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MARC Insights Textile Industry Overview

March 2024



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Industry Overview

Textile Industry in India

*The Domestic Apparel and Textile Industry in India contributes to **2.3% of the country's GDP, 13% to Industrial Production and 12% to Exports.***

2nd



Largest consumers and producers of **Cotton** and **Jute** in the World

2nd



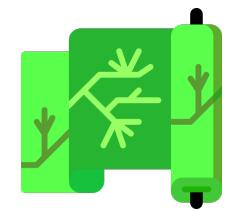
Largest source of **Employment** after agriculture, providing jobs to appr. **45 million** people

2nd



Largest manufacturers of **PPE** and producer of **Polyester** in the world

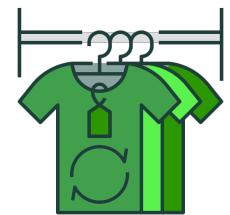
2nd



Largest producers of **Silk** in the world

It is the only industry that has generated huge employment for both skilled and unskilled labor. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment.

3rd



Largest exporter of **Textiles** and **Apparel**

Source: [investindia](http://investindia.gov.in)

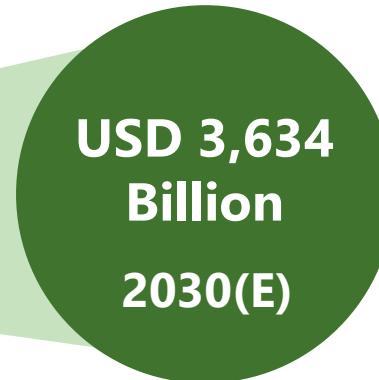
Market and Growth Trends

Market Size and Growth Drivers – Globally

Industry Growth



CAGR: 7.6%



53.4%



72.4%

Market share in 2023 was held by Asia-Pacific, reflecting the rising sales of apparel and clothing items in the region.

Worldwide sales in 2023 were commanded by fashion category, driven by the increasing consumer expenditure on textile and clothing.

Global Textile Key Market Trends



Sustainable and Eco-friendly Textiles



Digitalization and Automation



Customization and Personalization



Rise of Athleisure and Performance Textile

Source: [fibre2fashion](#), [skyquestt](#).

Market Size and Growth Drivers - India



Industry Trends



Branded Garments

Combination of exclusive brand stores and multi- brand outlets



Man-Made Fibers

Carpets, conveyor belts, fire-resistant materials



Textile Machinery Manufacturing

Across segments such as spinning, knitting, weaving and processing



Non-Woven Fabrics

Advantageous non -woven fabrics: Less labour, quicker production, hygienic, economical.

Growth Drivers



Presence of world class infrastructure



Increased focus on technical textile



Abundance of raw material and availability of skilled manpower.



Presence of entire value chains and large and growing domestic market



Competitive manufacturing costs and organized landscape and e-Commerce.



Rising per Capita income, higher disposable income and preferences for brands

Source: [investindia](#)

Government Policies

Government Policies and Initiatives (1/2)



Mega Investment Textile Parks (MITRA) (Launched in 2022)

- The 2021 Union Budget introduced the scheme (MIRA), which would aim to provide an unprecedented leverage to the textile industry in India.
- The chief goals of the scheme is to aid the industry in becoming globally competitive , boost employment opportunities, draw huge investment and accelerate exports.



Foreign Direct Investment (FDI) (Launched in 2000)

- The Government of India welcomes 100% FDI in the textile industry under the automatic route, which means the investors or the concerned company does not require any prior approval for Government or RBI for direct investment of 100%.
- The amount of investment brought through FDI in the textile sector from 2017-2022 was USD 1,522 million. It is expected to continue supporting the industry in the future.



Amended Technology Upgradation Fund Scheme for Textile Industry (ATUFS) (Launched in 2016)

- The old machinery and technologies used in the textile industry can affect productivity and safety. ATUFS is designed to provide stimulus to entrepreneurs and business owners for upgrading technologies.
- A one-time capital subsidy will be offered to SME's, small and large business owners from Technical textile, Garments, and Weaving.
- The Central Government will provide 15% subsidy to garment, apparel and technical textile sectors.

Source: textilevaluechain

Government Policies and Initiatives (2/2)



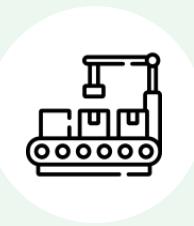
Sustainable and Accelerated Adoption of efficient Textile technologies to Help small Industries (SAATHI) (Launched in 2018)

- Under this initiative, Small, Medium Power loom units will be provided with energy efficient power looms, motors, and rapier kits at no advance costs by Energy Efficient Service Limited (EESL), which is a Public Sector Undertaking under the Ministry of Power.
- Use of this efficient equipment results in energy saving that in turn, leads to cost saving to the owners of the unit. This helps the owner repay the equipment cost to EESL in installment over a period of 4 to 5 years.



Merchandise export from India Scheme (MEIS) (Launched in 2015)

- MEIS and Service Exports from India Scheme (SEIS) are two scheme for export of merchandise and services which has been designed with the goal of making India's export products more competitive in the global markets.
- The Government has provided rewards to exporters to counterbalance infrastructural efficiencies and associated costs involved and to supply exporters with a level field.



Production Linked Incentive (PLI) (Launched in 2020)

- The Central purpose of the PLI scheme with respect to the textile industry is to make the manufacturing sector globally competitive, with a particular focus on Man-Made Fiber apparels and Technical Textile.
- An incentive of 3% to 15% is to be offered to the manufacturers for incremental turnover for the next 5 years.

Source: textilevaluechain

Consumer Trends

Consumer Trends on Textile Industry

Shift Towards Sustainable Textile



- Increasing awareness about environmental issues has led consumers to prioritize sustainability in their purchasing decision.
- Consumers are seeking transparency in the supply chain, wanting to know where and how their garments are produced.

Rise of Fast Fashion and Slow Fashion Movement



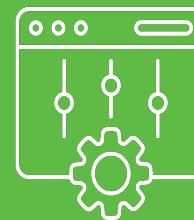
- Consumers are becoming more aware of the negative impact of fast fashion on the environment, leading to a shift towards more sustainable and ethical fashion choices.
- Encouraging consumers to invest in long-lasting garments rather than disposable fashion.

E-Commerce and Online Shopping



- E-commerce platforms and mobile shopping apps provide consumers with convenience and accessibility, enabling them to shop for textiles from the comfort of their homes.
- Social media influencers and bloggers play a significant role in shaping consumer preferences by showcasing and promoting various textile products to their followers.

Demand for Customization and Personalization



- Consumers are seeking unique and personalized experiences, driving the demand for customizable textile products that cater to individual preferences.
- Brands are offering made-to-order services, allowing customers to personalize their clothing items in terms of style, fit, color, and design.

Influence of Technology on Consumer Preference



- Virtual reality is being used by brands to offer virtual try-on experiences, allowing consumers to visualize how a garment will look.

Source: [linkedin](#)

Leading States in India

Leading States in Textile Industry

Top Textile and Clothing Manufacturing states in India along with their Product Specialization

Rajasthan
Traditional block printing and handloom textiles

Gujarat
Cotton Textile, Denim

Maharashtra
Readymade Garments

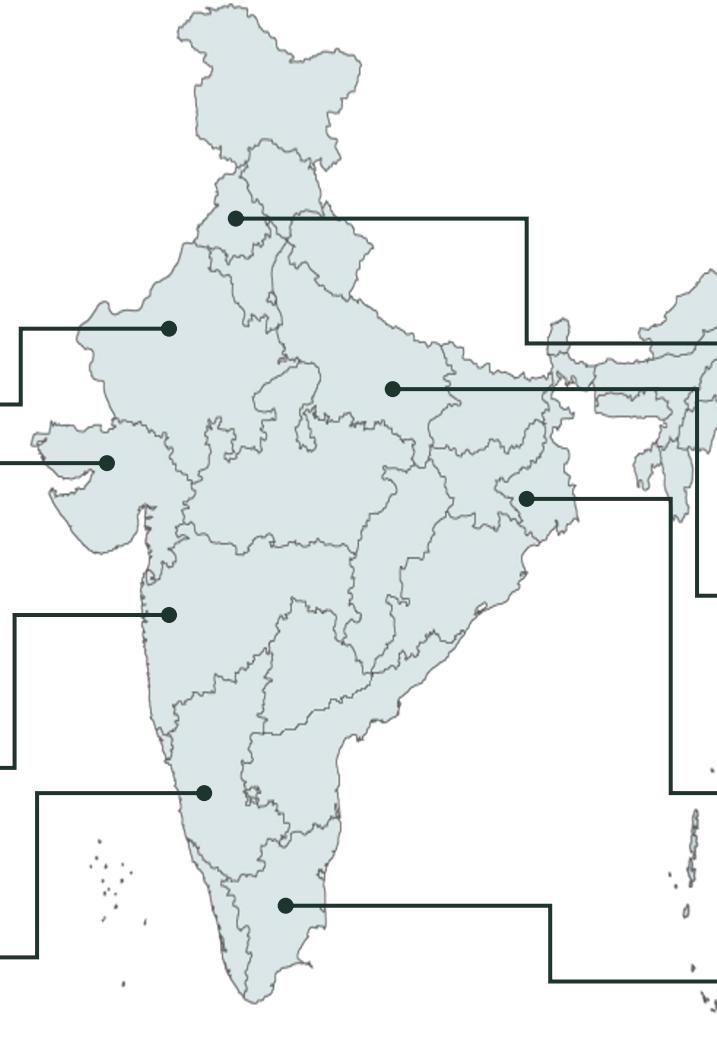
Karnataka
Cotton Textile, Silk Sarees, Readymade Garments

Punjab
Hosiery and woollen textile

Uttar Pradesh
Leather Goods, Traditional Textiles

West Bengal
Silk Textile

Tamil Nadu
Knitwear, Home Textile, Woven Fabrics, Viscose Fabrics, Silk Sarees



Source: which-states-manufacture-cloth-in-india/

Major Player – Tamil Nadu

The Textile industry is one of the traditionally well-developed industries in Tamil Nadu. It has major share in the Indian Textile industry in terms of production and export of **fabrics, knitwear and garments**. Tamil Nadu contributes **30%** of India's share in exports.

Coimbatore

- Known as the "Manchester of South India". It is the textile hub in Tamil Nadu.
- Specializes in textile machinery manufacturing, spinning mills, and textile processing units.
- Home to a large number of textile mills.

Tirupur

- Renowned as the "Knitwear Capital of India," It is famous for its knitwear and hosiery industry.
- Specializes in the production of cotton T-shirts, garments, and other knitwear products.
- Major hub for textile exports.

Erode

- Known for its cotton production.
- Specializes in cotton trading, yarn production, and fabric weaving.
- Houses a large number of textile mills and trading centers.

Karur

- Recognized as the "Textile Capital of South India," Karur is famous for home textiles and furnishings.
- Specializes in the production of bed linens, curtains, table linens, and other home textile products.
- A major center for textile exports.

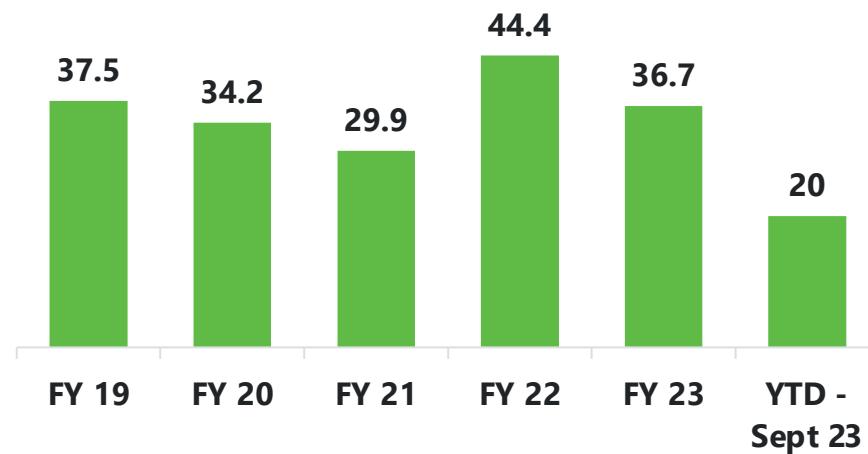


Source: which-states-manufacture-cloth-in-india/

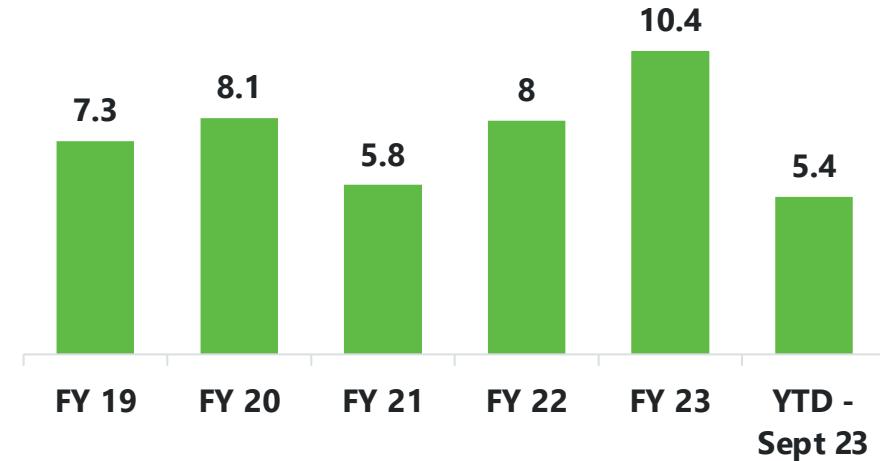
Textile Trade in India

Textile Trade Dynamics: Exports and Imports in India

**Value of Textile Exported in India
(in USD Billion)**



**Value of Textile Imported in India
(in USD Billion)**



- India is the **3rd** largest exporter of Textiles & Apparel in the world. India's textiles and clothing industry is one of the mainstays of the national economy.
- Major textile and apparel export destinations for India are USA, EU-27 and UK, accounts for approximately 50% of India's textiles and apparel exports.
- India is importing raw wool from many countries. The top four import markets are Australia, New Zealand, China, Turkey etc.

Source: [ibef](#)

Bharat Tex 2024 - India's Textile Export

Bharat Tex served as a premier global textile event held in India, featuring exhibitions, knowledge sessions, G2G meetings, B2B networks, MoU signings, product launches, thematic pavilions, and more. It took place from February 26th to 29th 2024 at Bharat Mandapam and Yasho Bhoomi, New Delhi and was inaugurated by PM Narendra Modi.

Vision of Bharat Tex 2024

1. Mega Outreach Platform covering entire textiles value chain
2. Knowledge Sessions and Roundtables
3. High Level Deliberations amongst key Global Stakeholders
4. Exhibition and Reverse BSMs



Takeaways from Bharat Tex 2024

1. Bharat Tex 2024 was designed to attract top level policy makers, business CEOs, textile thought leaders, international networks, designers and master crafts persons.
2. It will facilitate businesses and institutions to explore sourcing opportunities and engagements in cutting edge areas such as sustainable supply chains, evolving global models and manufacturing advances.

Source: bharat-tex

Objectives of Bharat Tex 2024

With the objectives of promoting India's textile prowess, fostering international collaborations, and stimulating economic growth, Bharat Tex 2024 aims to propel the Indian textile industry to new heights.

1. Circular Economy and Sustainability
2. Entire Textile Value Chain
3. Global Supply Chain
4. Innovation and R&D in Textile
5. Smart Manufacturing
6. Future of Retail and Apparel



7. Country Sessions
8. State Sessions
9. Startups and Entrepreneurship
10. Standards and Guidelines
11. Workshops and Masterclasses
12. Investors Discussions

Source: [bharat-tex](http://bharat-tex.com)

Competitors Analysis

KPI in Comparisons – Top 5 Players

					
Revenue (USD million)	1,006	969	759	277	269
Ranking by CRISIL	AA+	AA+	AA	AAA	AA-
Business Tenure	99 Years	90 Years	34 Years	77 Years	46 Years
EBITDA Margin	15.9%	9.8%	6.6%	14.5%	16.5%
No. of Employees	1,961	15,226	13,750	24,455	1,269
No. of Manufacturing Units	4	15	3	3	4
Products	Suits, Formal Blazers, Formal Trouser	Cotton shirting, Denim, Knits, Khaki	Terry towel, Bed sheets, Yarn	Viscose staple fibre, Filament yarn	Polyester Viscose, Cotton, Wool, Yarn

Source: MARC Analysis

KPI in Comparisons – Top 5 Players

					
Revenue (USD million)	46.4	43.2	34.1	33.1	3.2
Business Tenure	31 Years	45 Years	30 Years	14 Years	43 Years
EBITDA Margin	1.5%	8.3%	13.2%	7.2%	9.9%
No. of Employees	335	2,072	382	346	180
No. of Manufacturing Units	3	3	3	5	1
Products	Polyester and Nylon textured covered yarns	Polyester/acrylic blended spun fibre-dyed yarn	Knitted fabric and Garments	Slub yarns, multi count, cottons	Suiting, shirting and apparel

Source: MARC Analysis



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