



TEXTILES AND APPAREL

November 2010

Contents

- ❖ **Advantage India**
- ❖ Market overview
- ❖ Industry infrastructure
- ❖ Investments
- ❖ Policy and regulatory framework
- ❖ Opportunities
- ❖ Industry associations

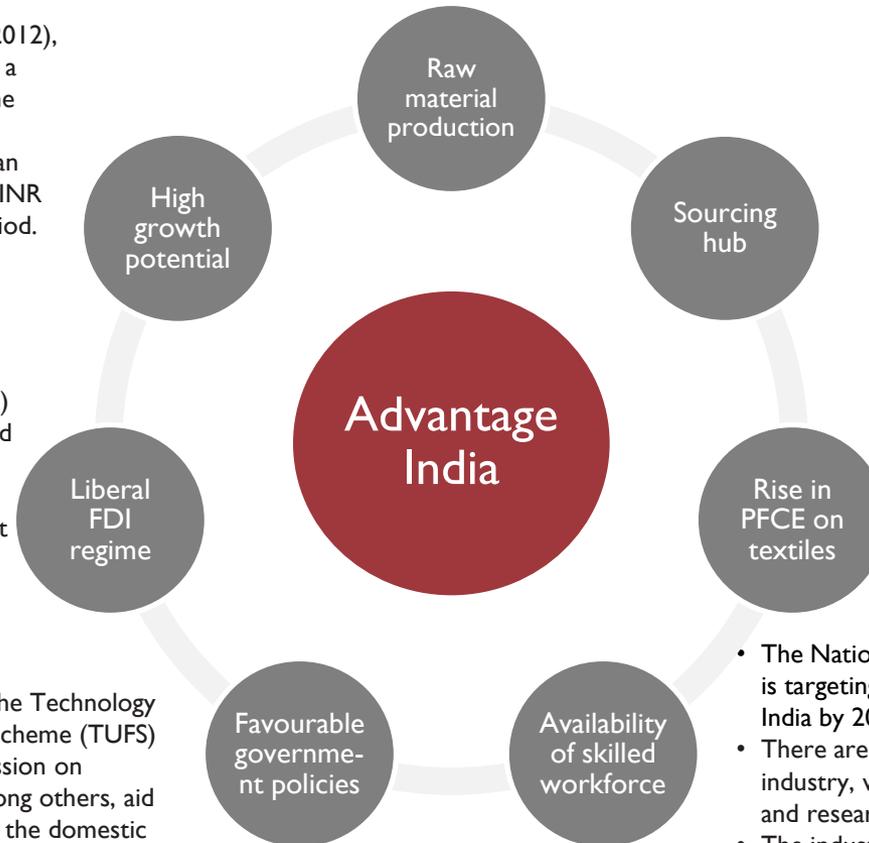
Advantage India

India has the largest area under cotton cultivation — 9 million hectares — constituting 25 per cent of the world’s total cultivation area. India is the second-largest producer of silk in the world.

Under the Eleventh Plan (2007–2012), the Planning Commission has set a growth rate of 16 per cent for the garments, technical textiles and processing segments, projecting an investment of US\$ 31.37 billion (INR 1,506 billion) during the Plan period.

- Foreign direct investment (FDI) of up to 100 per cent is allowed in the textiles sector through the automatic route.
- The Ministry of Textiles has set up an FDI cell at the Economic Division to attract FDI in the sector.

Initiatives, such as the Technology Upgradation Fund Scheme (TUFS) and Technology Mission on Cotton (TMC), among others, aid the development of the domestic industry and attract potential investors.



Several international retail players, such as Marks & Spencer, Haggard Clothing, Kellwood, Little Label and Boules Trading Company, are using India as a key global sourcing destination.

- The demographic, economic and social factors such as high disposable incomes, more number of working women, younger population etc. have contributed to the rise in Private Final Consumption Expenditure (PFCE) on clothing.
- The PFCE on clothing stood at US\$ 20,742 million in 2007–08 and had grown with a CAGR of 6.8 per cent over the last five years.
- The National Skill Development Corporation (NSDC) is targeting creation of 150 million skilled workforce in India by 2022 for sustaining high economic growth.
- There are several centres of excellence in the textile industry, which can provide an impetus to academics and research in the industry.
- The industry employs Engineers, Diploma holders, CAs, MBAs and also people who have done basic schooling.

Sources: Ministry of Textiles 2009–10 annual report; “Note on sericulture and the silk industry,” Ministry of Textiles; “Human resource and skill requirements in the textile sector,” NSDC India website, <http://www.nsdcindia.org/pdf/Textiles-Clothing.pdf>, accessed 19 November 2010

Contents

- ❖ Advantage India
- ❖ **Market overview**
- ❖ Industry infrastructure
- ❖ Investments
- ❖ Policy and regulatory framework
- ❖ Opportunities
- ❖ Industry associations

Market overview

- The textiles industry accounts for 14 per cent of the total industrial production in India and 17 per cent of the country's export earnings
- At current prices, it accounts for 4 per cent of the country's GDP — US\$ 51.36 billion.
- The textiles segment, comprising cotton, wool, silk, manmade and jute textiles and textile products, has grown by 7.5 per cent between April and November 2009, as compared with 1 per cent in the same period in 2008.
- The industry provides direct employment to more than 35 million people and is the second-largest employment generator after agriculture.

Sources: Ministry of Textiles 2009–10 annual report; Chapter 9, Economic Survey 2009–2010; “Aspects of textile industry for the month of September 2010,” Ministry Of Textiles.

Market segments

The textiles and apparel industry can be broadly divided into two segments:

- Yarn and fibre (including natural and manmade fibre and yarn)
- Processed fabrics (including woollen textiles, silk textiles, jute textiles, cotton textiles and technical textiles), readymade garments (RMGs) and apparel

Key segments of the textiles industry



* Including cotton, jute, silk, wool and manmade fibres

Yarn and fibre segment

- Woollen textiles
- Silk textiles
- Jute textiles
- Technical textiles

Source: Ernst & Young research

Yarn and fibre segment

- There are two types of fibre and yarn — natural and manmade.
- Natural fibre includes cotton, wool, hemp and flax.
- India has the largest area under cotton cultivation (9 million hectares), constituting 25 per cent of the total area under cotton cultivation in the world.
- Wool, silk and manmade textiles segments collectively posted 13 per cent growth between April and November 2009.
- As on 31 October 2009, there were a total of 1,834 non-small scale industry (SSI) spinning and composite mills in the country, with a total installed capacity of 37.07 million spindles, 489,718 rotors and 56,526 looms.

Production of natural fibre

Type	Units	Production
Cotton	million bales	29 (2008–09)
Raw wool	million kg	45.2 (2007–08)
Raw silk	million kg	18.37 (2008–09)

Sources: Ministry of Textiles 2009–10 annual report; Note on man-made fibre and filament yarn industry, Ministry of Textiles; Textile Industry Overview, Ministry of Textiles; Economic Survey 2009–2010.

Yarn and fibre industry segment

- Manmade fibre is synthetically produced using fibre-forming chemical substances.
- The total production of manmade staple fibre and manmade filament yarn in 2009–2010 was 1,270 million kg* and 1,524 million kg*, respectively.
- Of the total consumption of 6.60 billion kg of fibre (including cotton and manmade) in 2009–2010, 2.84 billion kg (43 per cent) was manufactured by the manmade fibre/yarn segment.

Sources: Ministry of Textiles 2009–10 annual report; Note on man-made fibre and filament yarn industry, Ministry of Textiles.

* Provisional estimates

Production of manmade fibre/filament yarn

Type	Production (million kg) 2009–2010
Staple fibre	
Polyester	871
Viscose	301
Acrylic	95
Polypropylene	3
Filament yarn	
Polyester	1,436
Viscose	43
Nylon	30
Polypropylene	15

Fabric production

- 54,966 million sq m* of fabric (including khadi, wool and silk) was produced in 2008–09.

Fabric production in different segments (2008–09) in million sq m

Sector	Cotton	Blended	100 per cent non-cotton (including khadi, wool and silk)
Mill	1,259	426	111
Handloom	5,840	118	719
Decentralised power loom	9,621	4,764	19,263
Decentralised hosiery	10,178	1,458	441

Sources: Ministry of Textiles 2009–10 annual report; “Textile industry overview,” Ministry of Textiles.

* Provisional estimates

Processed fabric, RMG and apparel

- The production of RMGs and apparel from processed fabric is the final stage in the production process of textiles.
- The textiles produced at this stage after processing include
 - Woollen textiles
 - Silk textiles
 - Jute textiles
 - Technical textiles
- In terms of production, textile products registered high growth of 9.9 per cent between April and November 2009, while cotton textiles registered a 3.2 per cent growth during the same period.
- The production of textile fabrics increased by 10.7 per cent between April and November 2009, with the hosiery segment registering the highest growth of 12.8 per cent during this period.

Source: Economic Survey 2009–2010.

Processed fabric, RMG and apparel

Major textile production clusters in India

Product	State/Key cluster
Woollen knitwear	Punjab (Ludhiana)
Handloom, made-ups	Haryana (Panipat)
Handblock printing, apparel manufacturing	Rajasthan (Sanganer)
Hand processing	Rajasthan (Jodhpur)
Defence-related textiles	Uttar Pradesh (Kanpur)
Powerloom weaving and processing	Gujarat (Surat)
Cotton hosiery	West Bengal (Kolkata)
Powerloom towels and blankets	Maharashtra (Sholapur)
Cotton ginning	Andhra Pradesh (Guntur)
Home furnishings	Kerala (Kannur)
Cotton knitwear	Tamil Nadu (Tirupur)
Powerloom, handloom, home furnishing	Tamil Nadu (Coimbatore)
Surgical textiles	Tamil Nadu (Madurai)

Source: "India in the Global Textiles Ecosystem," 2007, Ernst & Young, CII

Woollen textiles ... (1/2)

- The woollen textiles segment provides employment to nearly 2.7 million people across India.
- India is the seventh-largest producer of wool and contributes 1.8 per cent to the total wool production in the world.

Estimated production of woollen items (2007–08)

Woollen item	Unit	Production
Wool tops	million kg	37
Fabric (woollen worsted)	million metres	85
Blankets (shoddy/woollen)	million pieces	18
Shoddy fabric	million metres	33
RMG (knitwear/ woven wear and goods)	million kg	19
Hand-made carpets	million sq m	11
Machine-made carpets	million sq m	00.50

Source: Ministry of Textiles 2009–10 annual report.

Woollen textiles ... (2/2)

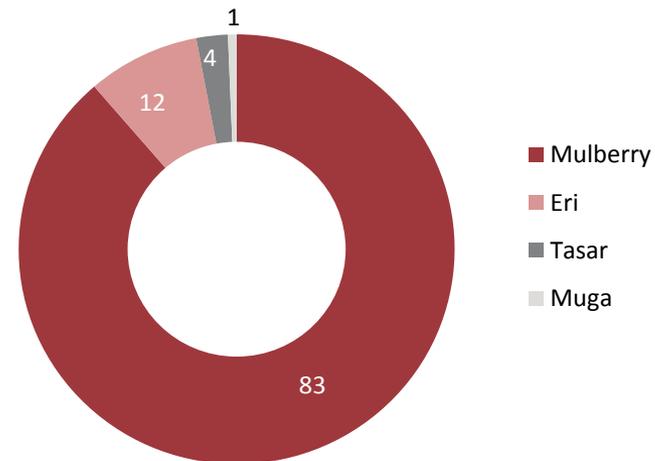
- The industry comprises both organised and decentralised sectors
 - Organised sector
 - Composite mills
 - Combing units
 - Worsted and non-worsted spinning units
 - Knitwear and woven garment units
 - Machine-made carpet manufacturing units
 - Decentralised sector
 - Hosiery and knitting units
 - Powerloom units
 - Hand-made carpets and druggets units
 - Independent dyeing and process houses

Silk textiles

- Sericulture is a labour-intensive cottage industry, providing employment to 6.3 million people in the country.
- India is the second-largest producer of silk (after China), with a production of 19,690 MT of silk in 2009–2010 (15.5 per cent of the world’s silk production).
- India produces four varieties of silk (2009–2010)
 - Mulberry (16,322 MT)
 - Eri (2,460 MT)
 - Tasar (803 MT)
 - Muga (105 MT)
- In 2009–2010, the top five silk-producing states in India were Karnataka (7,360 MT), Andhra Pradesh (5,137 MT), West Bengal (1,915 MT), Assam (1,519 MT) and Tamil Nadu (1,233 MT).

MT: Metric Tonnes

Production of silk varieties (2009–2010, in per cent)



Sources: Ministry of Textiles 2009–10 annual report; Note on Sericulture and Silk Industry, Ministry of Textiles.

Jute textiles

- The jute industry provides direct employment to about 260,000 industrial workers and livelihood to another 140,000 people in tertiary and allied activities.
- The production of raw jute between July 2008 and June 2009 has been estimated at 8.2 million bales (1.47 billion kg).
- There are 78 composite jute mills in India, of which about 78 per cent (61 mills) are located in West Bengal. The remaining mills are in Bihar, Uttar Pradesh, Andhra Pradesh, Assam, Orissa, Tripura and Chhattisgarh.
- Installed capacity in jute mills, other than 100 per cent export-oriented units (EOUs), was estimated at 2.56 MTPA in 2008–09.
- The total quantity of jute goods produced in 2008–09 was estimated at 1.63 MT.

Sources: Ministry of Textiles 2009–10 annual report; “Production of jute goods,” Office of the Jute Commissioner; “Note on the jute and jute textiles industry,” Ministry of Textiles.

MT: Metric Tonnes per annum

Technical textiles ... (1/3)

- Technical textiles are textile material and products manufactured primarily for their technical performance and functional properties.
- The market size of technical textiles in India was estimated at US\$ 8.3 billion (INR 398.76 billion) in 2007–08.
- The industry largely uses synthetic fibre and yarn as raw material.

Source: “Domestic technical textiles industry,” Ministry of Textiles

Technical textiles ... (2/3)

- Major technical textiles being manufactured include
 - Buildtech — building and construction (awnings, canopies)
 - Clothtech — functional apparel and footwear
 - Protech — personal and property protection (functional clothing such as firefighters' uniforms)
 - Agrotech — agriculture, horticulture, forestry (crop shades)
 - Hometech — components of furniture, household textiles and floor coverings (blinds, upholstery)
 - Meditech — hygiene and medical (diapers, surgical dressings, contact lenses)
 - Mobiltech — seat upholstery, seatbelts in automobiles, shipping, railways and aerospace
 - Oekotech — products for environmental protection
 - Geotech — geotextiles, civil engineering
 - Packtech — packaging material
 - Indutech — filtration products, conveyor belts
 - Sportech — sport and leisure (shoes, sports equipment)

Source: "Domestic technical textiles industry," Ministry of Textiles

Technical textiles ... (3/3)

- India is a large manufacturer of products in the packtech, clothtech, hometech and sportech segments.
- Key domestic players in this industry include SRF, Entremonde Polycoaters, Kusumgarh Corporates, Supreme Nonwovens Pvt Ltd, Garware Wall Ropes, Century Enka, Techfab India Ltd, Ahlstrom, Pacific Non Woven, Vardhman and Unimin.
- Key foreign players include Johnson & Johnson, Du Pont, Procter & Gamble, 3M, SKAPs and Kimberly Clark.
- The industry is still largely untapped and has immense potential to attract further investments. The Working Group for the Eleventh Five Year Plan (2007–2012) has estimated the market size of technical textiles to reach US\$ 10.87 billion (INR 522 billion) by 2011–12.

Sources: “Baseline Survey of the Technical Textiles Industry of India,” Office of the Textiles Commissioner, 2009; Note on technical textiles, Ministry of Textiles.

EXIM scenario — exports

Textiles and apparel industry exports, valued at US\$ 22.05 billion (INR 1,058.64 billion), contributed about 12.5 per cent to the country's total exports in 2009–2010.

Export item	Export value (2009–2010) US\$ billion (INR billion)	Share in total textiles exports (in per cent)
Cotton textiles	5.62 (269.87)	25.49
Manmade textiles	3.91 (187.55)	17.72
Silk textiles	0.59 (28.32)	2.68
Wool and woollen textiles	0.47 (22.63)	2.14
RMG	9.90 (475.25)	44.89
Handicrafts (including carpets)	0.93 (44.71)	4.22
Jute	0.22 (10.43)	0.98
Coir and coir products	0.16 (7.59)	0.72
Handloom products	0.26 (12.29)	1.16

Source: "Textiles exports," Ministry of Textiles.

EXIM scenario — imports

Total textiles imports into India in 2009–2010 were valued at US\$ 3.39 billion (INR 162.82 billion).

Import item	Import value (2009–2010) US\$ billion (INR billion)	Share in total textiles imports (per cent)
Raw material	0.71 (34.15)	20.97
Semi-raw material	0.85 (40.93)	25.14
Yarn, fabrics	1.54 (74.08)	45.50
RMG	0.11 (5.10)	3.13
Made-up textiles articles	0.18 (8.49)	5.21

Source: “Textiles imports,” Ministry of Textiles

Key players ... (1/2)

Company	Turnover (2009–2010) US\$ billion (INR billion)	Business areas
Welspun India Ltd	1.53 (73.5)	Home textiles, bathrobes, terry towels
Vardhman Group	0.7 (33.9)	Yarn, fabric, sewing threads, acrylic fibre
Alok Industries Ltd	0.89 (43.1)	Home textiles, woven and knitted apparel fabric, garments and polyester yarn
Raymond Ltd	0.53 (25.7)	Worsted suiting, tailored clothing, denim, shirting, woollen outerwear
Arvind Mills Ltd	0.68 (32.79)	Spinning, weaving, processing and garment production (denims, shirting, khakis, knitwear)
Bombay Dyeing & Manufacturing Company Ltd	0.34 (16.43)	Bed linen, towels, furnishings, fabric for suits, shirts, dresses and saris in cotton and polyester blends
Garden Silk Mills Ltd	0.52 (25.15)	Dyed and printed fabric

Key players ... (2/2)

Company	Turnover (2009–2010) US\$ billion (INR billion)	Business areas
Mafatlal Industries Ltd	0.03 (1.32)	Shirting, poplins, bottomwear fabrics, voiles
Aditya Birla Nuvo, a diversified conglomerate of the Aditya Birla Group, comprising three divisions — Madura Garments, Jayashree Textiles and Indian Rayon	3.4 (155.0) (consolidated revenues for Aditya Birla Nuvo)	Madura Garments — lifestyle market (Louis Philippe, Van Heusen, Allen Solly, The Collective) Jayashree Textiles — domestic linen and worsted yarn Indian Rayon — viscose filament yarn
ITC Lifestyle	0.75 (36.4) (total FMCG business)	Lifestyle market
Reliance Industries Ltd	42.35 (2,033) (total group)	Fabric, formal menswear

Source: Relevant company websites and annual reports

Key trends

Sourcing

There has been a surge in textile sourcing from India, with the market estimated to grow to US\$ 37 billion by 2011. India's abundant supply of raw material, such as cotton, silk and jute, is a major driver for international retail players to use India as their sourcing base. Companies, such as Marks & Spencer, Haggard Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International and Quest Apparel Inc, have opened liaison offices in India. Wal-Mart, JC Penny, Nautica, Docker and Target source textiles and apparel from India.

Establishment of institutes and training centres in PPP mode

The Ministry of Textiles has undertaken an initiative to establish institutes under the public-private partnership (PPP) model to encourage private sector participation in the development of the industry.

Sources: India in the Global Textiles Ecosystem 2007, Ernst & Young & CII; Note on technical textiles, Ministry of Textiles.

Contents

- ❖ Advantage India
- ❖ Market overview
- ❖ **Industry infrastructure**
- ❖ Investments
- ❖ Policy and regulatory framework
- ❖ Opportunities
- ❖ Industry associations

Industry infrastructure ... (1/2)

Name of SEZ and status	State	Area (hectares)	Sector	Developer/Promoter	Details
Mahindra City SEZ (Functional)	Tamil Nadu	607.05	Apparel and fashion accessories	Mahindra Group and Tamil Nadu Industrial Development Corporation (TIDCO)	Mahindra City is India's first integrated business city, divided into business and lifestyle zones. The business zone provides plug-n-play working spaces. This zone comprises a special economic zone (SEZ) (primarily for exporters) and a domestic tariff area (DTA) for companies that are targeting the domestic market. The lifestyle zone offers residential units, schools, medical centres, malls, business hotels and recreation facilities. Customers include B. Braun, BMW, CapGemini, Infosys Technologies, Lincoln Electric, Renault-Nissan, Timken, TVS Group and Wipro.
Surat Apparel Park (Functional)	Gujarat	56	Textiles	Gujarat Industrial Development Corporation (GIDC)	Key industrial units include Safari Exports, Venus Garments, Benchmark Clothings, P. K. International, Tormal Prints, J.R. Fashion and Ganga Export.

Industry infrastructure ... (2/2)

Name of SEZ and status	State	Area (hectares)	Sector	Developer/ Promoter	Details
Brandix India Apparel City (BIAC) (Functional)	Andhra Pradesh	404.7	Textiles	Brandix India Apparel City Pvt Ltd	Integrated apparel supply chain city. BAIC has 60 million litres of water per day available and has one of the most advanced effluent treatment systems in the region. The city also has a dedicated 200 MW power sub-station.
Karnataka Industrial Areas Development Board (KIADB) (Functional)	Karnataka	-	Textiles	Karnataka Industrial Areas Development Board (KIADB)	

Sources: Relevant SEZ websites

In addition to the four functional SEZs, there are 13 in-principle approved, 19 formally approved and 12 notified SEZs in India.

Sources: "SEZs : Sectorwise distribution", SEZs in India, Ministry of Commerce.

Contents

- ❖ Advantage India
- ❖ Market overview
- ❖ Industry infrastructure
- ❖ **Investments**
- ❖ Policy and regulatory framework
- ❖ Opportunities
- ❖ Industry associations

Investments

- An FDI cell has been set up in the Economic Division of the Ministry of Textiles to attract FDI in the textile sector.
- The cumulative FDI in this sector (between April 2000 and August 2010) has been valued at US\$ 861.26 million.
- A key deal in 2009 was S. Kumars Nationwide Limited's (SKNL) acquisition of select assets of US-based Hartmarx Corporation (HMX) in a deal valued at about US\$ 120 million.

M&A scenario — details

Period: January 2009 to August 2010	
Deal type	No of deals
Domestic	16
Outbound	1
Inbound	1

Source: Bloomberg and Thomson ONE Banker

Sources: "Factsheet on FDI," Department of Industrial Policy and Promotion (DIPP) website, www.dipp.nic.in, accessed 3 November 2010; "The Hartmarx Corporation acquisition," SKNL website, www.sknl.co.in, accessed September 2009

Contents

- ❖ Advantage India
- ❖ Market overview
- ❖ Industry infrastructure
- ❖ Investments
- ❖ **Policy and regulatory framework**
- ❖ Opportunities
- ❖ Industry associations

Policy and regulatory framework ... (1/7)

The Ministry of Textiles is responsible for policy formulation, planning, development, export promotion and trade regulation in the textile sector. This includes all natural and manmade cellulosic fibre used to make textiles, clothing and handicrafts.

National Textile Policy, 2000 — The policy was introduced for the overall development of the textiles industry.

The key areas of focus include

- Technological upgrades
- Enhancement of productivity
- Quality consciousness
- Strengthening of raw material base
- Product diversification
- Increase in exports and innovative marketing strategies
- Financing arrangements
- Increasing employment opportunities
- Integrated human resource development

Policy and regulatory framework ... (2/7)

Technology Mission on Cotton (TMC), 2000 — The scheme was introduced to address concerns around the cotton production and processing sectors and to put the cotton economy on a sound footing. Initially meant to be phased out at the end of the Tenth Five Year Plan (2002–07), the scheme's Mini Mission* – iii and iv has been further extended into the Eleventh Plan for two years in order to achieve certain targets.

*Mini Mission: The Government launched TMC in 2000 with four Mini Missions for achieving the objectives. Each Mission has a separate department as its nodal agency. While Mini Mission 1 & 2 had Indian Council of Agricultural Research, and Ministry of Agriculture and Cooperation as their nodal agencies, respectively, Mini Missions 3 & 4 both have Ministry of Textiles as the nodal agency. Objective of Mini Mission 3 is to improve marketing infrastructure through setting up new market yards and improvement of existing yards. Objective of Mini Mission 4 is the modernisation and technological upgradation of existing ginning and pressing factories.

National Jute Policy, 2005 — The policy aims to develop the jute industry and ensure high quality production, maximum employment and substantial contribution to economic growth.

Policy and regulatory framework ... (3/7)

Jute Technology Mission (JTM), 2006

The objectives of this programme include:

- Improving the yield and quality of jute fibre
- Strengthening the existing infrastructure for the development and supply of quality seeds
- Improving the quality of fibre through better methods of retting and extraction technologies
- Increasing the supply of quality raw material to the jute industry at reasonable prices and developing efficient market linkages for raw jute.
- Modernising, upgrading technology, improving productivity, diversifying and developing human resources for the jute industry
- Developing and commercialising innovative technology for the diversified use of jute and allied fibre

Policy and regulatory framework ... (4/7)

Development of mega cluster schemes

- Comprehensive Powerloom Cluster Development Scheme (CPCDS)
 - Formulated to assist entrepreneurs to set up world-class units with modern infrastructure, latest technology and adequate training and human resource development (HRD), along with appropriate market linkages.
- Comprehensive Handloom Cluster Development Scheme (CHCDS)
 - Formulated to address the challenges faced by weavers within the cooperative sector and outside, due to poor infrastructure in some clusters.
- Comprehensive Handicrafts Cluster Development Scheme (CHCDS)
 - Formulated to scale up infrastructural and production chain at handicrafts clusters which have remained unorganised, and raising living standards of poor artisans residing in far-flung areas

Policy and regulatory framework ... (5/7)

Technology Upgradation Fund Scheme (TUFS), (2007–2012)

TUFS was commissioned in 1999, initially for a period of five years, with the objective of modernising and upgrading the textiles industry by offering entrepreneurs credit at reduced rates. The scheme has been extended until 2012 because of the positive impact it had on the investment climate in the textiles industry.

Benefits of the scheme:

- A 5 per cent interest reimbursement of the normal interest charged by the lending agency on rupee term loan, or
- A 5 per cent exchange fluctuation (interest and repayment) from the base rate on foreign currency loan, or
- A 15 per cent credit-linked capital subsidy for the small scale industries (SSI) sector, or
- A 20 per cent credit-linked capital subsidy for the powerloom sector, or
- A 5 per cent interest reimbursement plus a 10 per cent capital subsidy for specified processing machinery

Policy and regulatory framework ... (6/7)

The textile industry segments that are eligible for concessional loans for technology upgrade requirements include:

- Spinning, cotton ginning and pressing
- Silk reeling and twisting
- Wool scouring and combing
- Synthetic filament yarn texturising, crimping and twisting
- Manufacturing of viscose filament yarn (VFY) or viscose staple fibre (VSF)
- Weaving or knitting, including non-wovens and technical textiles
- Garments, made-up manufacturing
- Processing of fibre, yarn, fabric, garments and made-ups
- Jute

Policy and regulatory framework ... (7/7)

Other government initiatives

- Scheme for Integrated Textile Parks, 2005

The scheme was introduced to neutralise the weakness caused due to fragmentation in various sub-segments of the textiles value chain and the unavailability of quality infrastructure.

Key objectives:

1. Provide world-class infrastructure facilities for setting up textile units
 2. Create new textile parks of international standards at potential growth centres
- The Eleventh Five Year Plan (2007–2012) outlay for the textiles and apparel sector has been fixed at US\$ 2.91 billion (INR 140 billion), which is almost four times the outlay decided in the Tenth Plan — US\$ 0.74 billion (INR 35.8 billion).
 - FDI of up to 100 per cent is allowed in the textiles sector through the automatic route.

Sources: Ministry of Textiles; Eleventh Five Year Plan (2007–2012), Planning Commission.

Contents

- ❖ Advantage India
- ❖ Market overview
- ❖ Industry infrastructure
- ❖ Investments
- ❖ Policy and regulatory framework
- ❖ **Opportunities**
- ❖ Industry associations

Opportunities ... (1/2)

Immense growth potential

- According to the Confederation of Indian Textile Industry (CITI), the Indian textiles industry has the potential to reach US\$ 110 billion by 2012.

Private sector participation in silk production

- The Central Silk Board has set a target of achieving 26,000 tonnes of raw silk production by 2011–12. It has also proposed to enlarge the area used for mulberry silkworm food plants to 0.25 million hectares, which is expected to lead to the production of an additional 6,400 MT of mulberry raw silk and to boost employment in the sector. To achieve these targets, alliances with the private sector, especially major agro-based industries in both the pre-cocoon and post-cocoon segments, is being encouraged.

Technical textiles set for growth

- The textiles industry complements the growth of several industries and institutions such as the defence forces, railways and government hospitals. These industries are the key institutional buyers of technical textiles. The packtech segment accounts for 38 per cent of the total technical textiles production in India (2007–08). The packtech industry includes the production of flexible packaging material for industrial, agricultural and consumer goods. Among the other technical textile segments, protech, oekotech, sportech and geotech have significant growth potential.
- The Working Group for the Eleventh Five Year Plan has estimated the market size of technical textiles to reach US\$ 10.6 billion in 2011-12 without any regulatory framework, and US\$ 15.16 billion with a regulatory framework in place.

Sources: Eleventh Five Year Plan (2007–2012), Planning Commission, Volume 3, p. 116, Annual Report 2009–10, Ministry of Textiles; Domestic technical textiles industry, Ministry of Textiles.

Opportunities ... (2/2)

Retail sector offers growth potential

- With consumerism and disposable income on the rise, the retail sector has witnessed rapid growth in the past decade. Several international retailers are also focussing on India due to its emergence as a potential sourcing destination.
- The share of organised retail in the total Indian retail trade pie is projected to grow at 40 per cent per annum. The current share of organised retail is estimated to be 5 per cent and is expected to expand to 14 –18 per cent by 2015. Further, the organised apparel segment is expected to grow at a compound annual growth rate (CAGR) of more than 13 per cent over a 10-year period.

Centres of Excellence (CoE) for research and technical training

- The Government of India (GoI) has proposed to establish several CoEs to train the workforce in the textiles sector.
- CoEs have been identified for four thrust segments of the technical textiles sector — The Bombay Textile Research Association (BTRA) and Ahmedabad Textile Industry’s Research Association (ATIRA) will focus on geotech; South India Textile Research Association (SITRA) and AC College of Technology on meditech; Northern India Textile Research Association (NITRA) and India Institute of Technology (IIT) on protech; and Synthetic & Art Silk Mills Research Association (SASMIRA) and Man Made Textile Research Association (MANTRA) will focus on agrotech.
- These CoEs, with national and international accreditation, are aimed at creating testing and evaluation facilities and developing resource centres and training facilities.

Sources: Ministry of Textiles 2009–10 annual report; “Baseline Survey of the Technical Textiles Industry of India,” Office of the Textiles Commissioner, 2009; “Technical textiles,” Ministry of Textiles; Pantaloon Retail India Ltd, 2008-09 annual results analyst presentation, Dt: September 26, 2009

Contents

- ❖ Advantage India
- ❖ Market overview
- ❖ Industry infrastructure
- ❖ Investments
- ❖ Policy and regulatory framework
- ❖ Opportunities
- ❖ **Industry associations**

Industry associations ... (1/2)

Name	Address	Contact person	Telephone	E-mail
Ahmedabad Textile Industry Research Association (ATIRA)	P.O. Ambawadi Vistar Ahmedabad, 380 015, Gujarat	Dr M M Gharia Director	91-79-6304671, 91-79-6302672, 91-79-6301673	atira@adl.vsnl.net.in
Bombay Textile Research Association (BTRA)	Lal Bahadur Shastri Marg Ghatkopar (West) Mumbai – 400 096, Maharashtra	Dr A N Desai Director	91-22-5002766, 91-22- 5003651/2652	btra@vsnl.com
South India Textile Research Association (SITRA)	Post Box No 3205 Coimbatore Aerodrome Post Coimbatore – 641 014, Tamil Nadu	Dr Arindam Basu Director	91-422-574367- 9, 91-422- 592481, 91-422- 579240	sitra@vsnl.com
Northern India Textile Research Association (NITRA)	Sector 23, Raj Nagar, Ghaziabad, Uttar Pradesh – 201 002	Dr J Venkat Rao Director	91-120-4783638, 91-120-4783586	nitra@nde.vsnl.net.in
The Synthetic and Art Silk Mills Research Association (SASMIRA)	Sasmira Marg, Worli, Mumbai – 400 025 Maharashtra	Mr U K Gangopadhyay Director	91-22-24935351	sasmira@vsnl.com

Industry associations ... (2/2)

Name	Address	Contact person	Telephone	E-mail
Man-made Textile Research Association (MANTRA)	Near Textile Market Telephone Exchange, Ring Road, Surat –395 002, Gujarat	Mr S K Basu Deputy Director	91-261-8323211, 91-261-8337062	director@mantrasurat.org
Indian Jute Industry's Research Association (IJIRA)	17, Taratala Road, Kolkata – 700 088, West Bengal	Col Amitava Poddar Acting Director	91-33- 66269200/ 9229/9241	ijiraweb@ijira.org
Wool Research Association	K Mahatma Phule (Akbar Camp) Road, P.O. Sandoz Baug, Kolshet Road, Thane Mumbai – 400 607, Maharashtra	Mr M K Bardhan Director	91-22-25314294, 91-22-25868399, 91-22-25314305	wra@vsnl.com

Source: Ministry of Textiles website, http://texmin.nic.in/aboutus/tex_09_TRA.htm, accessed 3 November 2010.

Note

Wherever applicable, numbers in the report have been rounded off to the nearest whole number.

Conversion rate used: US\$ 1 = INR 48

DISCLAIMER

India Brand Equity Foundation (“IBEF”) engaged Ernst & Young Pvt Ltd to prepare this presentation and the same has been prepared by Ernst & Young in consultation with IBEF.

All rights reserved. All copyright in this presentation and related works is solely and exclusively owned by IBEF. The same may not be reproduced, wholly or in part in any material form (including photocopying or storing it in any medium by electronic means and whether or not transiently or incidentally to some other use of this presentation), modified or in any manner communicated to any third party except with the written approval of IBEF.

This presentation is for information purposes only. While due care has been taken during the compilation of this

presentation to ensure that the information is accurate to the best of Ernst & Young and IBEF’s knowledge and belief, the content is not to be construed in any manner whatsoever as a substitute for professional advice.

Ernst & Young and IBEF neither recommend nor endorse any specific products or services that may have been mentioned in this presentation and nor do they assume any liability or responsibility for the outcome of decisions taken as a result of any reliance placed on this presentation.

Neither Ernst & Young nor IBEF shall be liable for any direct or indirect damages that may arise due to any act or omission on the part of the user due to any reliance placed or guidance taken from any portion of this presentation.