Textile Engineering Industry is showing signs of recovery in keeping with the revival in the capital goods sector

Abstract from the Speech of Mr. Mehul Trivedi, Chairman, Textile Machinery Manufacturers' Association (India) at the 58th Annual General Meeting of the Association



Chairman TMMA(I) Mr. Mehul Trivedi delivering his welcome address. To his beside are: Mr. Sachin Kumar - Secretary, Mr. Pratik R. Bachkaniwala - Second Vice-Chairman of the Association, Chief Guest Mr. Sanjay Kumar Jain - Chairman, Confederation of Indian Textile Industry & Managing Director of T.T. Limited.,Mr. Vallabh S.Thumar-First Vice-Chairman and Mr. Prashant Mangukia-Hon. Treasurer of the Association.

Economic Scenario

Indian economy is showing signs of recovery on the back of strong support from all sectors. India has inched up its position to become the 6th largest economy in the world overtaking France.

The Financial year 2017-18 has been a challenging year for India's economy. The implementation of structural reforms including, demonetization and Goods & Services Tax (GST) had an impact on the GDP growth. The growth was slow, down to 4 year low at 6.7% in fiscal year 2017-18. The GDP was 7.1 % in 2016-17 against 8% in 2015-16. It was 7.5% in 2014-15. However, the various proactive initiatives taken by the Government enabled the textile/ textile engineering industry to mitigate the challenges and revive from the recession. India's GDP is expected to grow at 7.5% in the next two years.

The Index of Industrial Production (IIP) was dipped by 4.3% in 2017-18 as against 4.6% in 2016-17. The manufacturing growth stood at 4.5% in 2017-18 as against 4.4% in 2016-17. The capital goods sector with an unfavorable base effect showed a year on year contraction of 1.8% in March 2018 as against an increase of 9.4% in March 2017. The sector is showing signs of revival which is likely to improve in 2018 due to increase in capacity utilization, productivity, orders, sales and investments.

Exports too are poised to grow at a faster pace in the current fiscal year. India's exports after a gap of 6 year rose by 9.8% to US$ 302.84 billion during 2017-18 as against US$ 275.80 billion in 2016-17. During 2017-18 imports increased by 20% to US$ 459.70 billion as against US$ 384.40 billion in 2016-17.

The Government in 2017 announced various schemes for the textile industry for skill development and capacity building industry of the work force for three years which is keeping the needs of the industry. This is up to the stake holders to take advantage by integrating and coordinating with the Government in their endeavors.

I am happy to inform you that the Textile Engineering Industry is showing signs of recovery in keeping with the revival in the capital goods sector and likely to continue improve further in 2018 due to increase in capacity utilization, productivity, orders, sales etc. I am optimistic that 2018 would be one of the best years for the Indian textile engineering industry.

Production Trends

The TEI has currently an estimated annual installed capacity of Rs. 11,000 crores per annum. The total provisional production of textile machinery, parts & accessories during 2017-18 recorded an increase of 4% i.e. Rs. 6,900 crores as against Rs. 6,650 crores achieved during the previous year. The increase in production of spinning machinery was responsible for this growth. It is expected that spinning machinery sector might

increase their production further during 2018-19. In Weaving Sector particularly in the Shuttle-less Loom category the growth rate was less due to uncertain situation created by the unfavorable procedures under the ATUF Scheme as well as adverse situation in the power-loom sector arisen because of the cash business. Synthetic filament yarn sector also recorded a decline in production while the Processing sector got a slight increase. In fact, many of the processing machinery manufacturers had done well during the period.

During the fiscal year the capacity utilization increased from 60% to 63% as compared to the preceding year due to increase in demand for textile machinery. We hope that the capacity utilization would improve during 2018-19.

Import of textile machinery rose from Rs. 10,098 crores during 2016-17 to Rs. 10,687 crores during 2017-18. The upswing in the imports might be due to improper HS Codes used by the importers. Several incidences were reported (unofficially) about the imports

of used machines refurbished-as-new machines. Besides, low cost - low tech shuttle-less looms were also imported from China in large numbers.

Exports

The export of textile machinery to the third world countries has increased. The Association is making efforts to help the textile engineering industry to increase its exports further. The export during 2017-18 was Rs.2,939 crore as against Rs.2,438 crore achieved during 2016-17. We expect a good export during 2018-19.

Meeting the demand

The periodical demand recessions faced by the industry has adversely affected the share of demand. The exports have gone up due to the steps taken by the industry as a whole and the association in particular. Yet there is lack of sustained domestic demand. At the same time, preference for cheaper subsidized imports by the decentralized sectors of the industry creates hurdles for the TEI. However, we hope that there could be better position during 2018-19.

We are aware that the Office of the Textile Commissioner and the Ministry of Textiles has been taking appropriate actions in this regard.

Measures for Growth Orientation

TMMA has been representing to the Government regarding changes in the fiscal policy, removal of hurdles facing the industry and assistance required for improving the technology, production and exports.

There is an urgent need to ban the import of low-cost low-tech machinery; be it from China or from any other source. There shouldn't be any subsidy on such technology/ machinery whatsoever that is available in the country. It is also imperative that the domestic manufacturing sector should be given financial incentives for indigenous development and supply of machines to the user sector. This would create a positive approach towards increasing the productivity and employment opportunities. Export efforts of the domestic machinery manufacturers should be encouraged with financial assistance and short term/long term credit facilities so that they may be able to double the exports within 2/3 years.

Development Council for Textile Machinery Industry

The Ministry of Heavy Industries & Public Enterprises reconstituted the Development Council for Textile Machinery Industry for a period of two years. During the year, two meetings of the Council were held. The first meeting was held under the Chairmanship of Mr. Girish Shankar, Secretary, Department of Heavy Industry on 26th May 2017 in New Delhi. Mr. N. Sivanand, Joint Secretary and Member Secretary of the Council and representatives from various Ministries, Planning Commission, State Government, User Industry Associations & Industry, Research Associations attended the meeting.

The second meeting was held under the Chairmanship of Dr. Asha Ram Sihag, Secretary, DHI on 17th January 2018 in New Delhi. Mr. N. Sivanand, Joint Secretary and Member Secretary of the Council and representatives from various Ministries, User Industry Associations & Industry, Research Associations attended the meeting.

Various issues on developments of the TEI were discussed at these meetings and follow up actions were initiated.

National Textiles Policy

The Ministry of Textiles is in the process of finalizing draft guidelines of National Textiles Policy. The National Manufacturing Competitive Council (NMCC) has formulated draft policy outlining "Vision, Strategy and Action Plan for Indian Textile and Apparel Sector".

The policy is expected to aim at achieving $300 billion textile exports by 2024-25, and thereby creating around 35 million new employment opportunities. The same is likely to be adopted for long term growth of textile and its related industries. The draft policy is under consideration of the Government and is likely to be unveiled soon.

For promoting innovation and Research & Development the following projects were undertaken.

1. Development of High-Tech Shuttle-less Loom in India

TMMA had proposed for development of high-speed high tech shuttleless rapier loom of international standard through a consortium of 5 Indian manufacturers of shuttleless loom in the country with technical guidance and support from Central Manufacturing Technology Institute (CMTI), Bangalore under PPP mode. The consortium had registered a section 8 company known as "TMM Hi-Tech Research and Development Foundation" (TMMC). A tripartite agreement was signed among CMTI, TMMA, and TMMC in presence of DHI officials.

The final approval of the Hi-Tech Shuttleless Loom project was given by the Apex Committee at its meeting held on 11th December 2014 with funding from Industry and DHI on 20:80 ratio. The total financial outlay of the project as per the approved proposal of the DHI is Rs. 20 crores. The project commenced from 1st April 2015.

In the first phase (2 years) CMTI was supposed to developed a 450 RPM rapier loom whereas in the second phase (1.5 years) it would develop a 550 RPM rapier loom of global standard.

<u>The first phase of the project is complete with a delay of a year and a half. The industry is working on the commercialization of this prototype which shall be complete in a year's time after which the phase - II of the project shall be taken up.</u>

2. Common Engineering Facility Centre

The Association had been striving hard to set up a Common Engineering Facility Centre (CEFC) at Surat under PPP Mode. TMMA joined hands with 'Surat Engineering Vikas Association' (SEVA) a premier association of Engineering Industries in Surat, and 'Sardar Vallabhbhai Patel Education Society' (SVBPES) an engineering college for establishing a CEFC at Bardoli in Surat to establish a Common Engineering Facility Center (CEFC) in there for textile machinery, and light engineering industry under the aegis of DHI. A tripartite MoU was signed among them on 13th March 2016 for this purpose.

Hon'ble Mr. Anant Geete, Minister of Heavy Industries & Public Enterprises laid the Foundation Stone of the CEFC in a ceremony organized on 26th March 2017.

The CEFC project has completed nearly all milestones as projected in its DPR so far. However, the activities associated with the funding have suffered delays to some extent. In addition to DHI's commitment to bear 80% of the equipment cost, the Government of Gujarat has also come forward to support the project for approximately Rs. 7.0 crore.

The SETU Foundation along with TMMA and SEVA was able to raise about Rs. 2.0 crore both from Industry and the DHI however more and active support from the industry is needed now. Several projects have been accomplished at CEFC off late, by commissioning of recently procured 'Top Solid' software and a state-of-the art CNC machinery, thereby generating some income.

As I mentioned earlier, the project needs active support from the industry. The industry's proportionate funding for this project is essential before we get any funding from the Central & the State Governments. Therefore, I urge my industry counterparts to come forward and generously contribute for this project.

3. Capital Goods Sector Skill Council

The Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry together with Federation of Indian Chambers of Commerce & Industry (FICCI) launched a Capital Goods Sector Skill Council (CGSC) in 2013 under the aegis of National Skill Development Council (NSDC), New Delhi for quality education and skill development in the Capital Goods Sector in the country. Chairman, TMMA is representing TEI on the Governing Council of CGSC.

Since its inception the CGSC had drafted the National Occupational Standards (NOS) to specify the standard of performance an individual must achieve when carrying out a function in the workplace, together with the knowledge and understanding they need to meet that standard consistently. Essentially NOS are benchmarks of good practice. NOS describe functions, standards of performance and knowledge and understanding.

The CGSC is responsible to carry out a detailed occupational mapping of the sector; to develop National Occupational Standards (NOS) for various job roles in Capital Goods Sector; and to determine future training needs, curriculum and standards in consultation with the key stakeholders of the Capital Goods Sector.

NOS are primarily used to build qualifications and training programs; however, employers can also use these for any other aspect of human resource management & development like, recruitment, assessments, performance benchmarking, awards and recognition and manpower planning.

The NOS would also help individuals to measure their own performance, develop new skills and upgrade existing skills; plan their career progression laterally and vertically by measuring their own competency. So far 56 NOS/ Qualification Packs (QPs) have been standardized.

During the year the CGSC organized a number of Job Melas across tier II and tier III cities in association with the industry and the local government bodies. The CGSC is organizing regional Skill Competitions with National Skill Development Council, to instill the importance of having the globally competitive skill standards among the Indian Industries. He CGSC is supporting World Skills India team in organizing the Skills competition at multiple levels of Skills such as CNC Turning, CNC Milling, Welding, M-CAD, Plastic Die Engineering, Industrial Mechanic Millwright, and Manufacturing Team Challenge.

They are also contemplating to conduct a Skill Gap Analysis and Market Survey to gauge the depth of skill requirement in the Country. I am happy to share that the Capital Goods Skill Council is one of the best out of 39 Sector Skill Councils. More information about the CGSC, the NOS/QPs and Upcoming Activities could be accessed from their website www.cgsc.in.

Textiles India 2017

The Ministry of Textiles organized India's first ever mega international trade event for the textiles sector "Textiles India 2017" from 30th June to 2nd July, 2017 in Gujarat. Hon'ble Mr. Narendra Modi, Prime Minister of India inaugurated the event. TMMA was being assigned and authorized to organize the DHI-TEI pavilion during the Show, supported by ITAMMA and India ITME Society.

Textiles India aimed to showcase the strength of the value chain in India. The three-day event was attended by participants from 106 countries. Around 15,000 Indian buyers and sellers, 2,500 international buyers, international delegates and representatives, artisans and weavers participated the event.

The CEO roundtable discussion on the "Role of state-of-the art textile machines and introduction of industry 4.0 in TEI for the overall growth of the Indian textiles sector" was also organized. Chairman Mr. R. Rajendran addressed the importance of R&D needs to be taken up proactively by the industry in synergy with the institutions in public private partnership with the Government of India. He stated that the current CG Policy of DHI and the Government's push for `Make in India' campaign were best opportunities for the industry to excel in their fields of expertise. The CG Policy documents was shared with all the guests.

Mr. B.R. Mohanraj, Assistant Director, CMTI, Bangalore made a presentation about the R&D capabilities of CMTI which is one of the Centre of Excellences under DHI's CG Scheme where our dream project of development of a hi-tech shuttle-less rapier loom is taking its final shape.

TMMA played an instrumental role in covering the majority of the space from the main stream textile machinery manufacturers. Some members of TMMA displayed their state-of-the art technology available for their clientele globally, that uses the concept of Industry 4.0. Representatives from Government, Industry Associations, R&D Institutions, Industry experts/consultants etc. attended the event.

At the Country Session of Korea, Chairman Mr. R. Rajendran made a presentation on the strength of the Indian TEI to the visitors and shared information about possible areas where both the countries joined hands to enhance each other's' businesses. He cited about the recent MoU signed with KOTMA and KOTMI with TMMA which could be leveraged in strengthening the bilateral relations.

GTTES 2019

The India International Textile Machinery Exhibition (India ITME) Society will be organising the 2nd edition of Global Textile Technology & Engineering Show (GTTES 2019) from 18th – 20th January 2019 at Bombay Exhibition Centre, Goregaon, Mumbai. GTTES is an exclusive show highlighting the strength of Asian market and manufacturers of textile machineries, spare parts, accessories and allied services across the globe having base in Asia.

The event is a platform for meeting up with domestic requirement with the Make in India initiative for encouraging and facilitating the textile & textile engineering sector. It offers a wide range of opportunities from engaging with industry leaders at the highest level to showcase products and services to an international audience.

The event will focus on Spinning Machinery & Spare parts, Ginning, Weaving, Processing, Knitting, Digital Printing, Garmenting, Embroidery, Technical Textiles etc. B2B meetings, Technical Seminars etc. being organised during the event for the benefit of the participants both exhibitors and visitors to get information on the developments in the technical textiles.

Acknowledgement

I would like to convey our gratitude to the Ministry of Heavy Industries & Public Enterprises (Department of Heavy Industry), the Ministry of Textiles, the Ministry of Finance, Department of Economic Affairs, the Central Board of Excise & Customs, the Central Board of Direct Taxes, the Ministry of Commerce & Industry, the Ministry of Science & Technology, etc. for their co-operation and assistance.

I specially thank the `Surat Vankar Sahkari Sangh' and its office bearers for donating generously for our Shuttle-less Rapier Loom Development Project.

I thank my co-office Bearers, Mr. Vallabhbhai Thumar, Mr. Pratik Bachkaniwala and Mr. Prashant Mangukia without whose active assistance, I would not have been able to discharge my duties. I thank my colleagues on the Executive Council for their support. I would like to sincerely thank the past chairmen of TMMA for all their help and guidance.

I would like to thank the Indian Textile Accessories & Machinery Manufacturers' Association' for their cooperation. I express our deep appreciation and sense of gratitude to the India-International Textile Machinery Exhibitions Society for their unstinted support in the activities of TMMA.

In conclusion I appreciate the excellent work rendered by the TMMA secretariat.

Export Promotion and R&D Awards

It is our normal practice to present Export Promotion and R&D Awards at the Annual Business Session of the Association. In this Session, we are giving 7 Awards for Export Excellence and 1 Award for Research and Development for the year 2017-18. I congratulate the award winners for putting in great efforts in the promotion of exports and the development made in textile machinery to win the Awards.

I would request our Chief Guest Mr. Sanjay Kuman Jain to present the Awards to winners and address the gathering after the Business Session.