China manufacturing centre of world due to US outsourcing policy: Amitabh Kant

By ET Bureau • Last Updated: Sep 05, 2024, 12:57:00 AM IST

Synopsis
India's G20 Sherpa Amitabh Kant highlighted that China's dominance in global manufacturing is a result of American outsourcing policies. He emphasized the need for collaboration with India to achieve net zero targets, citing India's cost-effective green hydrogen production. Kant also noted China's significant control over the global EV and solar markets.

India's G20 Sherpa Amitabh Kant

New Delhi: China's emergence as the manufacturing centre of the world is largely a consequence of American policy, because if you look at the top 30 companies in the United States of America, 95% to 98% of their manufacturing is outsourced to China, India's G20 Sherpa Amitabh Kant said here on Wednesday.

Both the Chips Act and the Inflation Reduction Act of USA are protectionist in character. "It's important because if you want to shift towards net zero, it will be almost impossible to do it without India. And the reason for that is that green hydrogen manufacturing firm from India today is costing $4.5 per kilogram, whereas in the US, it will cost about $7-7.5 per kilogram. The extent of subsidisation will be enormous," Kant said at an interaction with US G20 & G7 Sherpa and Deputy NSA Daleep Singh on India-USA Economic Partnership organised by the Observer Research Foundation.

"If you want the world to move towards clean energy, reach the target of net zero, you want production of the lowest cost possible. And therefore, the size and scale of manufacturing from India, which India has demonstrated through procurement of LED bulbs, the prices for procurement of large scale buses, electric buses, prices for you, it needs the size and scale of a country like India to radically bring down the price to $1 per kilogram by 2030 and that capacity to do it only India has. And that's why, if you want the world to achieve success in net zero, you need to work with partners like India."

Kant further stated the Chinese companies together are controlling 68% of the global EV market. "If you look at solar manufacturing, they are controlling about 79%, so this has been possible only with state subsidy."

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By Kshitij Anand, ET Spotlight • Last Updated: Apr 09, 2025, 11:09:00 AM IST

Synopsis
Pi42, a new player in India's crypto exchange ecosystem, is focusing on security, regulatory compliance, and seamless trading experiences to address existing industry challenges. Advanced security measures, user-friendly features, and transparent operations are key aspects driving its innovation and appeal to traders.

ET Spotlight

The world of crypto trading is evolving rapidly, and with it, the expectations of traders are shifting. Security breaches, lack of transparency, and complex trading processes have long been concerns for investors navigating the digital asset landscape.

Pi42, a rising player in India's crypto exchange ecosystem, is addressing these challenges head-on by prioritizing security, regulatory compliance, and seamless trading experiences.

In an exclusive conversation with Kshitij Anand of ETMarkets, Siddhartha Chatterjee, Director of Engineering at Pi42, shares insights into how the platform is setting new industry standards. From ensuring bank-backed INR transactions for maximum fund security to maintaining a clear and predictable fee structure, Pi42 is redefining how traders interact with crypto futures.

Additionally, with advanced security measures, a user-friendly onboarding process, and cutting-edge trading innovations, the exchange is making crypto trading more accessible and efficient than ever before. Edited Excerpts -

Kshitij Anand: How has the crypto exchange industry evolved over the past few years, and what major changes do you see in 2025 and beyond?
Siddhartha Chatterjee: In the early phases, things were a little unstructured. There were limited regulations and compliance for KYC and AML, with minimal checks and balances in exchanges. Additionally, there were significant banking difficulties, primarily because banks were very skeptical about crypto exchanges and tried to avoid any sort of partnerships with them. This led to numerous challenges for both users and exchanges in their day-to-day operations.

Then came a phase of uncertainty when, in 2018, the RBI issued a circular restricting banks from doing business with crypto or crypto-related products. This led to many major exchanges exiting the market, while some exchanges adopted innovative solutions like the P2P model, where users exchanged money between themselves for deposits and withdrawals within an exchange. This period definitely drove some innovation.

In 2020, the Supreme Court overturned the RBI circular, reviving Indian exchanges and fostering renewed interest in crypto trading. After that, we entered a phase where regulations and structure began taking shape. We saw regulatory bodies like the FIU stepping in to set standards and guidelines for exchanges. Then, in 2022, VDA taxation was introduced. Crypto traders viewed this taxation as quite punitive, which incentivized them to explore derivatives as a platform—primarily for tax optimization.

Since the implementation of VDA taxation in 2023, we have observed a significant shift in trading volume from traditional spot exchanges to derivative exchanges, primarily in futures. This trend continues today. Looking ahead to 2024 and 2025, we see institutions and professional traders entering the market. Interestingly, crypto is one of the few asset classes where retail traders entered before institutions. It's an exciting space, and overall, it's moving in the right direction.

Kshitij Anand: In fact, crypto is a retail-first asset class, something we haven't seen in decades. Retail investors are certainly making big moves in the crypto industry. Let me get your viewpoint on this—what are the top three factors traders should consider when selecting a crypto exchange today? You can list three, or even five, if you'd like.
Siddhartha Chatterjee: I'll answer this from my perspective. First, users should look at regulatory compliance and the trust factor of an exchange. If you're in India, you should definitely check for FIU registration. This provides confidence that the exchange is maintaining certain standards and following regulations—something essential for user trust.

The second key factor is fund security. Users should know where their funds are stored, how secure they are, and what measures the exchange takes to protect them.

Apart from that, transaction fees and platform performance are also critical aspects that traders should consider. A well-functioning platform with reasonable fees is crucial for a smooth trading experience.

Finally, users should think about tax optimization. Taxation differs significantly between spot and derivative trading, and there is better scope for tax optimization in the derivatives or futures space.

Kshitij Anand: The next big question, which I'm sure many traders have in mind, is: how crucial is security when evaluating an exchange, and what specific security measures should users look for?
Siddhartha Chatterjee: Security is of paramount importance—not just for users but also for exchanges—because it has direct financial implications. Any breach can lead to financial losses, data leaks, and privacy issues.

For users, the basics should be the first checkpoint. When logging in, does the exchange offer two-factor authentication (2FA)? If there's a login attempt from a new device, do users receive a notification asking them to confirm whether it was them? These are essential security features.

For more technically inclined users, it's worth checking what encryption standards the exchange follows. Additionally, ensuring that KYC and AML processes comply with FIU regulations is important, as non-compliance could pose a security risk.

Some exchanges also run active bug bounty programs, where ethical hackers identify security vulnerabilities. This allows exchanges to fix issues promptly. There's a saying in security: "Your security is only as strong as your weakest link." Regular updates and security patches are crucial to maintaining a secure exchange.

Kshitij Anand: In fact, now that we have talked about security, another thing that comes to mind is transparency. It has also become a major concern in the industry. So, how can users verify if an exchange is truly transparent?
Siddhartha Chatterjee: Transparency in crypto trading is slightly different, as there is something known as a proof of reserves, where users can verify the amount of assets the exchange holds and whether they are actually maintaining the correct reserves. There are also security audits in place for this.

When it comes to futures exchanges, especially a futures exchange like Pi42, where we do not hold any crypto or other assets—everything is in INR—it is important to look for transparent fees and a clear fee structure, as well as well-defined guidelines for liquidation and risk management policies.

Additionally, verifying the compliance status of the exchange is crucial. For example, is the exchange publicly sharing its FIU registration ID so that users can verify it? Lastly, having a seamless and supportive customer success team helps users overcome any hurdles they may face while using the exchange. These are the key factors that demonstrate transparency.

Kshitij Anand: You helped set up Pi42. Could you walk us through the major technological changes you've introduced to make things easier for traders? This could include onboarding, KYC, transactions, and payouts.
Siddhartha Chatterjee: We have worked to make our onboarding process very smooth—interactive and quick. As long as users have their documents ready, they can complete their KYC and bank verification in just five to six minutes.

Additionally, 98% of our deposits and withdrawals are instant. The remaining 2% go through compliance checks to meet security guidelines.

We have also simplified the trader's journey. Before Pi42, to trade in futures, users had to first purchase a stablecoin, transfer it to a futures exchange, and then convert it back after trading. This process involved a 1% TDS tax implication and other complexities.

We have streamlined this entire process:
- Users deposit INR from their bank into the exchange.
- They use INR as collateral for trading.
- All settlements are in INR.
- They withdraw INR directly back into their bank accounts.
- This is a critical problem we have solved.

Kshitij Anand: It makes much more sense to conduct transactions in rupees rather than first buying a stablecoin. Pi42 has effectively filled that gap in the industry. Over to you—you were saying something?
Siddhartha Chatterjee: Yes, I was just adding that we built the first INR perpetual futures in India, solving the taxation aspect as well. Users can now optimize their tax liabilities while trading on Pi42.

Kshitij Anand: Can you talk about any new features you have recently introduced in futures trading? Are there any upcoming features you'd like to highlight?
Siddhartha Chatterjee: When it comes to new features, we definitely have TPSL (Take Profit and Stop Loss), which is not a new feature but a very critical one for an exchange.

Kshitij Anand: A smart feature for smart investors!
Siddhartha Chatterjee: Yes, and in our next release, you will see a lot of advanced chart features that will make trading much simpler for users. We are also introducing several risk management features to help users minimize their losses and focus on maximizing their profits.

Kshitij Anand: What sets Pi42 apart from other exchanges in terms of security, transparency, and user experience? As a new exchange, I'm sure you have learned from other industries, taken their pros and cons into account, and built a product that fills the gap in the market.
Siddhartha Chatterjee: The primary security concern is: Where is the user's money? On our platform, everything is in INR. User funds remain in the bank, making them as safe as any other bank deposit. This eliminates a major concern.

Beyond that, we follow strict KYC and AML processes. We also have an active bug bounty program and adhere to industry-standard encryption practices to enhance security.

In terms of transparency, our fee structure is predictable, and our liquidation and risk management policies are clearly defined. We are also very transparent with our FIU registration ID, allowing users to verify our compliance status.

Regarding user experience, we provide:
- An interactive and quick onboarding process
- Instant deposits and withdrawals
- The lowest USDT pair fees among Indian exchanges
- Faster trade execution compared to other Indian exchanges, ensuring better market rates

We have also integrated tooltips and educational resources within the platform to guide users. Since crypto, and particularly futures and derivatives trading, is still a relatively new space, we aim to make it easier for users to understand and navigate.

Kshitij Anand: We've discussed the past and present—now let's talk about the future. What innovations can users expect from crypto exchanges in 2025 and beyond, especially in the futures space?
Siddhartha Chatterjee: I believe that in the future, we will see clearer regulations and structured legal frameworks. With this, compliance automation will improve, making the onboarding process much simpler.

I also expect India to develop a high-performance trading infrastructure, which is something we are moving toward. Additionally, we might see aspects of social trading and community integration within exchanges.

And of course, we can't ignore AI—given its rapid advancements, we could see AI-driven analysis tools and risk management solutions integrated within exchanges to help users make better trading decisions.

Since this is a new space, I also foresee a surge in educational content, presented in a much more interactive and intuitive way to help users better understand crypto trading.

Lastly, India has dominated the options market in traditional finance over the last decade, and I believe we might see a similar shift from traditional markets into crypto markets.

Kshitij Anand: So, just as we saw money moving from fixed income and FDs to equity markets in the past, we could see some capital flowing from equity to crypto markets.
Siddhartha Chatterjee: Yes, exactly.

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(Originally published on Apr 07, 2025)

(This article is generated and published by ET Spotlight team. You can get in touch with them on etspotlight@timesinternet.in)

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