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Struggles of Textile Industry

(The Hindu, 09-10-24)

Context: Union Minister for Textiles recently said that the Indian textile and apparel sector is aiming for a total business of \$350 billion annually by 2030, which is to generate 3.5 crore jobs.

What is the status now?

- The size of the Indian textile and apparel industry was estimated to be \$153 billion in 2021, with almost \$110 billion contributed by domestic business.
- In FY22, India was the third largest textile exporter globally (\$43.4 billion exports in 2022-23), enjoying a 5.4% global share.
- India is also said to have the second largest manufacturing capacity, with a robust capability across the value chain.
- The sector's contribution to GDP is close to 2.3% (FY21)
- About **105 million people** are employed by the textile and garment units, directly and indirectly.
- This industry that has 80% of its capacity spread across MSMEs and is sensitive to international developments as it is strongly linked to global markets.
 - Slowdown in demand that started in 2022-2023 impacted manufacturing clusters severely.
 - For instance, Tamil Nadu, which has the largest spinning capacity in the country, saw the closure of nearly 500 textile mills in the last two years.

Why did exports slump?

- Geopolitical developments and a **drop in demand in buying countries** hit the exporting units.
- This was exacerbated by **high raw material prices** of both, cotton and Man Made Fibres (MMF).
- The imposition of a **10% import duty on cotton** has made Indian cotton more expensive compared to international prices.
- In the case of MMF, introduction of quality control orders has disturbed raw material availability and price stability.
- The industry is repeatedly **demanding removal of the import duty on cotton** at least during the off-season months of April to October.

What are the other challenges?

- Apart from policy issues, the industry is also staring at disruptions in its traditional business systems.
- Direct retailing to customers through e-commerce is a trend that is catching on among garment and home textile manufacturers, with more startups entering this space.
- Also Foreign brands are fast-tracking the adoption of ESG sustainability across the supply chain and want to source from vendors who will meet these targets.
- Further, there is a rise in comfort wear, loungewear, and athleisure as the emphasis on comfortable clothing has increased among consumers.
- Also, Customers in rural and semi-urban areas prefer to shop in multi-brand outlets or hyper markets. They do not want to step into outlets of less known brands.

What next?

- The industry is looking at a \$100 billion investment across various segments of the value chain by 2030 to augment production capacities and meet the \$350 billion target.
- Labour constitutes roughly 10% of the production cost in the textile sector.
- The average daily wage of a trained textile worker is reported to be ₹550 a day.
- The industry has no option but to look at technology and skilling of its workforce to improve productivity and reduce wastages, say industry sources.

Can you answer the following question?

Discuss the significance of Textile Industry in India and the challenges it faces.

From solidarity to pseud, India's shift on Palestine

(The Hindu - 08-10-24)

Context: shift in India's position on Palestine, exploring the factors contributing to this change and its implications for India's foreign policy.

How has India's position on Palestine changed over time?

- Shifted from strong support based on anti-colonial ethos to a more diluted stance
- Alignment with Israel has increased, especially over the past decade
- Palestine has been marginalized in India's foreign policy priorities

What are the main factors driving this shift in India's stance?

- Rise of Hindutva and its influence on foreign policy
- Transition from values-based to transactional diplomacy
- India's aspiration to emerge as a great power in global politics

How has the rise of Hindutva affected India's Palestine policy?

- Growing affinity with Israel, seen as a partner against perceived 'Islamic terror'
- Palestinian cause viewed through a communal lens, linked to Muslim identity
- Crackdowns on pro-Palestinian protests and solidarity expressions

How does India's aspiration for great power status affect its Palestine policy?

- Alignment with the U.S., Israel's ally, in the context of China-U.S. rivalry
- Shift from non-alignment to strategic autonomy to multialignment
- Muted response to conflicts like Israel's war on Gaza

Can you answer the following question?

Analyze the evolution of India's stance on the Palestine issue in the context of changing global dynamics and domestic factors. How does this shift reflect broader changes in India's foreign policy approach?