

Indian Textile & Apparel Market – Aiming for \$200 Bn in next 5 Years

Dr. Ashwin Thakkar expresses that the country is slowly shifting focus from Cotton Centric to Synthetic Centric which is in line with the Global Market.



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The Global Textile and Apparel trade is showing good recovery after the pandemic. The global Market has been steadily achieving CAGR of 3% except 2020 where the trade was hit and 8% CAGR was recorded. Apparel sector has maintained its first position throughout with a share of more than 50% of the total global trade in 2020 and is expected to reach to 60% in 2022. Most of the prominent textile and apparel countries are expected to hover around single digit CAGR but China and India are expected to achieve double digit CAGR for at least a decade.

India's textile and apparel trade has been steadily moving at a CAGR of 9 to 10 % except for 2020. The trade is expected to touch \$200 billion in next 5 years.

Again Apparel forms about 50-60% share of the total of T & A business. T & A exports are expected to show 28% hike in 2021 YoY 2020-21. Also it is expected to cross \$60 bn by 2025 from a current value of \$40 bn.

India has been ranked very high as far as the trade of spun yarn, both natural and blended and home textile is concerned. Yarn, Home textile and apparel form the major portion of export from India. In Technical Textile segment too, India has been steadily moving ahead at a CAGR of double digit.

Reasons to achieve higher ranking

- India is self-sufficient in the entire supply chain of textile manufacturing. India is leading manufacturer of two main fibres viz. cotton and polyester.
- Cost of manufacturing is still at a competitive rate in India leading to shift of business to India.
- India has the largest population of young generation. Female workforce is also rising in the country. These factors coupled with increasing urbanization will be major driving forces for growth of domestic market.
- Rising income levels in India has resulted in more population shifting from deprived to aspirers, seekers and strivers. So there is more disposable income available.
- Pradhan Mantri Mega integrated Textile Region and Apparel (PM- MITRA) parks have an aim to support establishment of 7 mega textile parks.
- The National Technical Textiles Mission will be active till 2023-24 with an estimated expense of Rs. 14.80 bn for the betterment of the textile industry.

Some of the hindrances

- Technical textile manufacturing is lacking support from research and development. Also there is problem of availability of some of the high performance fibres which are still imported.
- Global Political situation is passing through turmoil recently. This will affect geopolitical balance and trade related with it.
- Recently it has been seen that the cotton prices have become highly volatile. This may force shift from cotton to manmade fibres. But in India, since we have large production of cotton, we need to look at it holistically.
- The production rate per worker is comparatively lower as per global standard.
- There is dire need to strengthen R & D sector both at public and at private level.

Way Forward

Recent pandemic, has laid the road for increased awareness towards hygiene, health & medical textile products. This sector has great growth potential. Technical Textile as a whole is likely to be the growth engine for T & A industry. Recent move by Gol to provide support to educational institutes for starting

course on technical textile is praise worthy. Change in fibre mix will make India a leader in the global textile industry.