



**COTTON
ASSOCIATION
OF INDIA**

Established 1921

ISO 9001:2015



News Relating to
**Cotton and
Textile Sector**

Greetings on the New Cotton Season 2026–27

The Cotton Association of India extends its warm greetings and best wishes to all its members and the entire cotton fraternity on the commencement of the New Cotton Season 2026–27.

May the new season bring prosperity to all value chain participants.

Wishing everyone a successful and prosperous Cotton Season 2026–27!

Cotton Association of India

Date-01-10-2026

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ICE Cotton Futures: 30-09-2026

ICE COTTON CLOSE						30 Sep 2026
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Oct-26	0.00	74.79	74.79	74.79	▼0.34	0
Dec-26	78.75	79.60	78.11	78.52	▼0.34	1,81,037
Mar-27	81.70	82.37	81.05	81.38	▼0.37	88,455
May-27	83.45	84.09	82.84	83.08	▼0.35	53,969
Jul-27	83.69	84.42	83.11	83.53	▼0.29	31,507
Oct-27	0.00	77.34	77.34	77.34	▼0.24	36
Dec-27	77.38	77.72	76.96	77.32	▼0.16	31,721

Cotlook Index: 30-09-2026

89.45 (-3.90)

CAI Sees FTA Boost for Cotton Demand

Thursday, 1st Oct 2026, Yash Chouhan, (Source: www.smartinfoindia.com)

FTA Expected to Boost Demand for Indian Textiles and Cotton; CAI Outlines Priorities

New Delhi: The Cotton Association of India (CAI) anticipates that India's Free Trade Agreements (FTAs) could open up new markets for Indian textile and cotton products, potentially creating additional demand opportunities for the domestic cotton and textile industries.

Addressing the CAI's 104th Annual General Meeting, President Vinay N. Kotak stated that the current cotton season has been largely positive for various stakeholders across the value chain,

including farmers, ginners, traders, and spinners. He noted that new trade agreements could help enhance market access for Indian cotton and textile products internationally.

India plays a pivotal role in the global cotton economy, ranking among the world's leading cotton producers and consumers. According to Kotak, improving productivity, quality, contamination control, traceability, and sustainability is essential to boost the competitiveness of Indian cotton. Additionally, there is a need to strengthen price discovery and risk management mechanisms.

The CAI has formulated a 'CAI Roadmap' to address policy issues in collaboration with the government and other stakeholders. This roadmap covers matters such as the Minimum Support Price (MSP), the Reverse Charge Mechanism (RCM) on cotton procurement from farmers, and other issues relevant to the cotton value chain. The organization has also advocated for considering mechanisms like 'Bhavantar' (price deficiency payment schemes) as alternatives or supplements to the MSP.

The CAI is working on a Memorandum of Understanding (MoU) with Brazil's ABRAPA to foster cooperation and knowledge sharing in areas such as productivity, sustainability, traceability, and international cotton trade. Meanwhile, work is also underway to establish the proposed 'India Cotton Index' as a reliable and representative benchmark for Indian cotton. The CAI's priorities include increasing cotton productivity and farmers' income, improving quality, reducing contamination, and promoting scientific and sustainable farming. The organization also aims to strengthen market intelligence and risk management.

Vinay N. Kotak has been appointed as President and Bhupendra Singh Rajpal as Vice President for the 2026-27 term.

Indian cotton stakeholders seek stronger labour rights in MP

Thursday, 1st Oct 2026, (Source: www.fibre2fashion.com)

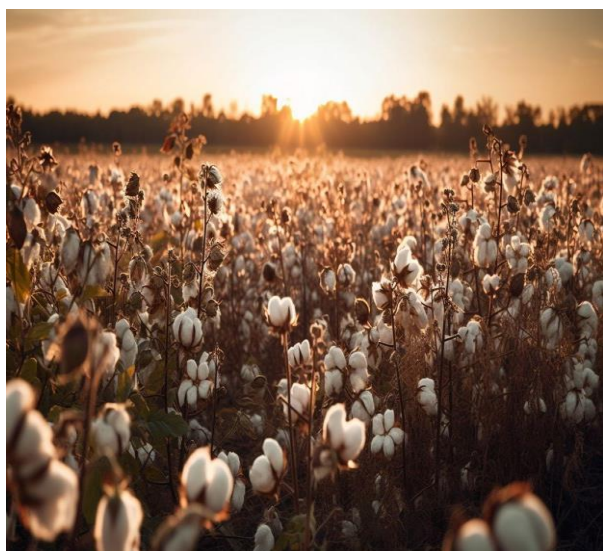
Insights

ILO RISE for Impact partners agreed measures to sustain labour-rights work in Madhya Pradesh cotton communities, including co-ordination, awareness and links to services.

Indore and Ratlam discussions flagged small landholdings, migration, child labour risks, labour shortages and women farmers' care burden.

Farmers explored care cooperatives and pilots for member-owned enterprises.

Partners in the International Labour Organization's (ILO) RISE for Impact project have agreed on measures to sustain efforts to promote fundamental principles and rights at work in cotton-growing communities in Madhya Pradesh, India. Priorities include stronger co-ordination, locally anchored awareness-raising and clearer links between farmers and government services.



The discussions are relevant to cotton, textile and apparel supply-chain stakeholders as they focus on implementing labour rights at the farm-community level, including referral systems, access to services and locally owned mechanisms that can sustain the work beyond individual project activities.

Representatives of trade unions, the cotton industry, civil society organisations and cotton-growing communities met in Indore in August to review the project's progress, challenges and lessons, and identify ways to take its work forward, the ILO said in a press release.

Participants highlighted the need for collaboration among local leaders, trade unions, community organisations, government institutions and other

partners to integrate labour rights into rural and agricultural communities. They identified stronger inter-agency co-ordination, repeated community-level awareness-raising, evidence-based identification of gaps and greater attention to the root causes of migration and child labour as priorities.

The partners also agreed to map organisations by geographical reach and expertise, strengthen referral and co-ordination mechanisms, share training materials and innovations, and establish a minimum set of responsibilities to help sustain the project's work and achievements.

The Indore event included the launch of a joint ILO and Dr BR Ambedkar University of Social Sciences report, 'Socio-economic assessment of the cotton growing community in Madhya Pradesh.'

The study draws attention to farmers with extremely small landholdings who depend heavily on their own or family labour for cultivation, describing them as 'cultilabourers.' It also highlights how fragmentation of agricultural holdings can contribute to labour vulnerabilities.

Participants discussed other persistent challenges for cotton-growing communities, including limited government and institutional reach in remote areas, difficulties in reaching geographically dispersed communities, seasonal migration and limited engagement of young people in agriculture and skills programmes.

Insaf Nizam, FPRW specialist, ILO Country Office for India said, "Mainstreaming FPRW in the rural sector necessitates effective collaboration among stakeholders."

The discussions continued in Ratlam, where more than 100 farmers participated in a field-level workshop organised by the Confederation of Indian Textile Industry (CITI) and its subsidiary Cotton Development and Research Association (CITI-CDRA), the ILO said. Participants included cotton farmers and members of farmer producer organisations, self-help groups and prospective entrepreneurs from RISE for Impact focus districts in Madhya Pradesh.

Farmers at the workshop highlighted issues affecting the sustainability of cotton farming and rural livelihoods, including labour shortages, limited interest among educated young people in farming, the inability of some small farmers to afford hired labour and the double burden of paid and unpaid work faced by women farmers, which can also prevent them from joining training opportunities.

The workshop connected farmers with information on labour laws and grievance mechanisms, agricultural and rural finance, government programmes and opportunities for collaboration with agricultural institutions and government departments.

Participants also explored 'care cooperatives' as community-based, member-owned enterprises. Discussions considered how such cooperatives could respond to unmet care needs while creating livelihood opportunities, improving working conditions and giving workers and community members a stronger voice in how services are organised.

Bharti Birla, enterprise development specialist at the ILO Country Office for India, highlighted the importance of affordable, high-quality care, particularly where public care infrastructure is limited. She noted that community-based care models can help formalise and professionalise informal care work, improve wages and benefits, and give workers a democratic voice in shaping their working conditions.

Participants and stakeholders agreed to pilot initiatives promoted by the ILO for member-owned enterprises to improve working conditions, create sustainable jobs and address community care needs.

The two engagements underscored a shift from awareness of labour rights towards locally owned mechanisms embedded in cotton-growing communities in Madhya Pradesh.

India extends RoDTEP scheme till December 31, rates unchanged

Thursday, 1st Oct 2026, (Source: www.fibre2fashion.com)

Insights

India has extended the RoDTEP scheme until December 31, 2026, continuing duty-remission support for eligible exports.

DGFT said it will apply to DTA units, AA holders, SEZ units and EOUs, with existing rates and value caps unchanged.

The move gives textiles, apparel, leather, engineering goods and other exporters predictability for October-December shipments.

India has extended the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme until December 31, 2026, providing continuity to exporters as the government seeks to maintain support for outbound shipments amid an uncertain global trade environment.

The Directorate General of Foreign Trade (DGFT), under the Ministry of Commerce and Industry, said the scheme would continue to apply to eligible exports made by Domestic Tariff Area (DTA) units, Advance Authorisation (AA) holders, Special Economic Zone (SEZ) units and Export Oriented Units (EOUs). The extension was notified on September 30, 2026.

The existing RoDTEP rates and value caps, as applicable on September 30, 2026 under Appendix 4R and Appendix 4RE, will remain unchanged during the extended period. All other terms and conditions governing the scheme will also continue without change, according to the notification.

The latest extension gives exporters another three months of policy continuity under the duty-remission mechanism. RoDTEP is designed to refund certain embedded central, state and local duties and taxes that are not otherwise rebated through other mechanisms, helping reduce the tax burden carried by exported goods.

The scheme, introduced as part of India's export-support framework, covers a wide range of products and operates through notified rates and value caps linked to individual tariff lines. Exporters receive the benefit in the form of transferable electronic duty credit scrips, subject to the applicable rules and eligibility conditions.

The continuation is particularly relevant for export-oriented industries such as textiles, apparel, leather, engineering goods and other manufacturing sectors where unrebated taxes can affect price competitiveness in overseas markets.

The government has kept the existing rate structure intact rather than revising product-wise benefits during the extension period. This provides exporters with greater predictability while planning shipments and pricing for the October-December quarter.

The notification said the extension had been issued with the approval of the competent authority. Unless further extended or revised, the present RoDTEP arrangement will remain in force until December 31, 2026.

Selling pressure continues in ICE cotton, sentiment weak

Thursday, 1st Oct 2026, (Source: www.fibre2fashion.com)

Insights

ICE December 2026 cotton settles 34 points lower at 78.52 cents per pound, now 15.7 per cent below its August 31 high.

Advancing US harvest, long liquidation, position adjustments, a firmer dollar and weak crude oil outweigh low stocks and China's reserve-sales suspension.

Open interest hits a record 389,494 contracts; Cotlook A Index stays roughly 14.8 cents above ICE December.

ICE cotton futures remained under strong selling pressure on Wednesday as advancing US harvest activity, long liquidation, month-end and quarter-end position adjustments, a firmer US dollar and weakness in crude oil continued to weigh on market sentiment. Despite improved US export sales, low certified stocks and China's suspension of State Reserve cotton sales, these supportive factors failed to offset the prevailing bearish pressure.



The most-active December 2026 ICE cotton contract settled 34 points lower at 78.52 cents per pound on Wednesday. It traded between 79.60 cents and 78.11 cents during the session, an intraday range of around 149 points.

The contract had settled at 78.86 cents on Tuesday after a 400-point limit-down move. Wednesday's settlement was also 11 points below Tuesday's synthetic settlement of around 78.63 cents, showing that immediate price momentum remained weak.

From its contract-high close of 93.14 cents on August 31, December cotton has now fallen 14.62 cents, or around 15.7 per cent. The decline has taken the contract back into an important July price zone.

Other ICE cotton contracts were also broadly lower, with most months declining by 16–43 points. March 2027, May 2027 and July 2027 also remained below their previous synthetic settlements, showing that selling pressure extended across the futures curve.

Trading volume stood at 83,351 contracts, lower than Tuesday's 112,170 contracts but still exceptionally high. Tuesday's volume was the highest since June 11.

Open interest increased by 2,590 contracts on Tuesday to a new all-time high of 389,494 contracts. The rise in open interest alongside falling prices may indicate fresh positioning and increased short-side participation, although price and open-interest data alone cannot conclusively confirm fresh short build-up.

Cotton has experienced exceptionally high open interest during 2026, and the total is now close to 390,000 contracts. Such heavy positioning could amplify price swings if a major fundamental trigger emerges.

US harvest developments remained a key bearish influence. According to USDA data for the week ended September 27, 70 per cent of the US cotton crop had bolls open, up five percentage points from the previous week, four points above last year and three points ahead of the five-year average.

Harvesting was 17 per cent complete, around two percentage points ahead of the normal pace. Crop conditions were rated 12 per cent very poor, 23 per cent poor, 30 per cent fair, 29 per cent good and 6 per cent excellent. The combined good-to-excellent rating improved slightly to 35 per cent from 34 per cent a week earlier.

As harvesting advances, particularly in Texas and the Southwest, expectations of higher physical cotton availability are adding seasonal pressure to futures.

Market commentary has also linked the recent decline to long liquidation and month-end and quarter-end portfolio adjustments. A stronger US dollar has added pressure by making US cotton relatively more expensive for overseas buyers.

Weak crude oil prices have offered little support either. Lower energy prices can improve the relative cost competitiveness of synthetic fibres, particularly polyester, compared with cotton.

ICE-certified cotton stocks remained relatively low at around 28,064 bales. Low certified stocks are potentially supportive for the market, but their influence has so far been overshadowed by futures selling.

China also introduced an important supply-side development, with China National Cotton Reserves Corporation suspending 2026 State Reserve cotton sales from September 30.

The suspension means that regular additional cotton supplies from reserve auctions will no longer enter the domestic market, shifting attention towards actual Chinese mill demand, commercial buying and imports.

Zhengzhou cotton futures were also weak, with the January contract around 15,615 yuan (~\$2,324) per tonne and May around 15,635 yuan (~\$2,327) per tonne, indicating that bearish sentiment remained evident in both ICE and Chinese markets.

A sizeable divergence persisted between physical cotton benchmarks and futures. The Cotlook A Index was around 93.35 cents per pound, compared with the December ICE settlement of 78.52 cents, leaving a gap of roughly 14.8 cents.

The current market therefore reflects contrasting signals. Physical benchmarks remain well above ICE prices and certified stocks are low, while futures are being pressured by harvest expectations, liquidation and heavy positioning.

This morning (Indian Standard Time), December 2026 cotton was trading at 78.27 cents per pound (down 0.27 cent). Cash cotton was traded at 76.27 cents (unchanged), while the October 2026 contract traded at 74.79 cents (unchanged). The March 2027 contract was at 81.20 cents (down 0.18 cent), May 2027 at 82.83 cents (down 0.25 cent), and July 2027 at 83.29 cents (down 0.24 cent).

Taloda Cotton Harvesting Gains Pace

Thursday, 1st Oct 2026, Yash Chouhan, (Source: www.smartinfoindia.com)

Cotton Harvesting Picks Up Pace in Taloda Taluka; Farmers Turn to Private Traders as CCI Procurement Yet to Start

Cotton harvesting has accelerated in Taloda Taluka as September draws to a close. A large number of farmers in the region cultivate cotton. While rainfall fluctuations have led to significant variations in cotton yields this year, farmers are nonetheless busy harvesting and securing their

ready crops as quickly as possible.

Currently, actual procurement by the Cotton Corporation of India (CCI) has not yet commenced. However, the CCI center in Borad is operational, and the farmer registration process is underway. In the meantime, farmers are selling their new cotton harvest to private traders.

Around four to five private traders in Borad village have started purchasing cotton from farmers. Farmers face the dual challenge of needing immediate cash and the difficulty of storing cotton with high moisture content for extended periods. Storing harvested cotton with moisture at home risks compromising its quality; consequently, many farmers are prioritizing selling their produce at prevailing market rates.

According to local traders, current prices range from ₹6,500 to ₹8,500 per quintal, depending on the cotton's quality and moisture content. Farmers are transporting their harvested cotton directly to the traders.

In the Borad area, private traders are receiving approximately 8 to 10 quintals of cotton daily, with some traders receiving around 5 to 6 quintals per day.

Farmers are now keenly awaiting the start of actual CCI procurement and the announcement of government purchase prices.

CCI Cuts Cotton Price by ₹2,700

Thursday, 1st Oct 2026, Yash Chouhan, (Source: www.smartinfoindia.com).

WEEKLY SALE OF CCI COTTON BALES (2025-26) APPROX			
SMART INFO SERVICES CALL: 96300 96370			
DATE	MILLS SESSION	TRADER SESSION	TOTAL BALES SOLD
28.09.2026	2,000	600	2,600
29.09.2026	1,200	0	1,200
30.09.2026	1,300	1,200	2,500
01.10.2026	0	0	0
TOTAL (2025-26) (+/- Incomplete lot's quantity)			6,300
GRAND TOTAL BALES SOLD BY CCI IN THIS WEEK			6,300

CCI Cuts Cotton Prices by ₹2,700 per Candy; Weekly Auction Sales Stood at 6,300 Bales

The Cotton Corporation of India (CCI) reduced its cotton selling price by ₹2,700 per candy during the week ended 02 October 2026. During the week, CCI sold approximately 6,300 bales of cotton

from the 2025–26 crop through its auctions.

Day-Wise CCI Auction Performance

September 28, 2026 (Monday)

CCI began the week with sales of 2,600 bales, with mills purchasing 2,000 bales and traders buying 600 bales.

September 29, 2026 (Tuesday)

A total of 1,200 bales were sold on this day and all were purchased by mills.

September 30, 2026 (Wednesday)

CCI sold 2,500 bales, including 1,300 bales purchased by mills and 1,200 bales by traders.

October 01, 2026 (Thursday)

The week concluded with no bales sold in both the sessions.

Cumulative Sales

With the latest auction activity, CCI's cumulative cotton sales for the 2025–26 season reached approximately 94.46 lakh bales.



COTTON ASSOCIATION OF INDIA

Established 1921

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Cotton Exchange Building, 2nd Floor,
Opp. Cotton Green Railway Station,
Cotton Green (East), Mumbai 400033,
Maharashtra, INDIA

Tel.: +91 8657442944/45/46/47/48

E-mail: cai@caionline.in

www.caionline.in

CAI Laboratory locations :

(Recognised by BIS)

- **Maharashtra :**

Mumbai; Akola; Aurangabad;
Jalgaon; Nagpur

- **Gujarat :**

Rajkot; Ahmedabad

- **Andhra Pradesh :**

Adoni

- **Madhya Pradesh :**

Khargone

- **Karnataka :**

Hubli

- **Punjab :**

Bathinda

- **Telangana:**

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Indian Cotton
Statistics



Publications

Represented on various International Cotton Fora
i.e. ICAC, ICA, CICC, ACSA, ITMF and several
other International Cotton Associations

Textile Units Must Register on Revamped TSRS Portal; Unique Textile ID to Be Linked to Govt. Benefits: TxC

By Our Special Correspondent

MUMBAI, SEPT. 30—

The Office of the Textile Commissioner has revamped the Textile Statistical Return System (TSRS), making it mandatory for textile units with GSTN registration to file their prescribed statistical returns, while a Unique Textile Identification Number is also being introduced and will be required to access Government of India scheme benefits.

Announcing this at TAG 2026, the 17th Annual Conference on Textile & Apparel Industry organised by FICCI, Ms. Vrunda Manohar Desai, Textile Commissioner, Ministry of Textiles, Government of India, urged the industry to complete the required filings on the revamped portal, with the process of imposing penalties for non-compliance set to begin from October 1.

"It is mandatory for all textile units having a GSTN number to log on to the TSRS portal and file their annual survey report and monthly statistical returns," Ms. Desai said.

She added, "We are also coming up with a Unique Textile Identification Number, which will be mandatory to avail benefits under Government of India schemes. Without this identification number, units will not be able to access these benefits."

Turning to the broader industry outlook, Ms. Desai said India's textile sector has a strong foundation with a complete fibre-to-fashion value chain and directly supports more than 49 million livelihoods. The country's domestic textile and apparel market is currently estimated at around USD 194 billion and is targeted to reach USD 250 billion by 2030.

"By 2030, we aim to build a USD 350 billion industry, including USD 100 billion in exports," she said.

She identified modern facilities and integrated infrastructure, stronger and more resilient value chains, and wider global reach as key pillars for the industry's next phase of development.

Addressing fragmentation across the textile value chain, Ms. Desai noted that spinning, weaving, processing and garmenting are frequently located in geographically dispersed clusters, adding to logistics costs and lead times.

She said the seven PM MITRA Parks are intended to bring manufacturing, processing, testing and logistics together, while the recently announced initiatives for plug-and-play industrial infrastructure are expected to further strengthen the manufacturing base.

Highlighting the impact of technology upgradation support,

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Textile Units Must Register on Revamped TSRS Portal

Continued from Page 1 Col 2

Ms. Desai shared findings from the third-party evaluation of the Amended Technology Upgradation Fund Scheme (ATUFS).

"ATUFS has benefited around 10,000 units. Government subsidy of Rs. 2,776 crore has leveraged investment of Rs. 53,121 crore. For nearly every rupee of government support, around Rs. 19 of investment has been attracted," she said.

Around 6.7 lakh modern plant and machinery installations were supported under the scheme, while approximately 3.6 lakh jobs were created. The evaluation also reported improvements of around 15 to 20% in energy efficiency and costs.

Ms. Desai said the Textile Expansion and Employment Scheme announced in the Union Budget would take the modernisation drive forward across weaving, processing and garmenting, while encouraging investment, strengthening MSME participation and generating employment.

She also highlighted the expanded role of the erstwhile Powerloom Service Centres, now being developed as Integrated Textile and Apparel Development Centres. Their mandate includes industry outreach, testing, technical troubleshooting, training, credit and market linkages, e-commerce support, raw material monitoring and industry data.

Technology adoption among smaller manufacturers is another area of focus. The Office of the Textile Commissioner is supporting a study under the IndiaAI initiative covering AI adoption across 200 textile MSMEs through cluster-level workshops, while Samarth 2.0 is expected to prepare workers for increasingly technology-driven factories.

On strengthening the raw material base, Ms. Desai highlighted the Mission for Cotton Productivity, with an outlay of Rs. 5,659 crore over five years, aimed at improving cotton productivity and quality. Kasturi Cotton Bharat, she added, is intended to strengthen quality assurance for global buyers through certification and traceability.

At the same time, she stressed the importance of aligning India's fibre mix with global demand. The Production Linked Incentive Scheme for Textiles, covering man-made fibre apparel, MMF fabrics and technical textiles, has attracted 96 companies in its third round with committed investment of around Rs. 12,823 crore.

The Government is also encouraging greater development of new-age fibres including bamboo, pineapple, hemp, flax and milkweed, while the National Technical Textiles Mission and other

innovation initiatives are supporting specialised capabilities, research and the commercialisation of new technologies.

Ms. Desai stressed that MSMEs would require access to shared infrastructure to participate fully in this transformation, particularly common testing facilities, common effluent treatment plants, green finance and better market access. Larger companies, she suggested, could support smaller suppliers through partnerships and joint ventures that help them upgrade their capabilities.

On exports, Ms. Desai urged Indian companies to move quickly to capitalise on emerging market-access opportunities.

"The window of opportunity is not unlimited. We need to seize it before competing countries secure similar preferential access," she said while discussing India's trade arrangements with major markets.

She also pointed to opportunities emerging in Europe and said the industry should begin preparing its market strategy, compliance capabilities and supply chains to expand its presence there.

District and State-level export action plans for textiles, she said, are being consolidated into a national textile export roadmap for 2030, identifying products and manufacturing clusters with global potential.

She also highlighted the Export Promotion Mission, with an outlay of more than Rs. 25,000 crore over five years, including NIRYAT PROTSAHAN for trade finance and NIRYAT DISHA for compliance and market access, particularly for MSMEs and first-time exporters.

With global buyers placing increasing emphasis on traceability and responsible manufacturing, sustainability and circularity will also become integral to the industry's competitiveness, Ms. Desai said. Government initiatives are being developed to encourage green manufacturing practices, resource efficiency and circularity across the textile value chain.

"The next-generation textile sector will be anchored in sustainability and circularity, with a strong emphasis on green manufacturing practices and resource efficiency," she said.

Ms. Desai's address outlined a textile growth strategy combining large-scale modernisation and investment with stronger MSME capabilities, new-age fibres, skilled manpower, sustainability and export expansion, as India works towards building a USD 350 billion textile and apparel industry by 2030.

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Integrated Textile Ecosystems Key to Cutting Costs and Raising Competitiveness: Sanjay Savkare

By Our Special Correspondent

MUMBAI, SEPT 30—

Maharashtra is looking to strengthen its textile manufacturing ecosystem through better integration of the value chain, improved processing infrastructure, skilled manpower, lower energy costs and greater investment in technical textiles, according to Mr. Sanjay Savkare, Textile Minister, Government of Maharashtra.

Delivering the inaugural address at the TAG 2026, the 17th Annual Conference on Textile & Apparel Industry organised by FICCI, Mr. Savkare called for closer coordination between industry and government to address some of the structural challenges affecting the sector's productivity and competitiveness.

A key concern, he pointed out, is the fragmented nature of textile manufacturing, where cotton ginning and pressing, spinning, weaving, fabric processing and garmenting are often undertaken at different locations, increasing both logistics costs and production time.

"We are carrying out cotton ginning and pressing, spinning, weaving, fabric processing and garmenting at different locations, and in the process, we are losing both time and money," Mr. Savkare said.



He suggested that textile clusters such as PM MITRA Parks should develop as complete manufacturing ecosystems, bringing production, processing and supporting infrastructure together. Greater integration, he noted, could enable companies to reduce turnaround times and operate more efficiently.

Processing, in particular, needs greater attention. Mr. Savkare pointed to the cost advantages available to competing textile-producing countries such as Bangladesh, while stressing that India's approach must also safeguard environmental standards.

"We want to increase production and productivity, but at the same time we also have to protect the environment. We have to strike the right balance," he stated.

Common processing and effluent treatment facilities, he suggested, could help manufacturers share infrastructure costs while addressing environmental requirements. He also highlighted the need to improve speed across the manufacturing chain, referring to Japan's just-in-time production model.

"If we want to move towards a just-in-time system, we first have to streamline and channelise our entire manufacturing ecosystem," he remarked.

Mr. Savkare also placed considerable emphasis on developing skilled manpower within textile clusters. He proposed setting up training institutes close to manufacturing facilities and linking training programmes directly with companies so that workers can gain practical, on-the-job experience.

At the same time, he stressed that worker accommodation and industrial development should be planned together. Textile clusters,

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Integrated Textile Ecosystems Key to Cutting Costs

Continued from Page 1 Col 6

he suggested, should incorporate housing, schools and training facilities to create an environment where workers and their families can remain connected with the industry over the longer term.

“If workers receive training within the cluster and also get on-the-job experience in the industry, we will be able to develop a strong pool of skilled manpower,” he said.

Technical textiles emerged as another important area of opportunity. Mr. Savkare acknowledged that Maharashtra had announced technical textile parks across six zones, but that these have yet to materialise, indicating a need for stronger engagement with industry.

“There is tremendous scope in technical textiles. Several products, particularly in medical and healthcare applications, are still being imported. If the industry focuses on these areas, there are significant business opportunities,” he remarked.

He assured the industry of the Maharashtra Government’s support for investment in technical textiles and encouraged manufacturers to explore segments where greater domestic production could reduce import dependence.

Alongside labour, Mr. Savkare identified electricity costs as

one of the major concerns for textile manufacturers. He disclosed that the State Government is working with the concerned energy departments on changes to its solar energy framework for the textile sector.

“We are working on a new solar policy that can be more beneficial for the textile industry and help substantially reduce the burden of energy costs,” he said.

Exports, he added, will require greater attention as India seeks to strengthen its position in international textile markets. Referring to the challenges created by the 50% tariff imposed by the United States, Mr. Savkare appreciated the industry’s response and its efforts to remain resilient while exploring alternative opportunities.

“We still have considerable ground to cover on exports, and this is an area where we need to think seriously about how we can strengthen our presence in global markets,” he observed.

Mr. Savkare also highlighted Maharashtra’s position as a major investment destination and linked the State’s textile ambitions with the broader Viksit Bharat 2047 vision and Maharashtra’s development agenda.

With integrated manufacturing, stronger processing capabilities, technical textiles, skill development and more competitive energy costs, he indicated that Maharashtra has an opportunity to build a more efficient textile ecosystem while enabling the industry to expand its presence in domestic and international markets.

Functional Textiles Can Help Cut India's 4.3% GDP Corrosion Cost: Dr. Mohit Raina

By Our Special Correspondent

MUMBAI, SEPT 30—

From replacing corrosion prone steel reinforcement to producing thinner facade panels and lightweight building components, functional textiles are opening up new applications in the construction sector, informed Dr. Mohit Raina, Managing Director, Raina Industries, here.

Speaking on "Innovations with Functional Textiles in Building and Construction", at a recently meeting of the Indian Technical Textile Association (ITTA), Dr. Raina presented five innovations that are finding use internationally and are now making their way into India.

"The major problem which we talk about in the building and construction sector today is the problem of corrosion," he said. Citing a report during his presentation, Dr. Raina said around 4.3% of India's GDP is being lost to corrosion across industries and not just in building and construction.

India's hot and humid conditions make corrosion of steel reinforcement a concern across residential, commercial, institutional and marine structures. Steel remains an important reinforcing material in construction, providing the tensile strength required in concrete structures, but its susceptibility to corrosion presents a long term challenge.

"The solution lies in the world of textiles or nature, I would say," Dr. Raina said. He pointed to naturally occurring structures such as bamboo and jute, which derive strength from fibres, as examples of the principle behind fibre based reinforcement.

Glass and carbon fibres can provide an alternative to steel in

suitable applications where corrosion resistance is important. Dr. Raina said efforts to protect steel with different polymers could extend its life, but corrosion could still eventually occur.

He presented five areas of innovation in functional textiles for construction: textile reinforced concrete, 3D printing with fibre reinforced materials, folded textile structures, prepregs and pultruded fibre reinforced polymer profiles.

The first was textile reinforced concrete, where fibres, meshes and textile grids are incorporated into concrete components. Dr. Raina said the technology has been around for about 25 years and that his company has been working with it for around 15 years.

He said removing steel reinforcement in applications where textile reinforcement can be used also offers advantages in terms of weight and material consumption.

"The moment you remove the corroding element in construction, which is steel, you tend to realise that your entire construction volume becomes more slender," he said.

This can allow thinner walls, lighter structures and greater usable area while reducing the amount of construction material required. Glass, carbon, polypropylene and PVA are among the fibres that can be used, along with textile grids, meshes and spacer fabrics.

Dr. Raina drew particular attention to spacer fabrics for concrete panels. He said the technology could allow certain wall and facade panels that are normally around 150 to 200 mm thick to be reduced to about 80 mm, making the resulting structures lighter.

The second innovation was 3D printing using fibres and textiles. Dr. Raina said architects could use the technology to create

facade elements based on organic forms such as leaves, trees and bark rather than being restricted to conventional flat panels.

"Now they have got panels which are not just straight and cut out in two dimensions, but there is a three dimensional element where they can create waves," he said.

The third innovation involved folded textile structures, drawing on principles similar to origami. Dr. Raina said fibre based sheets could be folded and structured to create lightweight building components while providing functional properties such as fire resistance.

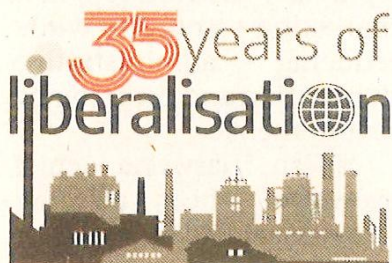
The fourth area was prepregs, a technology already familiar to the automotive and aerospace sectors but increasingly relevant to building and construction. Dr. Raina said the requirement in construction was for panels that could be brought down from conventional thicknesses to as little as 5 mm or 3 mm while remaining lightweight and capable of withstanding demanding conditions.

As an example, he referred to exterior applications on high rise buildings at Marine Lines in Mumbai, where he cited wind pressure of 3.4 kilopascals. Glass and carbon fibre prepregs could provide the combination of low weight and performance needed for such applications.

The fifth innovation was pultruded fibre reinforced polymer profiles. Dr. Raina said these profiles, made using glass or carbon fibre reinforced polymers, are already used extensively by the oil and gas industry and are now attracting interest from developers for building applications.

Continued on Page 4

How the reforms bus bypassed India's farms



SANJEEB MUKHERJEE
New Delhi, 30 September

'Charity by extortion,' screamed a *Business Standard* editorial on August 7, 1991, after the P V Narasimha Rao government rolled back its decision to hike fertiliser prices by 40 per cent. The government had come under intense pressure from its allies and the Opposition.

It was feared that small and marginal farmers, who constituted 75 per cent of the farming community at that time, would be hurt by these measures.

Yet, as the then Finance Minister Manmohan Singh explained in his Budget speech on July 24, 1991, "The economic rationale for an increase in the price of fertilisers is so obvious that it does not need to be stated."

Cut to 35 years later, and another *Business Standard* editorial on July 17, 2026, titled, 'The fertiliser gap,' spoke of almost the same issues. This time around the policy aimed to boost domestic production, but left the subsidy imbalance driving overuse, soil degradation and rising fertiliser costs unresolved.

Business Standard

CALCUTTA WEDNESDAY 7 AUGUST 1991

Charity by extortion

It is perhaps a measure of the quality of politics today that ruling party members thought nothing of thumping desks when the Union Finance minister had so far put away well-considered budget-day words. Bluntly put, what the honourable members welcomed so loudly was a Rs 800 to 900 crore hole in the Union budget even before it became functional to try and set right the chaotic state of the government finances. Of course, the Rs 800 crore or so additional deficit that Dr Singh wilyly accepted represents a relief of the politically powerful agricultural community. The crucial question however is how much of it is deserved relief and how much undeserved charity arrogantly exacted and footlurdily supported. Dr Singh himself has provided some figures and they make comment superfluous. The complete waiver of the 40 per cent hike in fertiliser prices for small and marginal farmers, who account for 75 per cent or so of operational holdings, will set back the Union government exchequer by Rs 400 crore in additional provision for subsidising their fertiliser purchases. As against that, 'surplus' farmers, who own or cultivate the rest 25 per cent of big holdings and who account for 70 per cent of the total fertiliser outtake, will benefit by about the same Rs 400 crore in the dilution of fertiliser prices from 40 per cent to 30 per cent now. If this is not revenue manipulation, what is?

Anyway the damage is done and hope now must centre on Dr Manmohan Singh not imperilling the new budgetary discipline with further retreats. The dispensation of the limited subsidies in the Union government's finances is not merely a question of impressing the International Monetary Fund, India's prospective rescuer. Long before the country's finances came to the current sorry pass, the rising subsidy bills on various accounts and the necessity to prune and eliminate them over a period had become a national puzzle. Interestingly, everyone agreed then, or at least everyone of consequence, about the necessity of such an exercise. Come the zero hour, however, second and worse thoughts have surfaced! Apart from the element of compassion in them, are they worth much? All said and done, there is a strong case to do away with general subsidies, including agricultural subsidies, except for target areas and groups such as agriculturally backward regions and marginal farmers who consume wholly their produce. In the name of cheap inputs, fertiliser prices have not been revised for over a decade, when all other prices doubled and cereal support prices themselves were raised by 70 per cent in the same period. More, surplus farmers still pay less than other users for their electricity and credit to reap additional subsidy benefits. How long can such a regime of inevitable subsidies go on at the cost of the exchequer or without tempting other pressure groups to sue for similar free handouts?

Business Standard
editorial on August 7, 1991

Indeed, agriculture, which employs close to half of the country's workforce and contributes around 18 per cent of its gross domestic product (GDP), is the one sector that governments over the years have found hard to reform. As a result, it presents a picture of missed opportunities that have hampered its development.

Sample this: From 1975-76 to 1984-85, India's farm sector witnessed an average annual growth rate of 3.56 per cent at

constant prices. Thereafter, from 1985-86 to 1994-95, it averaged 3.19 per cent. Between 1995-96 and 2004-05, it averaged just 2.43, even as other sectors reaped the dividends of liberalisation and grew rapidly. It was only between 2014-15 and 2024-25 that India's farm sector growth averaged a high of 4.45 per cent.

However, much of the growth over the past decade has come from allied sectors like fisheries, livestock, poultry, milk and meat — areas in which there is little or no government intervention.

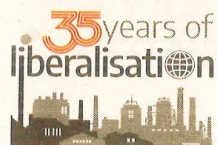
Falling through the gap

Ashok Gulati, distinguished professor at the Indian Council for Research on International Economic Relations (ICRIER) and one of India's foremost agricultural economists, points out that the reason the farm sector has been left behind in the reforms process, barring occasional flourishes, is the confusion over whether it is primarily a state subject or a central one.

The Constitution places agriculture under the State List, but the Centre announces the minimum support price (MSP), provides fertiliser subsidies, regulates agricultural trade, and undertakes large-scale procurement. Land remains a state subject, adding another layer of complexity into this mix.

Turn to Page 16 ►

Agriculture: Strong reform intentions, but little progress



FROM PAGE 1

"I believe there was a lack of complete understanding of the sector. Agriculture is far more complex than many other sectors," Gulati says.

The 1991 reforms were driven by an acute balance-of-payments crisis. The government responded by sharply devaluing the rupee by more than 40 per cent within three days, reducing import tariffs, liberalising trade policy for industrial goods, and dismantling the industrial licensing regime.

While these reforms indirectly improved the terms of trade for agriculture, direct reforms were thwarted at the time by the minority government's allies and the Opposition.

Gulati, who has worked with several Prime Ministers in the past, says one reason successive governments, irrespective of their political affiliation, have not undertaken big-bang reforms in the sector is that it has never been considered as politically attractive or high-profile as industry, trade agreements, or financial sector reforms.

"There has also been a shortage of specialised expertise at the highest policymaking levels, and many people prefer to avoid engaging with these complex issues," he adds.

One consequence of the delay in reforms is the decline in the sector's share in the GDP as industry and services grew faster.

India's experience also stands in contrast to the approach that China took.



PHOTO: REUTERS

Ajay Vir Jakhar, chairman of Bharat Krishak Samaj (or Indian Farmers Forum), a leading non-partisan non-profit farmer organisation established in 1955, says China focused on agriculture for the first 10 years before moving to other sectors like industry and services.

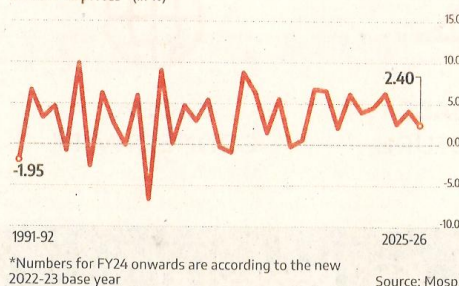
In India, policymakers were more comfortable with reforms in finance and industry that were quicker to implement and roll out.

"They chose services and industrial reforms that were in the domain of the central government," Jakhar tells *Business Standard*.

Getting the sequence right Ramesh Chand, former NITI Aayog member and currently a Distinguished Professor at Icrier, says one aspect that has received scant attention is the sequence of reforms. "India undertook external

Slow harvest

Growth in gross value added of agriculture and allied activities at 2011-12 prices* (in %)



reforms before internal reforms in agriculture. Trade liberalisation was introduced without first strengthening domestic agricultural markets and institutions," Chand says.

There was very little discussion or research on agri-

cultural reforms in the early 1990s, he adds. It only gained prominence after the World Trade Organization (WTO) was established and India was pressured to make agriculture globally competitive.

It wasn't until a decade after the initial reforms that

the first significant attempt at transforming agriculture was made during Atal Bihari Vajpayee's tenure around 2001-02. The government eased trade restrictions for a host of items — like wheat, paddy, coarse grains, sugar, edible oilseeds, pulses — by taking them out of the ambit of the Essential Commodities Act (1955).

Then, in 2003, the government lifted the prohibition on futures trading in agricultural commodities, but could not push the envelope as many areas like agricultural marketing or transactions came within state governments' purview. It was around this time that India permitted the cultivation of Genetically Modified (GM) cotton, which remains the only GM crop that is grown in India.

However, restrictive regulations discouraged capital investment, while the lack of

reforms weakened India's export competitiveness. Most importantly, it increased dependence on the minimum support price (MSP) system.

"In a competitive market, prices would have reflected demand and supply conditions. Instead, assured procurement insulated producers from market signals, resulting in persistent imbalances," Chand tells *Business Standard*.

However, not everybody agrees with this characterisation of the reforms. Montek Singh Ahluwalia, who was part of the 1991 reforms team and became the Deputy Chairman of the Planning Commission in 2004, said in a recent *Business Standard* webinar that those who say the reforms did little for agriculture don't see the economy in its entirety. "The most important thing for agriculture was industrial protection went down and the exchange rate depreciated. That was a huge benefit to agriculture because in the earlier regime (post-reform period), the import value of agricultural goods was understated because we were running an overvalued exchange rate."

That resulted in a change in prices that reflected in signals that showed up in the growth of sectors such as horticulture. He contrasted the Indian experience with the Chinese one, arguing that Indian farmers were free to produce whatever they wanted.

For Jakhar, the problem lies in the reliance on a western economic model that equates incomes with livelihoods. This will have limited success in a farming community that is hamstrung by various factors like small landholding size and inflation targeting policies.

Besides, with the promised benefits from previous

ONE CONSEQUENCE OF THE DELAY IN REFORMS IS A DECLINE IN THE SECTOR'S SHARE IN GDP AS INDUSTRY AND SERVICES GREW FASTER

attempts at change not percolating down, antagonising farmers has been a major concern. "After India attained food security, the agricultural sector took a backseat and policymakers became complacent."

The resistance

Ironically, the greatest resistance to reforms in the sector has come from the influential farming communities, while political parties irrespective of their affiliation are reluctant to alienate this influential constituency.

This was most evident in 2020 during the protests by farmers against three laws that the central government passed on agricultural marketing. Faced with stiff resistance, the government buckled, much like it did in 1991, and repealed the laws.

One reason for this, per Jakhar, is the dearth of leaders from the farming community at the top rungs in big organised political parties.

"The trust gap between farmers and political leaders has increased. This is an important gap because reforms generate short-term pain before long-term benefits are felt," Jakhar adds.

As a result of all these, says Chand, Indian agriculture had become excessively dependent on government intervention rather than market forces, while markets have remained uncompetitive, preventing the development of modern logistics and discouraging large-scale private investment in storage, trading and supply chains.

That has left some big

challenges unaddressed. For instance, labour has not shifted out of agriculture at the required pace. With governments operating on a near-continuous election cycle, "they rarely have the time or political bandwidth to undertake serious structural reforms," Gulati says.

With time, some structural problems have become more pressing, like the tardy pace of diversification in the sector, which has meant that the country continues to overproduce certain commodities while facing shortages of others.

"Insufficient private investment had affected trading, value addition and food processing. As a result of all these, Indian agriculture had suffered substantial long-term losses," Chand says.

There are also concerns about sustainability as groundwater levels deplete, soils become increasingly nutrient-deficient, and soil organic carbon levels dip below the ideal level.

"There are things we need to do for agriculture even today and those are second-generation reforms and we aren't doing very much on them," Ahluwalia said at the webinar.

The biggest marker of the lack of progress is the fact that much like in 1991, India's fiscal balance has come under pressure yet again because of a war in West Asia that has triggered a spike in fertiliser prices. That has translated into an increase in the fertiliser subsidy bill.

Perhaps Victor Hugo, whom Manmohan Singh quoted in his famous Budget speech, was wrong after all. Sometimes, an idea whose time has come, in this case three decades earlier, can indeed be stopped by some groups. The government will certainly hope that that is not the case.

Goyal: India ready to facilitate US firms' investments

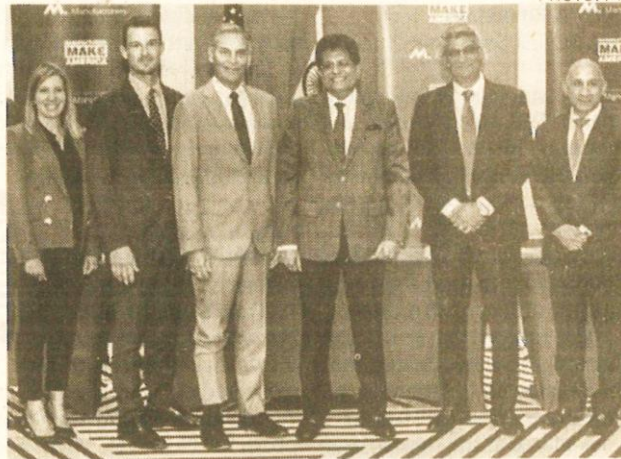


PHOTO: PTI

Union Commerce and Industry Minister Piyush Goyal at a business roundtable convened by the National Association of Manufacturers, on the sidelines of the G20 Trade Ministerial meeting in Milwaukee, USA

KRITY AMBEY
New Delhi, 30 September

Union Commerce and Industry Minister Piyush Goyal has told a group of top executives of US manufacturing and technology companies that the government is ready to facilitate their operations, expansion, and investments in India.

Goyal, currently on a weeklong visit to the US to participate in the G20 trade ministers' meeting, attended a business roundtable hosted by the National Association of Manufacturers (NAM), where he outlined the changing contours of the India-US economic relationship, the commerce and industry ministry said in a press release on Wednesday.

The G20 Trade Ministerial is taking place in Milwaukee, Wisconsin, on Wednesday and Thursday.

Goyal said the India-US economic relationship was moving beyond a traditional trade relationship, increasingly encompassing investment, manufacturing, technology, innovation, resilient supply chains and the creation of high-value capabilities in both countries, the release said.

The US executives shared their views on opportunities emerging in India and their companies' perspectives on

expanding partnerships in the country.

Following the G20 meeting, Goyal is expected to hold bilateral talks with US Trade Representative Jamieson Greer to advance the proposed India-US Bilateral Trade Agreement (BTA) and finalise an interim deal.

Goyal's visit to the US comes at a time when the US Congress has passed a law authorising President Donald Trump to impose up to a 100 per cent tariff on India for its energy purchases from Russia. Trump is yet to announce a final decision on the tariff levy, including its rate and coverage.

Besides the tariff threat emanating from the Lindsey O Graham Act, Washington's probe against India, alleging excess capacity under Section 301 of the US Trade Act, is also underway. Section 301 allows the Office of the US Trade Representative to investigate foreign trade practices it considers unfair or harmful to US commerce.

The Office of the USTR has already imposed a 10 per cent additional tariff on Indian goods after concluding a separate Section 301 investigation in July that alleged the involvement of forced labour in the supply chain. Forced labour and excess capacity are also part of the G20 Trade Ministers' discussion agenda.

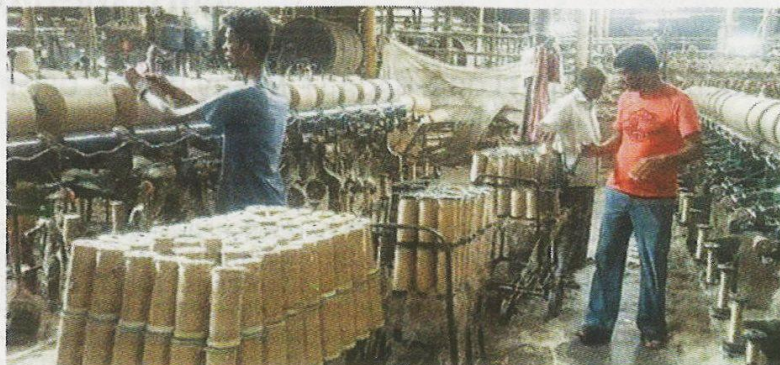
Government hikes anti-dumping duty on jute goods from Bangladesh and Nepal

Mithun Dasgupta
Kolkata

The Centre's increase in anti-dumping duty on jute goods from Bangladesh and Nepal is expected to safeguard domestic producers and support demand and capacity utilisation for Indian jute mills. With the revised duty already in effect, the industry is likely to see benefits in the second half of the financial year, supporting jute farmers, workers and mills on the back of stronger domestic demand.

The Ministry of Finance has notified the higher anti-dumping duty following a mid-term review by the Directorate General of Trade Remedies (DGTR).

The original duty, imposed in 2017 and extended in 2022, was found to have lost much of its bite: imports of jute yarn, hessian and sacking from Bangladesh and Nepal



RELIEF AHEAD. With the revised duty in effect, the industry will see benefits in the second half of the fiscal year DEBASISH BHADURI

increased by nearly 50 per cent over the past four years and now account for about one in every seven tonnes consumed in India. The raised duty replaces the old rates with duties fixed for each exporting mill on the basis of its actual pricing, with sharply higher rates for exporters that did not cooperate with the inquiry.

SUBSIDIES' PROBE

The industry has welcomed the decisions as a correction that restores fair competi-

tion rather than closing the border. "It will increase domestic demand for jute goods for the Indian jute industry. With an increase in demand for jute products, the capacity utilisation of jute mills will go higher. There will be more employment," Indian Jute Mills Association (IJMA) Chairman Raghavendra Gupta told *businessline*. Notably, DGTR has also concluded a separate investigation, filed by the Indian Jute Mills Association, into subsidies received by

Bangladeshi and Nepalese exporters. It found that mills in Bangladesh receive cash incentives from Bangladesh Bank on every consignment exported, together with income-tax concessions, and that Nepalese mills enjoy comparable export grants and tax breaks. These are classified as prohibited export subsidies under WTO rules.

Following this, the Directorate General of Trade Remedies has, for the first time, recommended a countervailing duty on the jute goods imports from Bangladesh and Nepal to offset the export subsidies these countries extend to their mills.

The DGTR recorded that the domestic industry has suffered material injury: subsidised imports have undercut Indian mill prices. The countervailing duty recommendation now awaits notification by the Ministry of Finance.

Normal North-East monsoon likely as South-West ends with 13% deficit

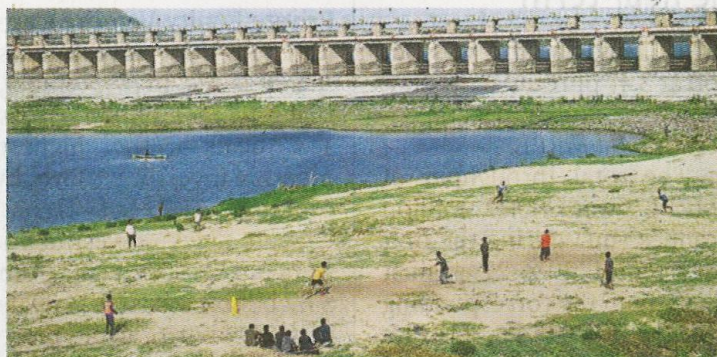
RAIN PROSPECTS. IMD predicts below-normal rainfall in Oct, but North-West poised to get normal precipitation

Prabhudatta Mishra
New Delhi

The North-East monsoon, expected to set in during October 15-21, will likely be normal, even as the South-West monsoon draws to a close, with rainfall so far being the 13th-lowest since 1901 and the fourth-lowest since 2001, the India Meteorological Department (IMD) has said.

Briefing the media, IMD's Director-General M Mohapatra said monsoon rainfall was 759.4mm. He said that IMD expects withdrawal of the South-West monsoon from most parts of the country by October 15.

"Seasonal rainfall during October to December over South Peninsular India, consisting of five meteorological subdivisions (Tamil Nadu, Puducherry and Karaikal, Coastal Andhra Pradesh and



PARCHED STRETCHES. 15 States and UTs covering 40% of the country received below-normal rainfall during June-September

Yanam, Rayalaseema, Kerala and Mahe, and South Interior Karnataka) is most likely to be normal (88-112 per cent of Long Period Average (LPA)," he said.

BELOW NORMAL IN OCT

Other parts of the country, barring these, are expected to receive below-normal rainfall during the period. However, North-West India is likely to receive normal to above-normal rain," Mohapatra said.

Rain in October is likely to be below normal (less than 85 per cent of the LPA) over most parts of the country except some areas in North-West India, southern parts of peninsular India and isolated areas of East India, said the IMD Director-General.

The weather bureau said that the country's north-west region, a key growing area of wheat, may have normal rainfall in the main sow-

ing period October-December. Punjab, which experienced a significant rainfall deficit of 64 per cent in September, and Haryana, which had a deficit of 44 per cent, may benefit from rains in November, a crucial month for soil moisture.

DEFICIT RAIN

On the other hand, the South-West monsoon ended the 2026 season with 87 per cent rainfall during June-September, even as its withdrawal has been stalled for the past week. As many as 15 States and Union Territories (out of 36), accounting for 40 per cent of the country's geographical area, received below-normal rainfall.

According to the IMD, as many as 313 districts out of 741 in the country are either deficient or large deficient, which means they have received at least 20 per cent below normal rainfall. Further,

217 districts have received less than 70 per cent rains, and out of those 71 districts have got only 50 per cent of normal rainfall during June-September season.

UNEVEN SPREAD

The country as a whole has received 92 per cent (or 8 per cent below normal) rains during September, the weather bureau said. Monsoon was 35 per cent deficient in June, 1 per cent surplus in July and 16 per cent less than normal in August.

The geographical spread of the monsoon was also uneven, with the east and north-east meteorological subdivision, including West Bengal, Bihar and Jharkhand, receiving 26 per cent below-normal rainfall during the June-September period. Similarly Maharashtra, Gujarat, Madhya Pradesh, Odisha and Chhattisgarh, received 3 per cent below-normal rainfall.

India eyes rebalanced ASEAN trade pact in ongoing review

Amiti Sen
New Delhi

India is demanding a more balanced outcome from the ongoing review of its trade pact with the ASEAN bloc, as negotiators seek to resolve outstanding differences at the next round of talks in October ahead of the ASEAN Summit the following month, sources said.

At the recent ASEAN-India Economic Ministers consultation in Manila, ASEAN formally noted India's position that the review of the ASEAN-India Trade in Goods Agreement (AITIGA) should result in a "balanced framework."

DISAGREEMENT PERSIST

"There is an overall acceptance within the bloc that there needs to be more balance in the AITIGA. But disagreements persist over the market access being sought by India to increase its exports and the extent of reciprocal access that ASEAN countries are seeking in the Indian market," a source tracking the matter said.

In 2025-26, bilateral trade between India and ASEAN reached \$128.38 billion, with the bloc accounting for 10.55 per cent of India's total global trade, underscoring the importance of the partnership. The bloc, which expanded from ten members to eleven last year, includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Vietnam.

However, India's trade deficit with the grouping continued to widen, touching \$51.55 billion, compared with about \$7 billion when the ASEAN-India trade pact was implemented in 2010. India's exports to the bloc were estimated at \$38.41 billion, while imports stood at \$89.96 billion.

ASEAN agreed to a review of AITIGA following India's concerns over the widening trade deficit between the two partners, but reaching an agreement on the terms of the review has proved difficult. "There were expectations that the AITIGA review would be concluded at last year's ASEAN-India Summit in October 2025, but it was not pos-



ASEAN agreed to a review of AITIGA following India's concerns over the widening trade deficit

sible as all differences could not be ironed out," the source said.

At the September 22 ASEAN-India Economic Ministers consultation, attended by senior officials from India and the ASEAN countries, the participants acknowledged the "complexities inherent in the negotiations," reflecting the diverse interests and sensitivities of all parties.

"The meeting reaffirmed its commitment to continue engaging in negotiations in good faith, with a pragmatic and flexible approach," the joint statement said. It added that the outcome of the review should make the agreement more effective, user-friendly, mutually beneficial, and trade-facilitative for businesses, while contributing to deeper regional economic integration and more resilient supply chains.

INDIA'S POSITION

More importantly, the statement specifically noted India's position that the review should result in a balanced framework.

As part of the review, India is seeking to correct tariff asymmetries and remove non-tariff barriers to expand market access for its exports across sectors. It also wants changes to the rules of origin to prevent the circumvention of tariffs by Chinese goods routed through ASEAN while providing greater flexibility to Indian exporters.

While India is seeking greater access for its exports and tighter rules to prevent trade diversion, ASEAN countries are seeking reciprocal access to the Indian market, as well as greater flexibility in rules governing their exports and simpler customs and origin procedures.

QUICKLY.

Modi, Trump discuss trade ties over phone



New Delhi: Prime Minister Narendra Modi and US President Donald Trump on Wednesday held telephonic conversation and agreed to maintain "close engagement" for taking Comprehensive Global Strategic Partnership between the two countries forward. "Had a productive conversation with President Trump," Modi announced through a post on X. "We reviewed our bilateral cooperation in trade, defence, energy, critical technologies and other areas," he elaborated. OUR BUREAU

Boosting Norway-India ties

EFTA pact has helped fuel bilateral trade

May-Elin Stener

What connects Norwegian salmon on a dining table in Delhi to a shipyard more than 2,000 kilometres away in Kochi? Or a sludge-to-biogas project in Mumbai to cutting-edge medtech improving healthcare in Bengaluru?

They are all part of the growing and diverse Norway-India partnership, made stronger by the India-EFTA Trade and Economic Partnership Agreement (TEPA) that came into force on October 1, 2025.

REASONS TO CELEBRATE

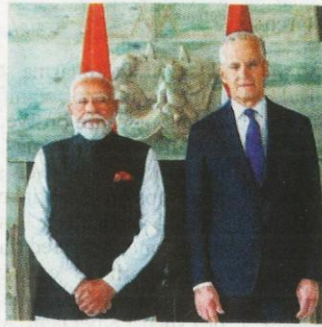
As we mark the first anniversary of this landmark agreement, we have encouraging numbers to celebrate: bilateral goods trade between India and Norway grew by 9 per cent, and Norwegian exports to India grew by 34 per cent in the first nine months of TEPA. But TEPA is about more than trade and tariffs. It is about bringing companies and people together who are working towards a shared, sustainable economic future.

TEPA is the first trade agreement signed by India to incorporate investments and job creation targets. Under the agreement, the EFTA countries (Iceland, Liechtenstein, Norway and Switzerland) will promote \$100 billion in investments into India over the next 15 years, with the ambition of creating one million jobs.

Around 160 Norwegian companies are doing business in India, and what I am hearing from them is that they see India as a partner for long-term growth. Norway's strengths lie in sectors that are becoming increasingly central to India's development journey.

We offer expertise in maritime industries, renewable energy, sustainable ocean technologies, medtech and circular economy solutions. India brings scale, manufacturing capacity, entrepreneurial energy, talent and an enormous innovation ecosystem.

During Prime Minister Narendra Modi's visit to Oslo in May this year, both nations advanced bilateral relations to a Green Strategic Partnership. We are already seeing growing collaboration in renewable energy, low-carbon technologies, energy efficiency and energy storage technologies. The Green Strategic Partnership gives political direction to this cooperation, and TEPA provides



STRATEGIC PARTNERSHIP.

On a strong footing

an economic framework through which businesses can help deliver it.

The maritime sector offers another example. Norway's maritime heritage and India's ambitions to expand port infrastructure, strengthen shipbuilding and enhance coastal shipping, make this sector a natural area of cooperation for the two ocean nations. About 10 per cent of the current orders by Norwegian shipowners are placed at Indian shipyards.

Behind these figures are engineers, shipbuilders and technology specialists working together across both countries. With TEPA, it has become easier for Norwegian companies to bring technology and expertise to India, from green shipping and maritime equipment to digital port solutions and offshore technologies.

BLUE ECONOMY

The Blue Economy more broadly represents an area of enormous potential. Norwegian seafood exports to India have, in the past, faced significant tariff barriers. TEPA changed this and the result has been quick and promising. Tariffs for frozen whole Norwegian salmon, for example, dropped to zero from the agreement's entry into force, while several other seafood categories are seeing tariffs phased down over time. The value of Norway's seafood exports to India grew 53 per cent between October 2025 and June 2026, compared to the same period a year earlier.

One year is too short a time frame to judge a trade agreement by the number of investments or jobs generated, but not too soon to see if businesses are responding. Norwegian companies are exploring new partnerships and collaborations are expanding. The real measure of TEPA will be how we build on this momentum in the years to come.

The writer is Norwegian Ambassador to India