CITI Welcomes Budget proposals for Agricultural, Skilling, and Green Development

- Raises concerns on increasing import duty on Textile Machinery

The Hon'ble Union Minister of Finance, Smt. Nirmala Sitharaman, presented the Union Budget for 2023-24, which is also the first Budget in *Amrit Kaal* period.

While welcoming the Union Budget, Shri T. Rajkumar, Chairman, CITI termed the budget as pragmatic and futuristic laying strong foundation for India @100!

Shri T Rajkumar proudly acknowledged the fact that everyone today recognizes the Indian economy as a 'bright star' in the global arena and our economic growth is being considered as highest (7%) among all the major economies of the world.

He thanked the Government for carrying out wide range of reforms and sound policies implemented over the years for the consistent growth of the Indian economy and the textile sector in particular.

Chairman, CITI lauded the focussed approach of the Government for enhancing the productivity of Extra-long Staple (ELS) Cotton, by adopting a cluster-based and value chain approach through Public Private Partnerships (PPP) which means collaboration between farmers, state and industry for input supplies, extension services, and market linkages. The textile industry now eagerly looks forward to further details of the policy in this regard.

He stated that the Government has identified five (5) new HS Codes for cotton, for fu rther classification of cotton as per staple length. This will help in calibrating policy support for the segments which are import dependent or need further incentivization.

Shri Rajkumar welcomed the setting up of Agriculture Accelerator Fund to encourage agri-start-ups by young entrepreneurs in rural areas. This will help to bring-in innovative and affordable solutions, modern technologies to transform agricultural practices, and increase productivity. He hoped that the new Artificial Intelligence (AI) driven data collection of agricultural products will also help in better crop estimation and lend predictability to cotton prices.

Commenting on the setting up of the developing storage and warehousing capacity for farmers, Shri. Rajkumar stated that such infrastructure support towards better storage is expected to also improve the quality of cotton procured from farmers.

The industry also welcomes the higher budgetary allocations for schemes promoting capacity building and investments like National Technical textiles Mission (NTTM), PM-MITRA, and Textile Development cluster scheme. The detailed budget grants is being attached as Annexure to the Press Release.

Shri Rajkumar appreciated the government's efforts towards green growth where India is moving forward for net- zero carbon emission by 2070 to usher in green industrial and economic transition. Under this programme, green farming and green technologies will be taken up, which can have significance for

the textile sector. Especially, the Green Credit Programme aimed at incentivizing environmentally sustainable and responsive actions and help mobilize additional resources for such activities may help in more policy support for aligning the pres ent and upcoming technologies in textile sector to the expectations of international markets as also improve the domestic benchmarks.

Chairman CITI remarked that the launch of Pradhan Mantri Kaushal Vikas Yojana 4.0 will further facilitate skilling lakhs of youth with Industry4.0 courses like coding, AI, robotics, mechatronics, IOT, 3D printing, drones, and soft skills. The establishment of Skill India International Centres would further prepare a skilled workforce for international opportunities. The Indian textile sector looks forward to attain skilled workforce and fast production of smart textiles.

Shri T Rajkumar lauded the efforts of revamping the MSME sector, and said that the government's plan to infuse a corpus of Rs. 9000 crore will enable additional collateral-free guaranteed credit of Rs. 2 lakh crore reducing the cost of the credit by about 1 percent.

Shri T Rajkumar stated that the industry is happy to note the slew of measures aimed at enhancing the ease of doing business in India like scrapping more than 39,000 compliances and decriminalizing 3400 legal provisions and other changes like in Input Tax Credit for expenditure related to CSR.

However, the industry is concerned to note the increase in import duty of textile machinery to 7.5%, as indicated in the last budget. This will impact the new investments planned in this sector. CITI had requested for retaining 5% import duty for all types of textile machineries for the next three years or till the domestic manufacturers establish themselves to meet the domestic demand. CITI had also requested for removal of 10% import duty on cotton and cotton waste which is 5% BCD &5% AIDC, and the abolition of the inverted duty structure on MMF-based textile products.