Status of Indian Textile Machinery Industry

Economic Scenario

The Indian Economy slowed to an 11-year low of 4.2% in 2019-20 as against 6.8% in 2018-19, according to data released by the National Statistical Office. In the final quarter of the year, that is, January-March, the growth rate of Gross Domestic Product (GDP) fell to 3.1%, reflecting the impact of the first week of the COVID-19 lockdown which began on March 25.

After shrinking by 23.9% in Q1 of 2020-21, India's economy contracted by 7.5% in the Q2. And RBI predicts the GDP growth of 0.1% in Q3 and 0.7% in Q4 i. e. January-March of 2021. However, this optimism will depend on the containment of the existing COVID-19 infections and no further spread of any deadly strains of this virus.

Production Trends

The estimated capacity of the domestic TEI stood at Rs.11,000 crore in 2019-20. The production was Rs.5355 crore as against Rs. 6865 crores during the previous year; due to decrease in the capacity utilization from 62% to 49%. The decline in production of main sectors viz. spinning machinery, synthetic filament, weaving and processing machinery was responsible for this decrease.

Exports & Imports

The exports for the 2019-20 was Rs.2556 crores as against Rs.3665 crores achieved during 2018-19. The imports also decreased to Rs. 9273 crores in 2019-20 as against Rs. 10834 crores in 2018-19, due to the lack of domestic demand and stagnant investment by the user industry

Meeting the demand

The total domestic demand for textile machinery shrank to Rs. 11269 crores during 2019-20 as against Rs.13,004 crores in 2018-19. The domestic industry supplied 25% of this demand during the year.

Measures for Growth Orientation

In 2011, TMMA conducted a study "Vision 2020 Report for sustained growth of Indian TEI" through Gherzi an international textile consultant. The vision document identified technology gaps and suggested remedies to overcome them. It also advised corrections in the government policies which acted as roadblocks for industry's growth. The association

intends to conduct a similar study this year as well to define the vision and strategies for the growth of the Indian TEI in the next decade by the year 2030.

Continuing its efforts, the association has been pushing forward since 2019, its proposal for "Incentives for Commercialization of the Indigenously Developed and Acquired Technologies from Overseas", to MoT and DHI. The main purpose is to support the domestic R&D and joint ventures under 'Make in India' initiative to enhance quality standards and cost competitiveness globally. The MoT has taken the proposal positively, and initiated a study about the Indian TEI through 'Kalam Institute' located in 'Andhra Pradesh Medical Technology Zone (AMTZ)' Vishakhapatnam. This medical technology cluster spread across 670 acres, built at a cost of Rs. 700 crores, was entirely funded by the Central and State Governments. The MoT led a delegation of TMMA and Industry in February 2020, to this park and has envisaged to create 10-12 similar 'Mega Clusters' for Textile and the Textile Machinery sector.

On the other hand, TMMA along with ITAMMA participated in a Study on "Improving Competitiveness of the Textiles and Clothing Industry in India" – By E & Y, instituted by National Committee for Textiles and Clothing (NCTC) and partly funded by the India ITME Society on behalf of Indian TEI. The study talks about the 'Competitiveness of the Indian Textile Machinery Sector'; encapsulates its future growth prospects vis a vis the Indian Textile Industry; and advocates policy requirements from the Indian Government to promote this industry as a whole.

New Foreign Trade Policy

The Commerce Ministry will soon come out with a new foreign trade policy, which provides guideline and incentives for increasing exports for the next five financial years 2021-26. The validity for the old policy (2015-20) is extended till March 31, 2021. The DGFT asked industry's recommendation on the current foreign trade policy. The association shared its inputs related to the EPCG Scheme & export promotion to DGFT and DHI after informing the industry.

Interactions with various Government Ministries and Officials

TMMA represents the industry to the Government to enable changes in the fiscal policy, removal of hurdles faced by the industry and assistance required for improving the technology, production and exports. The Association put in tireless efforts in approaching Governments for concessions and reliefs for initiating measures to revitalize the industry. TMMA submitted pre & post budget recommendations, GST related suggestions, inverted duty structures related issues, and industry representations on quality control order of Ministry of Steel and pending duty drawback cases of the industry, etc. to the relevant Government ministries/ departments.

The association participated in a number of 'Internal Technical Committee Meetings' and 'Technical Advisory and Monitoring Committee Meetings' organized by the Office of the

Textile Commissioner (OTXC) in Mumbai. I appreciate the role of the entire OTXC in expediting the process of enlisting of textile machinery manufacturers and clearing the subsidy claims under the ATUF, RRTUF and RTUF schemes of Ministry of Textiles. The synergy created among the industry, government and the association, was commendable in easing out the business process during the year.

Development of High-Tech Shuttle-less Loom in India

TMMA proposed for the development of a high-speed high-tech shuttle-less rapier loom of international standard in November 2014 through a consortium of 5 Indian manufacturers of shuttle-less looms in the country with technical guidance and support from Central Manufacturing Technology Institute (CMTI), Bangalore under PPP mode. The consortium registered a section 8 company known as "TMM Hi-Tech Research and Development Foundation" (TMMC) in 2015 to execute the project in two phases. A tripartite agreement was signed among CMTI, TMMA, and TMMC thereafter.

The prototype loom developed in phase 1, is in the final stage of testing in actual mill conditions and has been running satisfactorily at 450 RPM with warp & weft of different yarn thickness and yarn types. The loom prototype has achieved its mechanical parameters, and the development is on to attain its electronic parameters. Once that is achieved, the consortium may go for phase-2 of the project of developing a better version of 600 rpm.

The TMMC is working on the completion of this project to make the product commercially viable.

Common Facility Centre

Under the DHI's CG Scheme, TMMA (I) in 2016, joined hands with 'Surat Engineering Vikas Association' (SEVA), a premier association of engineering industries in Surat and 'Sardar Vallabhbhai Patel Education Society' (SVPES) an engineering college based at Bardoli in Surat, to establish a Common Engineering Facility center (CEFC) for textile machinery, and light engineering industry.

The construction work of the CEFC Project was ongoing during the year and completed 80 to 85%. A number of CSR meetings were held during the year for fund raising strategy for the above Project. The main issue was the funding, as the industry contributions had not come as expected. The 80% of the equipment cost is covered by DHI's Grant, and about 70% of the infrastructure development cost would be given by the government of Gujarat.

The project is delayed by 2.5 years and efforts are being made to conclude it at the earliest.