

LETTER

CONFEDERATION OF INDIAN TEXTILE INDUSTRY

5th

JULY

2024



News Highlights



NATIONAL

[PLI scheme only kickstarter not permanent: Piyush Goyal](#)

[Budget 2024: How Sitharaman can steer the trade ship amidst two wars and Red Sea crisis to achieve \\$2 tn export goal](#)

[GST still far from simple: Arvind Subramanian](#)

[Budget 2024 finds India in a sweet spot, thanks to unanticipated revenue boost](#)

[ATIRA & Diagonal Consulting \(India\) To Organise Intexcon 2024](#)

[ETMarkets Smart Talk: India's economy poised for strong growth in second half of 2024, market outlook cautious: Vipul Bhowar](#)

[Visa Norms Being Streamlined for Expats in Cos Availing PLI](#)

[Global Merchandise Trade Sees Upturn In Q1 2024: WTO](#)

[Global Consortium Develops Sustainable Polyester For The North Face](#)

GLOBAL

[China warns prolonged heatwave may damage rice, cotton crops](#)



NATIONAL

PLI scheme only kickstarter not permanent: Piyush Goyal

<https://m.economictimes.com/news/economy/policy/pli-scheme-only-kickstarter-not-permanent-piyush-goyal/articleshow/111494997.cms>

[Home](#)

Budget 2024: How Sitharaman can steer the trade ship amidst two wars and Red Sea crisis to achieve \$2 tn export goal

<https://m.economictimes.com/news/economy/foreign-trade/budget-2024-how-sitharaman-can-steer-the-trade-ship-amidst-two-wars-and-red-sea-crisis-to-achieve-2-tn-export-goal/articleshow/111480001.cms>

[Home](#)

GST still far from simple: Arvind Subramanian

<https://www.thehindu.com/business/Economy/gst-still-far-from-simple-arvind-subramanian/article68368143.ece>

[Home](#)

Budget 2024 finds India in a sweet spot, thanks to unanticipated revenue boost

The final 2024-25 budget is due to be presented later this month. Compared to the interim budget, the fiscal situation of the Government of India (GoI) appears to have improved marginally.



Gol's gross tax revenue (GTR) growth for 2023-24 turned out to be 13.5% implying an annual buoyancy of 1.4. In contrast, the interim budget, according to the RE for 2023-24, had considered a growth of 12.5%. This higher growth will give an improved base magnitude for Gol's GTR for projecting the tax revenues for 2024-25, which in turn will depend on the likely performance of macro parameters particularly the nominal GDP growth.

Growth and revenue prospects in 2024-25

According to the RBI, the real GDP growth for 2024-25 is estimated at 7.2%. To derive the nominal GDP growth, we need to formulate some idea about the implicit price deflator (IPD)-based inflation. This was unduly depressed at 1.3% in 2023-24 due to relatively low level of WPI inflation which was at (-)0.7%.

The IPD-based inflation is a weighted average of WPI and CPI inflation with the relative weight of the former being higher.

Estimate for nominal GDP growth

The projection of WPI inflation for 2024-25 is close to 3% according to RBI's Professional Forecasters Survey (June 2024). RBI's own projection for CPI inflation for 2024-25 is 4.5%. Based on these numbers, our assessment for the IPD-based inflation in 2024-25 is at 3.6%. This, combined with a real GDP growth of 7.2% would provide a nominal GDP growth of about 11%.

And total revenue



Assuming at least a buoyancy of 1.1, we consider a GTR growth of 12.1% as feasible. If this is applied to the 2023-24 magnitude of GTR of Rs 34.65 lakh crore, we may get a GTR of Rs 38.84 lakh crore in 2024-25.

From this, we may deduct the state's share in Gol's GTR, leaving net tax revenue for the Gol of INR26.44 lakh crore. To this, we need to add non-tax revenues for assessing Gol's revenue receipts. Luckily, non-tax revenues have also been rather buoyant due to RBI's generous dividends. We estimate that with RBI's declared dividend of Rs 2.11 lakh crore, Gol's non-tax revenues in 2024-25 may be close to Rs 5.09 lakh crore. Thus, overall revenue receipts of Rs 31.53 lakh crore appears to be feasible in 2024-25. The key policy question is its allocation **into capital and revenue expenditures**.

Expenditure prospects

With some committed expenditures on the revenue account, the Gol may have to increase its allocation for revenue expenditures to accommodate a higher revenue expenditure growth. There is a likelihood of increased allocation for MGNREGA, food and fertilizer subsidies, and health expenditures. This would call for a higher revenue expenditure growth as compared to that in the interim budget which was only 4.6% estimated over Controller General Of Accounts (CGA) actuals for 2023-24.

Any pressure on increasing revenue expenditure growth would need to be balanced with **adjustments in capital expenditure growth** or moderation in fiscal deficit reduction target. Our assessment is that the Gol may not compromise on the announced fiscal deficit target which was 5.1% of GDP.



Assuming that this is retained, the augmented revenue receipts position would still permit an 8% growth in revenue expenditures amounting to an increase in the magnitude of revenue expenditures of a little less than Rs 3 lakh crore.

This arithmetic would still permit a capital expenditure growth of 19.2% which is essential for realizing a 7% plus real GDP growth for India given the continued global economic slowdown. As per the latest national income accounts, growth in private and government final consumption expenditures were rather low at 4% and 2.5% in 2023-24 respectively. These consumption expenditures need to be stimulated. While the increase in Gol's revenue expenditures would play a positive role in this, the state governments will also have to stimulate consumption expenditures in the respective states.

Medium-term fiscal consolidation path

In the medium-term, Gol has to signal its commitment to reduce its fiscal deficit to GDP ratio to the FRBM norm of 3%. This may take three to four years from now. However, it will be useful for the 2024-25 budget to spell out the entire adjustment path, projecting forward, the level of debt to GDP ratio as fiscal deficit to GDP ratio progressively falls to 3%. At the same time, steps need to be taken to facilitate growth of private investment which would be helped by a reduction in the policy rate in the next few rounds of RBI's monetary policy reviews.

The World Bank has projected a global growth in the range of 2.6% to 2.7% for the next three years. The final budget for 2024-25 provides a timely opportunity to the Gol to lay solid foundations for India's medium-term growth in the range of 7% to 7.5%, well above the global growth average while signalling its commitment to reduce fiscal deficit and debt relative to GDP to FRBM consistent



levels even as the world economy is challenged with low growth and unsustainable debt levels.

[Home](#)

ATIRA & Diagonal Consulting (India) To Organise Intexcon 2024

The Ahmedabad Textile Industry's Research Association (ATIRA), India's leading research organisation dedicated to advancing the textile industry through innovative research, development, and testing, has announced its partnership with Diagonal Consulting (India) to organise Intexcon 2024.

It is an international technical textiles conference and expo themed "Tech Tex Asia - Capitalising India's Growth & Collaborative Transformation as a Global Leader in Advanced Textiles" in association with AATCC (USA) & INDA (USA) as knowledge partner.

Fibre2Fashion, a leading B2B platform, serving as a comprehensive resource hub for data-driven policy, research, and insights for the textile-apparel, and fashion industry, is one of the sponsors of the event.

This landmark event is set to be a convergence point for industry leaders, innovators, and stakeholders from across the globe, focusing on India's rapidly growing role in the global advanced textiles Industry. Their joint expertise with global presence and perspective will significantly enhance the event's offering to participants with management insights, latest trends, technologies, product innovations as well as policy initiatives in the technical textiles industry, the organisers said in a press release.

ATIRA through its Centre of Excellence in Textile Composites, Geotextiles & Nano fibre spinning promises to showcase cutting-edge research findings, innovative materials and technologies, facilitating knowledge exchange through expert-led sessions to drive industry advancements.

"We expect an enhanced industry network with major Institutional Buyers to participate and address the audience during the two-day summit" added *Pragnesh Shah, Director of ATIRA*.

Event Highlights:



- Keynote Address: By a leading industry expert.
- Panel Discussions: Engaging debates on the future of advanced textiles.
- Award Ceremony: Young Achievers, Researchers & Professional Excellence.
- Management Sessions: Presentations on innovative advanced textile technologies and products.
- Expo: A table top / catalogue showcase of the latest advancements in machinery, advanced raw materials and applications.

Dr. PR Roy, chairman of Diagonal Consulting (India) expressed his enthusiasm for the event, stating, "With ATIRA's active participation, the conference will not only highlight our joint capabilities but also enable collaboration and innovation, propelling the industry towards a sustainable and technologically advanced future. With some of the leading global brands in the industry and research already signed in, we look forward to welcoming participants from around the world to engage, collaborate and capitalise on India's burgeoning growth in Advanced Textiles."

[Home](#)

ETMarkets Smart Talk: India's economy poised for strong growth in second half of 2024, market outlook cautious: Vipul Bhowar

<https://m.economictimes.com/markets/expert-view/etmarkets-smart-talk-indias-economy-poised-for-strong-growth-in-second-half-of-2024-market-outlook-cautious-vipul-bhowar/articleshow/111481598.cms>

[Home](#)

Visa Norms Being Streamlined for Expats in Cos Availing PLI

<https://m.economictimes.com/news/india/easier-visa-norms-in-works-for-non-pi-manufacturers-dpiit-secretary/articleshow/111491485.cms>

[Home](#)

GLOBAL



Global Merchandise Trade Sees Upturn In Q1 2024: WTO

The volume of world merchandise trade experienced a notable increase in the first quarter (Q1) of 2024 after a stagnant 2023, according to the latest statistics released by the World Trade Organization (WTO). Merchandise trade, measured by the average of exports and imports, rose by 1 per cent in the first quarter compared to the previous quarter. Additionally, trade in the first quarter was up 1.4 per cent compared to the same period in 2023.

This positive trend in trade volume was driven by contributions from most regions, with Europe being a significant exception as its exports and imports continued to decline. These statistics are the first quarterly trade volume figures released by the WTO since its most recent trade forecast was issued on 10 April in the organisation's Global Trade Outlook and Statistics report.

In the April report, WTO economists projected that the world merchandise trade volume would grow by 2.6 per cent in 2024 and 3.3 per cent in 2025. The 1 per cent increase in the first quarter aligns broadly with these projections. If the current pace of expansion continues through the end of the year, the trade volume for the whole of 2024 will be 2.7 per cent higher than in 2023.

Despite the increase in trade volume, the US dollar value of world merchandise trade declined by 2 per cent year-on-year in the first quarter of 2024. This discrepancy between rising trade volumes and falling trade values suggests that export and import prices decreased during this period.

[Home](#)

Global Consortium Develops Sustainable Polyester For The North Face

A consortium of seven companies across five countries has jointly established a supply chain for more sustainable polyester fiber. Instead of fossil materials, renewable and bio-based materials as well as carbon capture and utilization (CCU) will be used in the manufacturing of polyester fibers for The North Face brand in Japan. The consortium parties are Goldwin, in the role of project owner, Mitsubishi Corporation, Chiyoda Corporation (all three from Japan), SK geo



centric (South Korea), Indorama Ventures (Thailand), India Glycols (India) and Neste.

Neste will provide renewable Neste RE as one of the required ingredients for polyester production. The polyester fiber produced in the project is planned to be used by Goldwin for a part of The North Face products, including sports uniforms, in July 2024. After that, the launch of further Goldwin products and brands will be considered.

The seven companies apply a mass balancing approach to ensure credible traceability of material streams throughout the supply chain and will jointly continue to proactively promote the defossilization of materials to contribute to a more sustainable society.

[Home](#)

China warns prolonged heatwave may damage rice, cotton crops

http://timesofindia.indiatimes.com/articleshow/111480617.cms?utm_source=content_ofinterest&utm_medium=text&utm_campaign=cppst

[Home](#)