



A STUDY ON GROWTH OF TEXTILE AND APPAREL INDUSTRY IN INDIA

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Abstract

The present study is focusing on the growth of Indian textile industry and apparel industry during the study period of between 2015-16 and 2019-20. The present study is based on secondary data collected from various annual reports of ministry of textiles, Government of India. The Statistical tools such as percentage of analysis and CAGR are used to purpose of the collected data. Objectives of the present study are to study the Indian Textile Industry and apparel industry during the study period, to analyze growth of Indian Textile Industry and apparel industry during the study period of between 2015-16 and 2019-20, to examine the impact Covid-19 on Textile Industry and apparel industry and to find the conclusion of the present study. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world.

The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19. Exports of textiles stood at US\$ 22.89 billion between April 2021 and October 2021. India's home textile exports grew at a healthy rate of 9% in FY21 despite the pandemic. China's share in global T&A trade in 2019 was 34%. The share has come down from 39% in 2015. Vietnam and Bangladesh were the second and the third largest textile and apparel exporters in 2019, respectively. India is the 5th largest exporter of T&A in the world with exports worth US\$ 36.4 billion. Polyester filament yarn (PFY) production has grown at a CAGR of 5% since 2015-16. India's exports of Technical Textiles in 2019-20 were worth US\$ 2,423 million, which has grown from US\$ 1,528 million at a CAGR of 12%. Fabric production in India stood at 7,436 million sq. mtr, which has grown at 2% CAGR in the past five years. The production of fabric from decentralized sector has also grown at a CAGR of 5%, while production of mill sector has

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring. Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials. The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

Key words: Indian textile industry and apparel industry, production and productivity of textiles, Exports and Imports of textiles and the impact of Covid-19 on Textile Industry and apparel industry.

Introduction

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, while the capital-intensive sophisticated mills sector on the other end. The decentralized power looms/ hosiery and knitting sector forms the largest component in the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other industries in the country. India's textiles industry has a capacity to produce wide variety of products suitable for different market segments, both within India and across the world. India's Textiles industry has around 4.5 crore employed workers including 35.22 lakh handloom workers across the country. The industry contributed 7% to the industry output (by value) in 2018-19.

The Indian textiles and apparel industry contributed 2% to the GDP, 12% to export earnings and held 5% of the global trade in textiles and apparel in 2018-19. Exports of textiles stood at US\$ 22.89 billion between April 2021 and October 2021. The production of raw cotton in India is estimated to have reached 35.4 million bales in FY20[^]. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 2.40 MT in FY21 (till January 2021), while that for yarn, the production stood at 4,762 million kgs during same period. India's home textile exports grew at a healthy rate of 9% in FY21 despite the pandemic.

Investments and Key Developments

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 3.75 billion from March 2000 to April 2021.

In May 2021, Indo Count Industries Ltd. (ICIL), announced an investment of Rs. 200 crore (US\$ 26.9 million) to expand its production capacity. The production-linked incentive (PLI) scheme for man-made fibre and technical textiles will help boost manufacturing, increase exports and attract investments into the sector.

Companies in home textile are using technology to optimise the value chain. For example, in October 2021, Welspun India introduced Wel-Trak 2.0—an upgraded, patented end-to-end traceability technology—to track textile raw materials throughout the supply chain.

Home textile companies In India are also leveraging strategic partnerships to strengthen their business operations and foothold in the country.

In October 2021, Welspun India collaborated with DuPont Biomaterials to introduce a home textile range and strengthen the company’s sustainable textiles business.

Government Initiatives

Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route. The Rs. 10,683 crore (US\$ 1.44 billion) PLI scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivize MMF (man-made fibre) Apparel, MMF Fabrics and 10 segments of Technical Textiles products.

Other Initiatives taken by Government of India are:

- The Indian government has notified uniform goods and services tax rate at 12% on man-made fabrics (MMF), MMF yarns, MMF fabrics and apparel, which will come into effect from January 1, 2022.
- Union textile minister Mr. PiyushGoyal announced a mega handloom cluster in Manipur and a handloom and handicraft village at Moirang in Bishnupur. The mega cluster will be set up at an estimated cost of Rs.30 crore (US\$ 4.03 million) under the National Handloom Development Programme (NHDP).

- In October 2021, Union Minister for Commerce and Industry, Textiles, Consumer Affairs, Food & Public Distribution, Mr. PiyushGoyal, announced the creation of 100 textile machinery champions in the country and to promote it in the global market. Through this, the government aims to make India a global player in textiles machinery.
- In October 2021, the Ministry of Textiles approved continuation of the comprehensive handicrafts cluster development scheme with a total outlay of Rs. 160 crore (US\$ 21.39 million). Through this scheme, the government aims to support domestic SMEs and local artisans.
- In October 2021, the government introduced SAMARTH training at 75 training centers across the country, to accelerate the scheme's coverage among artisans.
- The government allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16 and FY22 for the 'Amended Technology Up-gradation Fund Scheme' (A-TUFS), to boost the Indian textile industry and enable ease of doing business.
- Techtexil India, a trade fair focused on technical textiles, nonwovens and composites will be held from 25th to 27th November 2021 in Mumbai. Tamil Nadu government signed up for Techtexil India 2021 to strengthen indigenous textile production and attract textile investments into the State. The State government will be promoting technical textile policies through both physical and virtual segments of the hybrid fair organised by the Messe Frankfurt Trade Fairs India
- In August 2021, Minister of State (MoS), Ministry of Petroleum & Natural Gas and Labour & Employment, Mr. RameswarTeli launched ONGC-supported Assam handloom project 'UjjwalAbahan' through the virtual platform. The project will support and train >100 artisans of Bhatiapar of Sivasagar, Assam in Hathkharga handicraft.
- In August 2021, Flipkart and Himachal Pradesh State Handicrafts and Handloom Corporation Ltd. (HPSHHCL) signed a memorandum of understanding (MoU) to help the state's master craftsmen, weavers and artisans showcase their hallmark products on e-commerce platforms.
- In August 2021, Union Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, Mr. PiyushGoyal said that steps need to be taken to boost production capacities of handloom sector from existing Rs. 60,000 crore (US\$ 8.06 billion) to 125,000 crore (US\$ 16.80 billion) in three years. He added that target must be set to increase exports of handloom items from existing Rs. 2,500 crore (US\$ 335.92 million) to Rs. 10,000 crore (US\$ 1.34 billion) in three years. He also announced that a committee will be constituted consisting of all weavers, trainer equipment makers, marketing experts and other stake holders to recommend ways and means to achieve these objectives and enhance overall progress of the handloom sector.

- In July 2021, the government extended the Rebate of State and Central Taxes and Levies (RoSCTL) scheme for exports of apparel/garments and made ups until March 2021. This will help boost exports and enhance competitiveness in the labour-intensive textiles sector.
- In April 2021, Union Minister Smriti Irani has assured strong support from the Textile Ministry to reduce industry's dependence on imported machine tools by partnering with engineering organisations for machinery production. She also stated that the PLI scheme for the textile industry is almost ready. The scheme aims to develop Man Made Fiber (MMF) apparel and technical textiles industry by providing incentive from 3-15% on stipulated incremental turnover for five years.
- To support the handloom weavers/weaver entrepreneurs, the Weaver MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.
- Gorakhpur is on track to become a major garment manufacturing centre, boosting the economy in eastern Uttar Pradesh. The Gorakhpur Industrial Development Authority (GIDA) will provide four acres of land for construction of a flattened factory and will enable accessible to entrepreneurs.
- In March 2021, The Ministry of Textiles favoured limited deal for the India-UK free trade agreement that could boost the garments sector.
 - o In 2020-21, the UK is India's fourteenth largest trading partner, accounting for US\$ 8.7 billion in exports and US\$ 6.7 billion in imports.
 - o Under the proposed trade agreement, the Textile Ministry expects more market access for the Indian textiles and clothing sector in order to achieve its full potential.
- In March 2021, under the ongoing sub-mission on agroforestry (SMAF) scheme, the Ministry of Agriculture and Farmers Welfare signed a memorandum of understanding (MoU) with the Central Silk Board, under the Ministry of Textiles, on a convergence model to implement agroforestry in the silk sector.
- In March 2021, toys were identified as one of the 24 primary sectors listed under the self-reliant India initiative. The Department for Promotion of Industry and Internal Trade (DPIIT) has developed a 'National Action Plan' for toys that calls on several central ministries, including textiles, MSME, I&B, Education, DPIIT (under the Ministry of Commerce) and other departments, to nurture and promote the industry.

- Effective 01 January 2021, to boost exports, government has extended the benefit of the Scheme for Remission of Duties and Taxes on Exported Products (RoDTEP) to all exported goods
- To support the handloom and handicrafts sector, the government has taken steps to onboard weavers/artisans on Government e-Marketplace (GeM), provide a wider market and enable them to sell their products directly to various government departments and organisations. As of December 31, 2020, 171,167 weavers/artisans/handloom entities have been registered on the GeM portal.
- Defence Research and Development Organisation (DRDO) is helping the Indian textile industry to produce yarns and eliminate dependence on import of Chinese and other foreign clothing for military uniforms. Indian defense sector has expressed support towards the Indian technical textile sector.
- In March 2021, while addressing the 9th edition of TECHNOTEX 2021 organized by FICCI, General Bipin Rawat, Chief of Defence Staff appreciated the innovations in Indian technical textile and stated that the armed forces will rather reduce imports and instead procure technical textiles from Indian industries as a part of the Atmanirbhar Bharat initiative.
- In October 2020, the Cabinet Committee on Economic Affairs chaired by Mr. Narendra Modi approved mandatory packaging of 100% food grains and 20% sugar in jute bags. Under the Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987, the government is required to consider and provide for the compulsory use of jute packaging materials for supply.
- On September 2, 2020, the Union Cabinet approved signing an MOU between textile committee, India and M/s Nissenken Quality Evaluation Centre, Japan, for improving quality and testing Indian textiles and clothing for the Japanese market. This India-Japan pact on cooperation in textiles will facilitate Indian exporters to meet the requirements of Japanese importers as per the latter's technical regulations.
- Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs. 1,480 crore (US\$ 211.76 million).
- In 2020, New Textiles Policy 2020 is expected to be released by the Ministry of Textiles.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from 2% to 4%.

- The Government of India has taken several measures including Amended Technology Upgradation Fund Scheme (A-TUFS), estimated to create employment for 35 lakh people and enable investment worth Rs. 95,000 crore (US\$ 14.17 billion) by 2022.
- Integrated Wool Development Programme (IWDP) was approved by Government of India to provide support to the wool sector, starting from wool rearer to end consumer, with an aim to enhance quality and increase production during 2017-18 and 2019-20.

Achievements of the Government in the past four years:

- In June 2021, KVIC recorded a 7.71% growth in gross annual turnover to Rs. 95,741.74 crore (US\$ 12.85 billion) from Rs. 88,887 crore (US\$ 11.93 billion) in FY20.
- In CY2020, Cotton Corporation of India made a record procurement of ~ 151 lakh bales under MSP operations, which is ~ 290% higher than 38.43 lakh bales procured during the corresponding period last year.
- I-ATUFS, a web-based claims monitoring and tracking mechanism was launched on April 21, 2016. 381 new block level clusters were sanctioned.
- Under the Scheme for Integrated Textile Parks (SITP), 59 textile parks were sanctioned, out of which, 22 have been completed.
- Employment increased to 45 million in FY19 from 8.03 in FY15.
- Exports of readymade garments (of all textiles) was worth US\$ 1.19 billion as of December 2020.

Objectives of the study

- To study the Indian Textile Industry and apparel industry during the study period.
- To analyze growth of Indian Textile Industry and apparel industry during the study period of between 2015-16 and 2019-20.
- To examine the impact of Covid-19 on Textile Industry and apparel industry.
- To find the conclusion of the present study.

Methodology

The present study is based on the secondary data collected from various annual reports of ministry of textiles, Government of India. The Statistical tools such as percentage of analysis and CAGR are

Textile Industry & Market Growth in India

The textiles and apparel industry can be broadly divided into two segments - yarn and fibre and processed fabrics and apparel. The domestic textiles and apparel market was estimated at US\$ 100 billion in FY19. The textile industry has around 4.5 crore workers including 35.22 lakh handloom workers all over the country. Growth in demand is expected to continue at 12% CAGR to reach US\$ 220 billion by 2025-26. Indian textiles and apparel industry contributed 2.3% to the GDP of India, 13% to industrial production and 12% to export earnings.

Cotton production in India reached 37.10 million bales in FY21*. During FY19, production of fibre in India stood at 1.44 million tonnes (MT) and reached 2.40 MT in FY21 (till January 2021), while that for yarn, the production stood at 4,762 million kgs during same period. The total raw silk production increased by 1% (35,820 MT) in FY20 over the previous year FY19 (35,468 MT) despite COVID-19. Cotton production in India is projected to reach 7.2 million tonnes (~43 million bales of 170 kg each) by 2030, driven by increasing demand from consumers.

India is the world's second largest exporter of textiles and clothing. Increased penetration of organised retail, favourable demographics, and rising income level are likely to drive demand for textiles. Cloth production stood at 63.34 billion square meters in FY20 (till January 2020).

The Rs. 10,683 crore (US\$ 1.44 billion) production-linked incentive (PLI) scheme is expected to be a major booster for the textile manufacturers. The scheme proposes to incentivize MMF (man-made fibre) Apparel, MMF Fabrics and 10 segments of Technical Textiles products.

In October 2021, the government approved a scheme worth Rs. 4,445 crore (US\$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.

Exports of textiles (RMG of all textiles, cotton yarn/fabs./made-ups/handloom products, man-made yarn/fabs./made-ups, handicrafts excl. handmade carpets, carpets and jute mfg. including floor coverings) stood at US\$ 19.4 billion, between April 2021 and September 2021.

India's textile and apparel exports to the United States, its single largest market, were up 55% in the first seven months of 2021. The share of the India's textiles and apparel exports in mercantile shipments was 11% in 2019-20.

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring.

Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials.

Rising Government focus and favourable policies is leading to growth in the textiles and clothing industry. The Ministry of Textiles is encouraging investment through increasing focus on schemes such as Technology Up-gradation Fund Scheme (TUFS). The government allocated funds worth Rs. 17,822 crore (US\$ 2.38 billion) between FY16 and FY22 for the 'Amended Technology Up-gradation Fund Scheme' (A-TUFS), to boost the Indian textile industry and enable ease of doing business. The Cabinet Committee on Economic Affairs (CCEA), Government of India has approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)'. The Government announced a special package to boost export by US\$ 31 billion, create one crore job opportunities and attract investment worth Rs. 80,000 crore (US\$ 11.93 billion) during 2018-2020. Cumulative FDI (Foreign Direct Investment) inflow in the textiles sector stood at over US\$ 3.75 billion between April 2000 and March 2021.

In Union Budget 2020-21, the Government of India has allocated around Rs. 3,515 crore (US\$ 502.93 million) to the Ministry of Textiles and Rs. 80 crore (US\$ 11.45 million) for the scheme on Integrated Textile Parks. The Ministry of Textiles has announced Rs. 690 crore (US\$ 106.58 million) for setting up 21 readymade garment manufacturing units in seven states for development and modernisation of Indian textile sector. National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs. 1,480 crore (US\$ 211.76 million). The National Handloom Development Programme has been allocated Rs. 388.21 crore (US\$ 55.55 million), whereas, the Integrated Processing Development Scheme has received Rs. 50 crore (US\$ 7.15 million) in Union Budget 2020-21. In October 2021, Union Minister for Commerce and Industry, Textiles, Consumer Affairs, Food & Public Distribution, Mr. PiyushGoyal, announced the creation of 100 textile machinery champions in the country and to promote it in the global market. Through this, the government aims to make India a global player in textiles machinery. In October 2021, the Ministry of Textiles approved continuation of the comprehensive handicrafts cluster development scheme with a total outlay of Rs. 160 crore (US\$ 21.39 million). Through this scheme, the government aims to support domestic SMEs and local artisans. In October 2021, the government introduced SAMARTH training at 75 training centers across the country, to accelerate the scheme's coverage among artisans. In March 2021, Minister of Textiles SmritiIrani announced that India will be fully self-reliant in silk production in the next two years. To support the handloom weavers/weaver entrepreneurs, the Weaver

MUDRA Scheme was launched to provide margin money assistance at 20% of the loan amount subject to a maximum of Rs. 10,000 (US\$ 134.22) per weaver. The loan is provided at an interest rate of 6% with credit guarantee of three years.

Table 1: Global Textile and Apparel Trade

Country	Exports			Share (%)
	Textile	Apparel	Total	
China	134.6	149.9	284.5	34
Vietnam	10.2	33.7	43.9	5
Bangladesh	1.8	40.9	42.7	5
Germany	15.5	23.8	39.3	5
India	20.2	16.2	36.4	4
Italy	12.8	23.6	36.4	4
Turkey	12.2	16.1	28.2	3
USA	21.7	5.2	26.9	3
Spain	5	14.3	19.3	2
France	5.6	12	17.6	2
ROW	117.2	146.3	263.5	31
Total	356.8	481.9	838.7	

Data Source: UN Comtrade & Wazir Analysis

China's share in global T&A trade in 2019 was 34%. The share has come down from 39% in 2015. Vietnam and Bangladesh were the second and the third largest textile and apparel exporters in 2019, respectively. India is the 5th largest exporter of T&A in the world with exports worth US\$ 36.4 billion. Indian domestic textile and apparel market is estimated at US\$ 75 billion I 2020-21. The market fell down 30% from US\$ 106 billion in 2019-20.

Indian Textile and Apparel Exports (US\$ billions)

India's T&A exports reached US\$ 33.5 billion in 2019-20. Due to the impact of Covid-19, India's T&A exports are expected to fall around 15% to reach US\$ 28.4 billion) in 2020-21. India's T&A exports are expected to grow to US\$ 65 billion by 2025-26, growing at a CAGR of 11% (UN Comtrade & Wazir Analysis).

Impact of Covid on Indian T&A Industry

Due to the pandemic, all economic activities except for the essential goods and services came to a standstill. The textile and apparel industry was no exception to this.

Manufacturing Shutdown

The industry faced a complete shutdown for around 2-3 months, while a few manufacturers who dedicated their production systems for PPE manufacturing were permitted to function. However, most of the units operated at suboptimal utilization levels for next several months.

Logistics Suspended

Disrupted logistics and frozen external trade caused due to the pandemic affected the entire value chain alike. India's April and May 2020 net trade were around 50% lower month-on-month compared to that of the previous year.

Cancelled Orders

Due to the uncertainty across the market, international and domestic buyers cancelled or suspended their orders, adding to the woes of the industry.

Slump in Physical Retail Sales

Lockdown restrictions across the country resulted in a slump in the retail sales of apparel for at least 4-5 months. Moreover, the festive and wedding season sales were deeply impacted.

New Consumer Trends Emerged

India's e-commerce sale of goods and apparel saw a steep rise in 2020, thanks to an increased market. Work-From-Home drove the demand for casual wear apparel over formals.

Table 2: Staple Fibre Production

Fibre	Production		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton	5,750	5,750	11,500	62%	0%
Silk	29	36	65	< 0.5%	6%
Others	1,690	1,683	3,373	18%	0%
Natural Fibre	7,516	7,514	15,030		0%
Viscose Staple Fibre	342	578	920	6%	14%
Polyester Staple Fibre	894	1,085	1,979	12%	5%
Acrylic Staple Fibre	107	98	205	1%	-2%
Other MMSF	5	4	9	< 0.1%	-5%
MMSF	1,347	1,765	3,112		7%
Total Fibre	8,863	9,279	18,142		

Data Source: Ministry of Textiles, GoI and Wazir analysis

India's total staple Fibre production stood at 9,279 million kgs in 2019-20. The Total value of cotton is 11500 during 2015-16 and 2019-20. The total value of Natural Fibre is 15030 between 2015-16 and 2019-20. The total value of MMSF is analyzed of 1556 between 2015-16 and 2019-20. The total value of Total Fibre is analyzed of 18142 between 2015-16 and 2019-20.

Table 3: India's Fibre Exports (US\$ million)

Fibre	Exports		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton	1,939	1,057	2,996	56%	-14%
Silk	14	14	28	1%	-1%
Others	206	291	497	15%	9%
Natural Fibre	2,208	1,388	3,596		-11%
Viscose Staple Fibre	274	148	422	8%	-14%
Polyester Staple Fibre	197	289	486	15%	10%
Acrylic Staple Fibre	54	50	104	3%	-2%
Other MMSF	16	16	32	1%	0%
MMSF	540	503	1,043		-2%
Total Fibre	2748	1891	4,639		

Data Source: DGCI&S and Wazir Analysis

India's exported fibre worth US\$ 1,891 million in 2019-20, which has reduced at a CAGR of 9% since 2015-16. The Total value of cotton analyzed that 2,996 between 2015-16 and 2019-20. Cotton occupied 70% share in total fibre exports in 2015-16, while this has reduced to 56% in 2019-20. India's Polyester staple fibre exports have grown at a CAGR of 10% since 2015-16. The total value of Natural Fibre was 3,596 during 2015-16 to 2019-20. The total value of MMSF is estimated of 1,043 between 2015-16 and 2019-20. The Total Fibre is analyzed about 4,639 between 2015-16 and 2019-20.

Table 4: India's Fibre Imports (US\$ million)

Fibre	Imports		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton	394	1,328	1722	56%	35%
Silk	159	165	324	7%	1%
Others	86	149	235	6%	15%
Natural Fibre	963	1,890	2853		18%
Viscose Staple Fibre	73	112	185	5%	11%
Polyester Staple Fibre	113	134	247	6%	4%
Acrylic Staple Fibre	71	100	171	4%	9%
Other MMSF	95	145	240	6%	11%
MMSF	351	491	842	20%	9%
Total Fibre	1314	2382	3696		16%

Data Source: DGCI&S and Wazir Analysis

India imported fibre worth US\$ 2,382 million in 2019-20, which has grown at a CAGR of 16% since 2015-16. Overall imports of man-made staple fibre (MMSF) have grown at a CAGR of 9%. Total Fibre share is 20%. The Total value of MMSF is analyzed of 421 between 2015-16 and 2019-20. The Total value of Total Fibre is about 1848 between 2015-16 and 2019-20.

Table 5: Indian Yarn Production (million Kg)

Yarn	Production		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton Spun Yarn	4,138	3,996	8134	71%	-1%
Blended & 100% non-cotton spun yarn	1,527	1,663	3190	29%	2%
Total spun yarn	5,665	5,713	11378	100%	0%
Polyester Filament Yarn	3,205	3,934	7139		5%

Data Source: DGCI&S and Wazir Analysis

India's total spun yarn production was 5,713 million kg in 2019-20. Polyester filament yarn (PFY) production has grown at a CAGR of 5% since 2015-16. The total value of cotton Spun Yarn is analyzed that 8134 between 2015-16 and 2019-20. Cotton occupied 70% share in total fibre exports in 2015-16, while this has reduced to 56% in 2019-20. The total value of Total Total spun yarn evaluated about 11378 between 2015-16 and 2019-20.

Table 6: India's Yarn Exports (US\$ million)

Fibre	Exports		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton spun yarn	3,572	2,774	6,346	58%	-6%
Man made spun yarn (Silk, Jute)	671	680	1351	14%	0%
Total spun yarn	4,366	3,593	7,959		-5%
Viscose filament yarn	52	36	88	1%	-9%
Polyester filament yarn	914	1,048	1,962	22%	3%
Nylon filament yarn	10	32	42	1%	35%
Other MMSF	309	46	355	1%	-38%
MMSF	1,285	1,162	2,447		-2%
Total Yarn	5,651	4,813	10,464		-4%

Data Source: DGCI&S and Wazir Analysis

In 2019-20, India's total yarn exports stood at US\$ 4,813 million. An export of spun yarn has declined at a CAGR of 5% since 2015-16. The total value of total spun yarn exports is analyzed of 7,959 between 3980 2015-16 and 2019-20. The total value of total yarn estimated about 10,464 between 2015-16 and 2019-20. India's Nylon filament yarn export has grown at a CAGR of 35% between 2015-16 and 2019-20.

Table 7: India's Yarn Imports (US\$ million)

Fibre	Imports		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton spun yarn	42	19	61	1%	-18%
Man made spun yarn (Silk, Jute)	177	334	511	26%	17%
Total spun yarn	459	478	937		1%
Viscose filament yarn	58	161	219	13%	29%
Polyester filament yarn	127	177	304	14%	9%
Nylon filament yarn	76	67	143	5%	-3%
Other MMSF	322	402	724	31%	6%
MMSF	583	807	1390		8%
Total Yarn	1042	1285	2327	100%	5%

Data Source: DGCI&S and Wazir Analysis

India imported with US\$ 1,285 million worth of yarn in 2019-20. India's imports of viscose filament yarn saw a sharp rise between 2015-16 and 2019-20 at a CAGR of 29%. India's imports of Total yarn decreased between 2015-16 and 2019-20 at a CAGR of 5%. The total value of Total spun yarn imports analyzed that 937 between 2015-16 and 2019-20. The total value of Total yarn estimated about 2327 between 2015-16 and 2019-20. India's Nylon filament yarn export has grown at a CAGR of 35% between 2015-16 and 2019-20.

Research Through Innovation

Table 8: Indian Fabric Production (Million Sq. Mtr.)

Fabric	Production		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Mill Sector	2,315	2,022	4,337	3%	-3%
Decentralized Sector	62,269	74,266	136,535	97%	5%
Grand Total (Exc. Khadi, Wool & Silk)	64,584	76,288	140,872		4%

Data Source: DGCI&S and Wazir Analysis

Fabric production in India stood at 7,436 million sq. mtr, which has grown at 2% CAGR in the past five years. The production of fabric from decentralized sector has also grown at a CAGR of 5%, while production of mill sector has decreased at 3% CAGR. The total value of mill sector analyzed that 4,337 between 2015-16 and 2019-20. The total value of Decentralized Sector estimated about 136,535 between 2015-16 and 2019-20. India's Nylon filament yarn export has grown at a CAGR of 35% between 2015-16 and 2019-20.

Table 9: India's Fabric Exports (US\$ million)

Fabric	Exports		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton Woven	1,750	1,905	3,655	38%	2%
Synthetic Woven	2,088	1,879	3,967	37%	-3%
Other Woven	713	860	1573	17%	5%
Total Woven Fabric	4,551	4,644	9195		1%

Data Source: DGCI&S and Wazir Analysis

India exported fabric worth US\$ 5,066 million in 2019-20, which has grown at 1% CAGR since 2015-16. Woven fabric comprised 92% of the total fabric exports of 2019-20. However, an export of knitted fabric has grown at 15% CAGR since 2015-16. The total value of Total Woven Fabric is 136,535 between 2015-16 and 2019-20.

Table 10: India's Fabric Imports (US\$ million)

Fabric	Imports		Total	Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20			
Cotton Woven	163	182	345	8%	3%
Synthetic Woven	712	868	1580	37%	5%
Other Woven	630	725	1355	31%	4%
Total Woven Fabric	1,505	1,774	3279		4%

Data Source: DGCI&S and Wazir Analysis

Fabric imported by India in year 2019-20 worth US\$ 2,324 million. Imports of knitted fabric and synthetic woven fabric have increased at 12% and 5% respectively since 2015-16. The total value of import of Total Woven Fabric is 136,535 between 2015-16 and 2019-20.

Table 11: Indian Garments and Made-ups Production

Type	Production			Y-o-Y change
	2018-19	2019-20	2020-21 (Est.)	
Garments (Mn pcs)	21,000	22,000	16,000	-27%
Made-ups (Mn kg)	2,300	2,400	2,100	-12%

Data Source: DGCI&S and Wazir Analysis

Garment production in India was estimated at 22 billion pcs in 2019-20, while made-ups production stood at approx. 2.4 billion Kg. Due to Covid-19, the 2020-21 apparel and made-ups production is expected to fall 27% and 12% respectively.

Table 12: India's Garments and Made-ups Exports (US\$ million)

Type	Exports		Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20		
Cotton garments	8,359	8,205	53%	0%
Synthetic garments	3,994	3,371	22%	-4%
Other garments	4,637	3,933	25%	-4%
Total garments	16,990	15,509		-2%

Data Source: DGCI&S and Wazir Analysis

India exported garments worth US\$ 15,509 million in year 2019-20, declining at a CAGR of 2% since 2015-16. Made-ups exports on the contrary grew at 2% CAGR from 2015-16 to reach US\$ 6,941 million in 2019-20.

Table 13: India's Garments and Made-ups Imports (US\$ million)

Type	Imports		Share 2019-20 (%)	CAGR 2015-19 (%)
	2015-16	2019-20		
Cotton garments	239	464	41%	18%
Synthetic garments	150	336	29%	22%
Other garments	191	345	30%	16%
Total garments	580	1,145		19%

Data Source: DGCI&S and Wazir Analysis

India imported US\$ 1,145 million worth of garments and US\$ 1,022 million worth of made ups in 2019-20. Imports of synthetic garments have increased at 22% CAGR since 2015-16.

Domestic Market Size of Technical Textiles in India (US\$ billions)

The Indian technical textiles market was estimated at US\$ 20 billion in 2019-20, grow at CAGR of 10% since 2015-16. However, due to Covid-19, the market is expected to fall 25% in 2020-21 to reach US\$ 15 billion.

Exports of Technical Textiles by India (US\$ million)

India's exports of Technical Textiles in 2019-20 were worth US\$ 2,423 million, which has grown from US\$ 1,528 million at a CAGR of 12%. India's export of Technical Textiles from April to November 2020 has been US\$ 1,370 million.

Imports of Technical Textiles by India (US\$ million)

India's imports of technical textiles have grown at a CAGR of 10% between 2015 and 2018. However, imports have declined at 23% from US\$ 2,209 million in 2018-19 to US\$ 1,730 million in 2019-20. India's imports of Technical Textiles from April to November 2020 have been US\$ 769 million.

Conclusion

India is working on major initiatives, to boost its technical textile industry. Owing to the pandemic, the demand for technical textiles in the form of PPE suits and equipment is on rise. Government is supporting the sector through funding and machinery sponsoring. Top players in the sector are attaining sustainability in their products by manufacturing textiles that use natural recyclable materials. The future for the Indian textiles industry looks promising, buoyed by strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market. High economic growth has resulted in higher disposable income. This has led to rise in demand for products creating a huge domestic market.

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