Export Promotion Mission can weave revival hopes for Indian textiles sector

INDIAN textile sector is betting big on the setting up of the proposed Export Promotion Mission (EPM) for more reasons than one. Interestingly, the Union Budget for the financial year 2025-26, had promised establishment of EPM at the earliest and making it active.

There is no doubt whatsoever that having the Export Promotion Mission in place, preferably by the end of the year, will act as a huge confidence-booster for India's exporter fraternity in the wake of the continued uncertainty around the date by which the US tariff issue will be resolved and the potential opportunities opening through the FTAs already signed by India and those on the anvil.

Such a move can also result in addressing the structural challenges, which can help India raise its global share in world trade, including in the textile and apparel sector. That's what various stakeholders of the Indian textile industry, particularly, the exporters and the apex body of the Indian textile industry- Confederation of Indian Textile Industry (CITI) feels.

The whole idea behind setting up of such a Mission, as mentioned by the Union Finance Minister Nirmala Sitharaman was that Export Promotion Mission, with sectoral and ministerial targets,

driven jointly by the Ministries of Commerce, MSME, and Finance. will facilitate easy access to export credit, cross-border factoring support, and support to MSMEs to tackle non-tariff measures in overseas markets.

All these will have to be seen in light of the facts that the US Administration has imposed a 50 per cent tariff on Indian goods, effective August 27. Then, in July, India signed the Comprehensive Economic and Trade Agreement (CETA) with the UK. India is also currently negotiating multiple FTAs, including with the European Union.

It is pertinent to mention here that Textile and Apparel (T&A) seems to be one of the Indian industries that have been hit hard by the recent high tariff imposition by the Trump Administration. Recent imposition of 25 per cent additional ad valorem tariff and 25 per cent penalty (adding up to 50 per cent additional tariff) has significantly undermined the competitiveness of Indian T&A exports to the US.

One must, at this point, try and understand the magnitude and nature of the economic and operational impact in T&A industry and try to identify priority policy interventions needed to mitigate adverse effects and restore competitiveness.

Last year, India was the 6th largest exporter of textile and apparel items worldwide. One also has to keep in mind that India has close to a four per cent share of the global trade in textiles and apparel products. The bulk of India's textile and apparel sector comprises micro, medium and small enterprises (MSMEs).

If one goes by CITI's analysis, in September 2025, Indian textile exports slid 10.45 per cent over

the previous year, while apparel exports declined 10.14 per cent during the same period.

Cumulative exports of textiles and apparel items during September 2025 declined 10.34 per cent over September 2024.

Therefore, a lot depends on setting up of the Export Promotion Mission that will address all these issues facing the Indian textile sector, especially the exporters, and help the sector steer its way clear through all these.

Beyond efficiency: Why AI can't replace human touch

Automation may open new frontiers of productivity, but only when paired with empathy, context and judgement

Gediminas Lipnickas

ARTIFICIAL intelligence (AI) is rapidly becoming commonplace, despite statistics showing that only approximately 7 per cent to 13 per cent (depending on size) of companies have incorporated AI into their regular business workflows. Adoption in specific business functions is far higher, with up to 78 per cent of companies reporting use of AI tools in at least one business area. And more than 90 per cent of companies plan to increase AI investment within three years. This surge in adoption is underpinned by expectations of significant efficiency gains and cost reduction. Widespread implementation of AI is also accompanied by layoffs. Estimates vary, but it's clear that within the next decade, millions of jobs will be reshaped or even replaced thanks to AI. However, despite the lofty promises of AI, many companies aren't seeing the payoff. Data on productivity gains from AI use is murky at best, and many companies are facing costly implementation failures. Organisations are falling for what is known as the doorman fallacy: reducing rich and complex human roles to a single task and replacing people with AI. This overlooks the nuanced interactions and adaptability humans bring to their work.

THE DOORMAN FALLACY: WHEN AI OPENS THE DOOR BUT MISSES THE WELCOME

Companies chasing cost cuts risk shutting out the human nuance that keeps businesses thriving

It's clear that within the next decade, millions of jobs will be reshaped or even replaced thanks to AI. However, despite the lofty promises of AI, many companies aren't seeing the payoff. Data on productivity gains from AI use is murky at best, and many companies are facing costly implementation failures

What is the doorman fallacy?

British advertising executive Rory Sutherland coined the term "doorman fallacy" in his 2019 book Alchemy. Sutherland uses the concept of the humble hotel doorman to illustrate how businesses can misjudge the value a person brings to the role. To a business consultant, a doorman appears to simply stand by the entrance. They engage in small talk with those coming and going, and occasionally operate the door. If that's the entirety of the job, a technological solution can easily replace the doorman, reducing costs. However, this strips away the true complexity of what a doorman provides. The role is multifaceted, with intangible functions that extend beyond just handling the door. Doormen help guests feel welcome, hail taxis, enhance security, discourage unwelcome behaviour, and offer personalised attention to regulars. Even the mere presence of a doorman elevates the prestige of a hotel or residence, boosting guests' perception of quality. When you ignore all these intangible benefits, it's easy to argue the role can be automated. This is the doorman fallacy – removing a human role because technology can imitate its simplest function, while ignoring the layers of nuance, service and human presence that give the role its true value.

Doormen everywhere

As AI becomes increasingly common, many companies have started evaluating employees the way a consultant might evaluate a doorman. The judgement is based purely on the most visible, basic tasks they perform, such as taking food orders or answering phones. The focus is on what can be automated and what costs can be reduced. What often gets overlooked is the broader value a person brings through context, judgement, and the countless invisible contributions that support a thriving workplace. This narrow view leads straight into the doorman fallacy, assuming a role is simple because only the obvious parts are seen. Earlier this year, the Commonwealth Bank of Australia fired 45 customer service staff and rolled out an AI voice bot, claiming the bot drastically cut call volumes. After the workers' union challenged the layoffs, the bank reversed its decision, admitting it "did not adequately consider all relevant business considerations and this error meant the roles were not redundant". In the United States, fast-food chain Taco Bell has been rolling out voice AI in its drive-throughs since last year, in hopes of cutting errors and speeding up service. After a barrage of customer complaints and social media videos documenting various glitches, the company is now rethinking its AI usage. Taco Bell's chief technology officer conceded to the Wall Street Journal it might not make sense to only use AI at drive-through and that human staff might handle things better, especially during busy times. These are not isolated examples. A recent report from software platform Orgvue states up to 55 per cent of the companies that replaced employees with AI now acknowledge they moved too quickly. Some companies are rehiring the very people they let go. On top of that, consumers dislike dealing with AI in customer service settings, and most say they'd likely choose a competitor that doesn't use AI.

A job is more than a list of tasks

To avoid the doorman fallacy, companies must recognise jobs are more than the visible tasks listed on a job description. Employees frequently contribute in subtle ways that leaders don't see day-to-day, yet those contributions hold real value for customers and organisations as a whole. Smart AI adoption requires a full understanding of the human elements inside every role. The concept of "efficiency" should be expanded to valuing customer experience and long-term outcomes as much as cost savings. Before a company attempts to automate any roles and hand tasks over to AI, it must have a deep understanding of the roles in question. If the task needs human oversight and intervention, it's not a good candidate for automation. AI can be implemented in roles that don't require human oversight, such as data entry, image processing, or even predictive maintenance that monitors the health of equipment – roles that are rule based and clearly measurable, freeing up people to do other things. The evidence so far is clear: the best way to use AI is to pair it with human judgement. This approach preserves the parts of work where context, personal touch, and trust matter. By supplementing human roles with AI, standardised and repetitive tasks can be completed efficiently, allowing individuals to focus on contextual work where a human touch is important.

(The author is from University of South Australia)

HOW EUROPEAN UNION TRADE BOLSTERS RUSSIA'S WAR CHEST

In first 8 months of 2025, seven EU member states increased their imports of Russian energy raising questions about duality of Europe's approach

DESPITE public declarations of solidarity with Kyiv, Europe's ongoing trade with Russia, especially in energy, continues to funnel billions of euros into Moscow's war effort. This raises questions about the duality of Europe's approach, according to a new report.

Data and analysis from 2025 reveal both reductions and paradoxical increases in certain economic spheres, as Europe's allies to Ukraine inadvertently fuel Russia's ability to sustain its campaign, according to an article by Anna Mahjar-Barducci published by the Australian Institute of International Affairs (AIIA).

Since the start of Russia's invasion of Ukraine in February 2022, the European Union (EU) has imposed sanctions targeting Russian industries, banking and individuals. The EU's intention was to reduce Russia's ability to finance the war and support Ukraine.

According to Euronews, between early 2022 and mid 2025, EU imports from Russia dropped by approximately 86–89 per cent, while exports to Russia declined by about 58–61 per cent.

However, the article highlights that despite these reductions, the reality is less straightforward. According to Reuters, in the first eight months of 2025, seven EU member states increased their imports of Russian energy relative to the previous year.

The European Union as a whole purchased over 11 billion euros worth of Russian energy during this period, with France's purchases soaring by 40 per cent (reaching 2.2 billion euros), and the Netherlands' imports jumping 72 per cent to 498 million euros. Belgium, Croatia, Romania, and Portugal also raised their imports (Belgium 3 per cent, Croatia 55 per cent, Romania 57 per cent, Portugal 167 per cent). Hungary, which has declared it will not send weapons to Ukraine and has refused to participate in arms transfers, recorded an 11 per cent year-on-year increase.

The European Union as a whole purchased over 11 bn euros worth of Russian energy during this period, with France's purchases soaring by 40% (reaching 2.2 bn euros), and the Netherlands' imports jumping 72% to 498 mn euros

These nations, many publicly supportive of Ukraine, remain major recipients of Russian oil and gas, often through existing infrastructure like the Druzhba pipeline, the article points out.

Several reasons underline Europe's persistent, and sometimes rising, imports. One is that Russian liquefied natural gas (LNG) entering EU terminals is often shipped onwards and the gas sometimes lands in France or Spain, only to be redirected to buyers elsewhere in the bloc. Besides, even as maritime imports of Russian crude have been largely banned, pipeline flows and indirect deliveries via "shadow fleets" and third-party intermediaries help Russia bypass restrictions and retain profit, the article observes.

According to Reuters, since the start of the war, European payments for Russian energy have amounted to more than 213 billion euros, steady revenue for Moscow even as overall reliance dropped. In 2024, EU imports of Russian fossil fuels exceeded the bloc's financial aid to Ukraine, with purchases surpassing 18.7 billion euros while direct support to Kyiv lagged behind. The Center for Research on Energy and Clean Air (CREA) described this dynamic as "a form of self-sabotage," arguing that Russian energy revenues remain the single largest funding source for the war, the article states.

The structure of this economic relationship is multifaceted. While energy (especially oil and gas) was once the dominant flow, other goods have persisted despite sanctions. In 2024, the EU exported about 31.5 billion euros in goods to Russia and imported approximately 35.9 billion euros. Trade continues in sectors such as chemicals, machinery, vehicles and fertilisers.

Russia continues to be the EU's largest supplier of fertiliser as its share in extra-EU fertiliser imports rose from 28 per cent in Q1 2021 to 34 per cent in Q2 2025. These patterns underscore that, even under sanctions regimes, tariffs and regulations face limits in curbing dependency in certain sectors, the article points out.

Overall trade volumes with Russia are at their lowest since 2002. While most member states have significantly reduced economic interactions with Russia, some continue importing Russian energy at levels that sustain Kremlin revenue.

According to the article, The uncomfortable truth is that European allies of Ukraine, in seeking to balance their own energy needs and economic resilience, have enabled Russia to weather much of the sanctions pressure and maintain its military campaign.

As the war enters its fourth year, the challenge for EU policymakers is whether they can fully align their support for Ukraine with stricter enforcement and closure of remaining trade, finance, and energy loopholes that continue to enable Russia's war-economy, the articles concludes.

India gets into ₹65,400-cr capex push to make fighter jet engines by 2035

$7.44-bn plan enables the country to become self-reliant in one of the most critical areas of defence- aircraft propulsion

INDIA is gearing up to give its aerospace ambitions a big push with a massive investment of about Rs65,400 crore ($7.44 billion) to develop and produce fighter jet engines by 2035. The plan aims to make India self-reliant in one of the most critical areas of defence -- aircraft propulsion, according to a Times of Oman report.

The project marks a strong step towards reducing dependence on imports and building engines that can power the next generation of Indian fighter jets. From the advanced Tejas Mk2 to the stealthy AMCA, and from upgraded fighters to unmanned aircraft, India plans to build around 1,100 engines in the next decade.

The project marks a strong step towards reducing dependence on imports and building engines that can power the next generation of Indian fighter jets. From the advanced Tejas Mk2 to the stealthy AMCA, and from upgraded fighters to unmanned aircraft, India plans to build around 1,100 engines in the next decade

SV Ramana Murthy, Director of the Gas Turbine Research Establishment (GTRE), is leading the mission to build homegrown engines that can compete globally.

He said the focus is on creating a strong ecosystem that includes government research, private industry, and global partnerships. The Indian Air Force (IAF) is also preparing for this transformation. It aims to strengthen its fleet to 42 squadrons by 2035 with around 450 new fighter jets — many of which could soon fly on engines made in India.

This will not only boost India's defence capabilities but also its confidence in technological self-reliance. One of the major projects in this roadmap is the Tejas Mk2, which follows the success of the existing Tejas aircraft.

Talks with the US-based General Electric for its F414 engine, along with a technology transfer agreement, are expected to help India build world-class engines domestically. India's indigenous Kaveri engine programme, which has faced delays in the past, is now being revived with new energy. Its upgraded versions could soon power unmanned combat aircraft, an important part of the country's future defence strategy.

International collaborations will also play a big role in this mission. Global engine makers like France's Safran, Britain's Rolls-Royce, and the US's GE are in discussions to co-develop a fifth-generation engine for India's Advanced Medium Combat Aircraft (AMCA) -- a project expected to produce its first prototype by 2028.

For the first time, India is inviting private companies to participate in fighter jet development, opening new opportunities for innovation and growth in the aerospace sector.

Hindustan Aeronautics Limited (HAL) will work alongside private and global players to share the workload and boost production.

Under Prime Minister Narendra Modi's "Atmanirbhar Bharat" (self-reliant India) vision, the government is actively encouraging global defence manufacturers to set up production facilities in India. The move signals a shift -- from India being a buyer of defence technology to becoming a builder and partner in advanced manufacturing. Experts say this massive engine development programme will not only strengthen India's defence readiness but also help boost the economy by creating jobs, encouraging exports, and positioning India as a global player in the aerospace industry.