary of SJVN, has entered into a Memorandum of Understanding (MoU) for a long-term agreement for supply and sourcing of renewable energy.

Under the agreement signed on 26th June 2024 in New Delhi, SJVN Green Energy Limited (SGEL) will supply ~4,500 MW of carbon-free energy to AM Green's upcoming green ammonia facilities. SGEL will set up this capacity through solar and wind power, while AM Green will integrate it with pumped hydro storage to ensure a steady supply of green energy to AM Green facilities.

The agreement was signed in the presence of Sh. Akhileshwar Singh, Director of Finance, SJVN Lt, Sh. Ajay Kumar Singh, CEO, Sh. A M Jha, CFO, SGEL, SGEL, Sh. Jitendra Yadhav, HOD (F&A), SJVN Ltd, Sh. B C Tripathi, Senior Advisor, AM Green, and Dharampal Reddy, AVP, AM Green.

SJVN plans to execute the project in three phases, with the first phase delivering 1,500 MW within two years. This initiative is a major milestone for SJVN's renewable energy expansion in India, supporting its goal of reaching 25,000 MW by 2030 and 50,000 MW by 2040.

AM Green, promoted by the founders of Greenko, targets to produce 5 million tons per annum (MTPA) of green ammonia by 2030, equivalent to about 1 MTPA of green hydrogen. This represents a fifth of India's target for green hydrogen production under the country's National Green Hydrogen Mission and 10 per cent of Europe's target for green hydrogen imports by 2030.

Mahesh Kolli, founder, Greenko Group & AM Green, said: "We are delighted to partner with SJVN on one of the world's largest carbon-free, renewable energy supply contracts. This partnership demonstrates AM Green's emerging leadership position as a global clean energy transition solutions platform while contributing to India's ambition of emerging as an exporter of reliable, sustainable and lowest-cost green molecules and its derivatives accelerating industrial decarbonisation globally."

Ajay Singh, CEO, SJVN Green, said: "We are elated to embark on this collaboration with AM Green, as it holds tremendous potential for accelerating the development of renewable assets in India. The project also marks SJVN's foray into supplying power to private sector entities. With our ambitious capacity addition targets, SJVN is actively pursuing opportunities across the spectrum and is keen to take forward this arrangement with AM Green."

In October 2023, Gentari Sdn Bhd, through its wholly-owned subsidiary Gentari International Renewables Pte Ltd, signed an agreement with AM Green to jointly invest in phases in AM Green Ammonia Holdings BV (AMG Ammonia). Singapore's sovereign wealth fund, GIC, is also an investor in AMG Ammonia.

AM Green has a strong pipeline of power offtake agreements, including NTPC Renewables and Gentari, to support its green hydrogen ambitions. With these agreements, AM Green is on a fast track for a final investment decision (FID) for its first 2 MTPA green ammonia project early this year, positioning itself ahead of other companies aiming for green ammonia capacity in India and globally.

Home

Policy delay stalls projects worth 2k cr

The expiration of Gujarat's textile policy has left the industry in a state of uncertainty, with no new policy announcement in sight. The state govt was expected to unveil a new policy before the Vibrant Gujarat Global Summit in Jan this year, but the announcement was delayed. Sources indicate that there has been no significant progress since the draft policy was prepared last year.
The last VGGS saw MoUs worth Rs 11,900 crore, with an employment projection of 2.43 lakh, all of which are now on hold pending the new policy.

The prolonged delay has stalled approximately Rs 2,000 crore worth of projects planned even before the VGGS. This policy vacuum has prompted several companies to consider investing in other states with more attractive benefits.
Top sources in the govt revealed that the chief minister recently held a meeting to address the issue ahead of the Lok Sabha election. The industries and finance departments were asked to resolve issues related to attracting new investments and the potential financial burden of policy incentives. Despite this, no concrete progress has been made, and the policy announcement may take another two to six months.
Rahul Shah, co-chairman of the textile task force at the Gujarat Chamber of Commerce and Industry (GCCI), expressed deep concern over the delay. "Gujarat has long been the textile hub of the country, drawing substantial investments due to favourable policies, especially between 2012 and 2017. The unprecedented delay in announcing a new policy since the last one expired in Dec 2023 has left the industry in a state of limbo. We estimate

that around Rs 2,000 crore in investments are on hold, awaiting the new policy," said Shah.

Meanwhile, states like Telangana, Maharashtra, and Madhya Pradesh are offering significant incentives, leading some major Gujarat-based companies to invest elsewhere, Shah added. "We urgently need the govt to act swiftly to maintain Gujarat's competitive edge in the textile sector. A robust policy framework is essential to attract investments and ensure sustainable growth," he further added.

Shah stressed that a competitive policy is crucial for Gujarat-based manufacturers to remain viable against companies in other states, given the tight margins in the textile industry.

Saurav Jalan, a textile manufacturer, echoed Shah's concerns. "The delay in policy announcement has severely impacted our ability to operate and expand. Without a clear policy framework, investor confidence is dwindling, leading to job losses and stalled economic growth," Jalan said.

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Textiles ministry plans to use castor plant for silk production to create jobs, reduce imports

Silkworms, unlike the hungry caterpillar they resemble, have a preference for mulberry leaves. But India's textile ministry is hoping the moths will acquire a taste for the medicinal castor leaves.

The ministry has proposed using castor leaves to produce silk to boost the country's silk production and create more employment opportunities, two people directly involved in the process said.

India is the world's second-largest producer of silk and its sericulture, or silk production, industry employs an estimated 9.2 million people in rural and semi-urban areas. But it also imports silk from several nations given the high domestic demand for this costly fabric.

The Union textile ministry is working on a plan for a pilot project in Bihar, beginning with the district of Bhagalpur, a major castor-producing area. Other districts in Bihar that produce significant amounts of castor include Purnea, Munger, Saran, Champaran, and Muzaffarpur. The pilot may be extended to other parts of the country to make castor an alternative for silk production.

The silk produced from castor leaves is known as eri silk. It is soft, warm and durable, with a wool-like texture, making it more suitable as winter wear.

“The concept note is being prepared, and the project may start within the first 125 days of the newly formed NDA government,” one of the people said.

Queries sent to the textiles ministry remained unanswered.

"The insect samia ricini will now be grown on the leaves of castor plants, which are known for producing seeds used in medicine and lubricants, and stems used for making thatched roofs,” this person added.

“Diversifying the types of silk produced helps reduce dependence on a single source. Using castor leaves for eri silk production will provide an alternative to the more common mulberry silk," the second person said.

“Besides, castor plants are versatile and have multiple uses beyond silk production. They produce seeds used in medicine and lubricants and stems used for making thatched roofs. This versatility can provide additional economic benefits to farmers," this person said.

Increasing silk production

This initiative is also aimed at increasing silk production to reduce the country's dependence on imports. India imports silks from Vietnam, China, Myanmar, Brazil and Hong Kong, among others.

"India's silk imports have consistently exceeded its exports over the years. India imports silk mainly to meet the demand for high-quality raw and finished silk products as local production is not enough to satisfy the needs of the textile and fashion industries," said Ajay Srivastava, who heads Global Trade Research Initiative (GTRI).

According to commerce ministry data, export values have fluctuated from $83.95 million in FY20 to $79.21 million in FY21, $116.46 million in FY22, $101.22 million in FY23, and $124.05 million in FY24.

Imports followed a similar trend, from $210.41 million in FY20 to $99.26 million in FY21, $147.96 million in FY22, $271.35 million in FY23, and $208.54 million in FY24, the data showed.

The trade deficit, which represents the difference between exports and imports, increased as imports rose. It was $126.46 million in FY20, $20.05 million in FY21, $31.5 million in FY22, $170.13 million in FY23, and $84.49 million in FY24.

V. Balasubramanian, president of the Silk Association of India (SAI), said, "Actually, there has not been any successful story of producing silk from castor or any other leaves."

Mulberry silk dominates

“The world's silk has traditionally been dominated by mulberry because its leaves have a higher protein content than others. This makes mulberry silk highly sought-after. But if mulberry leaves are not available, silkworms can be raised on alternative leaves,” said Balasubramanian.

“Since land is very costly, I don’t think farmers would like to diversify their crops. Castor is grown in India primarily as a border crop to protect the main crops from cattle, rather than for extensive agricultural production,” Balasubramanian said.

India is the world's second-largest producer of silk. The sericulture (silk production) industry employs about 9.2 million people in rural and semi-urban areas (as of FY23) and is a major contributor to foreign-exchange earnings.

Major silk-producing states include Andhra Pradesh, Assam, Bihar, Gujarat, Jammu & Kashmir, Karnataka, Chhattisgarh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal. Karnataka contributed 32.3% of India's total silk production in FY23, followed by Andhra Pradesh with 26.0%.

Sericulture activities are spread across 52,360 villages, and India produces four types of natural silks—mulberry, eri, tasar, and muga. These are used to make garments, fabrics, carpets, shawls, scarves, cushion covers and various accessories.

In 2022-23, India produced 36,582 metric tonnes of silk, up from 34,903 mt in the year before and 33,770 mt in FY21.

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Despite govt’s efforts, lowest ever area under cotton cultivation across Punjab

After having had lowest-ever area under cotton cultivation in Punjab during the last season, cotton has taken further nosedive in the state this season. Against the state target of brining 2 lakh hectare under cotton cultivation this season, the area has shrunk to about 97,000 hectare. State government's much incentive notwithstanding, this is the all-time lowest area under cotton cultivation in Punjab, said the agriculture experts.

Last season, the area under cotton was 1.73 lakh hectare in the state. This record potential dip in cotton acreage is attributed to many factors by the cotton industry and agriculture experts. These factors include severe pink bollworm (PBW) infestation, weak prices for the cotton crop and rising labour costs.

Bathinda is witnessing a drastic fall in area under cotton cultivation. In 2022-23, about 70,000 hectare area was under cotton cultivation in Bathinda district. It declined to 28,000 hectare in 2023-24 and 14500 hectare in 2024-25.

Dr Karanjeet Singh Gill, Chief Agriculture Officer (CAO) Bathinda, said intense heat conditions during the cotton sowing time is one of the reasons for steep fall in area under cotton cultivation this season. We need to adopt new methods to control diseases on cotton plants, he said.

In Faridkot district, where the area under cotton cultivation has fallen to just 1,000 acre this season, the agriculture department is trying to attract the farmers toward cotton crop by providing many incentives.

After giving subsidy on seed, ensuring them good quality pesticides and fertilisers, the department is providing free-of-cost Pheromone Trap to catch and monitor pink bollworm.

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ICE Cotton Eases Due To Low Demand & High Selling Pressure

ICE cotton eased down on Tuesday amid slow demand and falling crude oil prices. The market also faced selling pressure on a technical basis above the level of 73.5 cents. Traders expected that the market would remain range-bound with selling pressure at higher price levels.
Yesterday, the ICE cotton December contract settled at 72.70 cents per pound (0.453 kg), down by 40 points, according to trade analysts. The March 2025 contract was down 0.37 cents to reach 74.39 cents.

Crude oil faced pressure and eased from its higher range. Weak crude oil prices put pressure on cotton futures as cotton substitute polyester becomes cheaper with lower crude oil prices. However, a weaker dollar index limited the downfall in cotton futures. A weaker dollar made cotton cheaper for foreign buyers.

Due to the holiday (early close), trading volume was very light. The final trading volume was noted at 21,817 contracts compared to the previous day's 27,909 contracts. The ICE cotton exchange reported a reduction in deliverable cotton futures contract inventory to 54,217 bales as of July 1. The certified stocks began the day at 54,217 bales, down 4,818 bales due to decertifications, with zero bales awaiting review.

There were some weather issues, including extreme heat in the Far West and other cotton-growing regions. The possibility of a hurricane in South Texas was also a notable event. Although it may not directly land, the market was not showing any significant triggers for the same.

US Federal Reserve chairman Powell mentioned signs of disinflation but noted that more evidence is needed before considering interest rate cuts. This weakened hopes for an early rate cut by the US Fed.

During the late session on Wednesday, ICE cotton for December 2024 traded 0.12 cents higher at 72.82 cents per pound. Cash cotton traded at 65.50 cents (down 0.74 cents), the July 2024 contract at 69.33 cents (down 0.74 cents), the October contract at 72.82 cents (up 0.12 cents), the March 2025 contract at 74.44 cents per pound (up 0.05 cents), and the May 2025 contract at 75.77 cents (up 0.02 cents). A few contracts were seen at the level of the last closing, with no trading noted today.

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California Advances Landmark Textile Recycling Bill

Senate Bill 707 (SB 707), a pioneering textile-recycling bill introduced by Senator Josh Newman (D-Fullerton), has successfully passed the California Assembly Natural Resources Committee with a 9-3 vote. Known as the Responsible Textile Recovery Act of

2024, this legislation establishes a comprehensive Extended Producer Responsibility (EPR) programme. Under this programme, producers will be required to implement and fund initiatives aimed at facilitating the reuse, repair, and recycling of clothing and textile fibres.

The Responsible Textile Recovery Act of 2024, along with the EPR programme it creates, aims to develop previously untapped or underutilised upcycling and recycling markets for clothing and fibres. It also supports ongoing state efforts to encourage the repair and reuse of clothing and textiles. SB 707 is expected to drive a transition towards a sustainable, market-aligned, and circular economy for textiles. This transition will unlock new production and consumption opportunities that benefit the environment, all at a relatively low cost to the state, market participants, and California consumers.

In addition to its environmental benefits, the bill will strengthen the ability of thrift stores and charities to manage unsellable garments. It will combat textile waste by incentivising the use of more sustainable and easier-to-recycle materials. The fashion industry, identified as a top industrial polluter, accounts for approximately 10 per cent of global carbon emissions. As textiles decompose in landfills, they emit methane gas and leach dyes and chemicals into the soil and groundwater, further contributing to environmental degradation, the California State Senate said in a press release.

The rise of ‘fast fashion,’ characterised by the marketing and sale of low-cost, low-quality garments that quickly fall out of vogue, is a significant contributor to these negative environmental trends. In 2021, approximately 1.2 million tons of textiles were disposed of in California. Despite 95 per cent of textiles being reusable or recyclable, only 15 per cent are currently recycled or reused.

Following its approval by the Assembly Natural Resources Committee, SB 707 now moves to the Assembly Appropriations Committee for a hearing before advancing to the full Assembly.

“I’m very proud of the thoughtful and thorough work, involving stakeholders at every point of the value chain, that has gone into SB 707 to produce a bill that will have an immensely positive impact on our state and on the environment,” said *Senator Newman*. “Textile waste is a growing environmental issue that will require innovation and collaboration. This bill, and the groundbreaking program it will enable, will make California a global leader in textile recycling and waste reduction.”

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Colombo To Implement Swiss Global Textiles & Apparel Programme Phase 2

The Sri Lankan cabinet recently approved a proposal to sign a project agreement with the Swiss State Secretariat for Economic Affairs (SECO) to implement the second phase of the latter's Global Textile & Apparel Programme.
The proposal was moved by President Ranil Wickremesinghe in his capacity as the investment promotion minister.

The agreement, to be signed by the Sri Lanka Export Development Board (EDB), is expected to offer significant support from the SECO programme, drive the industry's shift to sustainable practices and boost its competitive edge globally by integrating advanced digital technologies, according to Sri Lankan media reports.

"The initiative aims to support the transformation of Sri Lanka's textile and apparel industry towards producing quality green products through the promotion of digitisation," cabinet co-spokesman and minister Bandula Gunawardena told a media briefing.

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Switzerland, China Sign MoU To Start Negotiations On Upgrading FTA

Switzerland and China recently signed a memorandum of understanding (MoU) to officially start negotiations for upgrading the Sino-Swiss Free Trade Agreement (FTA) as soon as possible, the latter's commerce ministry said.
Chinese commerce minister Wang Wentao discussed bilateral economic and trade relations with Swiss federal councilor Guy Parmelin at the eighth Sino-Swiss Economic Forum in Beijing.

China is Switzerland's third-largest trading partner, while the latter is the former's sixth-largest in Europe.

Sino-Swiss trade volume grew by 4.4 per cent in 2023, reaching $59.5 billion, Wang was cited as telling the forum by state-controlled media outlets.

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Cotton textile cos see red over dumping by China

https://timesofindia.indiatimes.com/city/ahmedabad/cotton-textile-companies-concerned-about-dumping-by-china/articleshow/111471880.cms

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