

Scope for enhancing India's apparel exports to **SPAIN**

Spain is the 10th largest exporter of textile and apparel products globally. Its textile and apparel exports witnessed a substantial increase of 5% over the last five years to reach \$16 billion in 2016. Its imports increased by 6% CAGR during the last 5 years, and it remained the 8th largest importer of T&A products globally. Spain's textile and apparel trade balance recorded a deficit of \$5 billion in 2016.

Apparel is the largest imported category by Spain, representing 78% of total textile and apparel imports (2016). This is followed by man-made textile, cotton textiles and others with a share of 10%, 8% and 3% respectively. Top 10 suppliers accounted for ~80% of textile and apparel imports by Spain. China is the largest supplier accounting for 21% share, followed by Bangladesh and Turkey with a share of 11% each. In terms of y-o-y exports to Spain, all countries' exports have grown, excluding China and Italy. India's exports to Spain grew at 3% y-o-y.

India's share in Spain's textile and apparel imports remained stagnant over the past years. India was the 7th largest supplier of textile and apparel products to Spain in 2016. Its exports of T&A to Spain stood at \$1 billion in 2016. However, its exports witnessed a growth of 8% over the last five years, with its share remaining stagnant at

Table 1: Spain's Total T&A Trade (In US\$ Bn.)

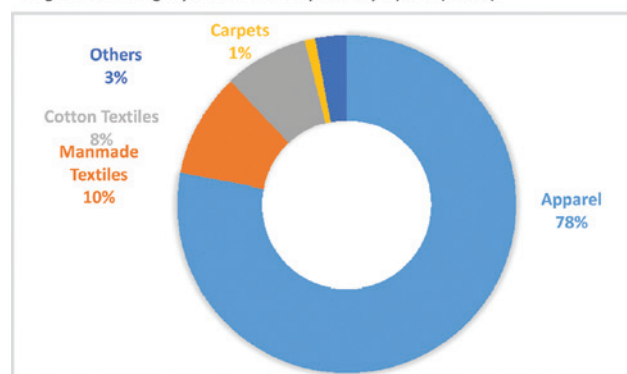
Year	Exports	Imports	Trade Balance
2012	13	16	-3
2013	15	18	-3
2014	16	20	-4
2015	15	20	-4
2016	16	20	-5
CAGR	5%	6%	-7%

Data Source: UN Comtrade

~5%. Apparel is the largest category with a share of 77% in India's T&A exports to Spain. This is followed by cotton textiles and manmade textiles having share of 13% and 6% respectively.

The Spanish apparel industry is expanding fast with the

Figure 1: Category-wise T&A imports by Spain (2016)



Data Source: UN Comtrade

Figure 2: Top Suppliers of T&A to Spain (2016)

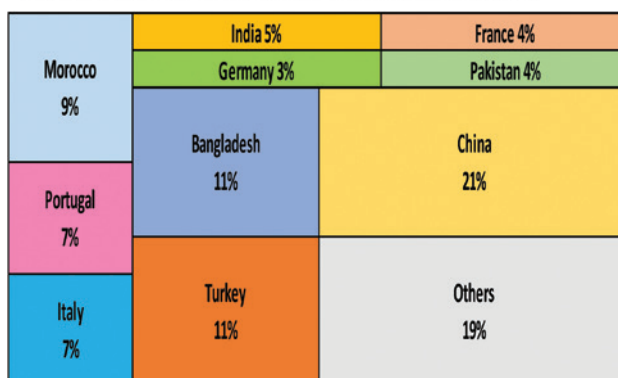
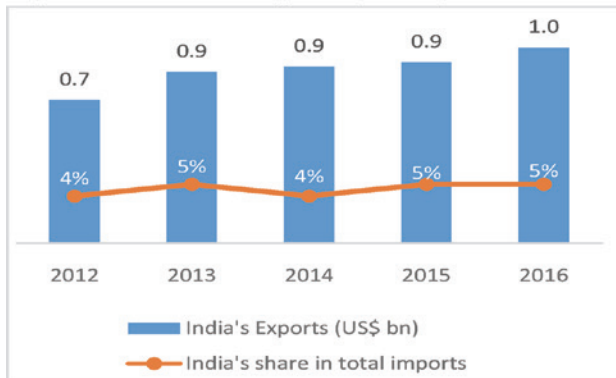


Table 2: Spain's Top 10 textile and apparel imported commodities (In US\$ mn.)

S.No	Commodity	2014	2015	2016	CAGR
1	Women's trousers, bib & brace overalls, breeches & shorts of cotton	1,224	1,326	1,308	3%
2	Men's trousers, bib & brace overalls, breeches & shorts of cotton	1,139	1,163	1,168	1%
3	Knitted T-shirts, singlets & other vests of cotton	1,163	1,025	1,132	-1%
4	Knitted Jerseys, pullovers, cardigans, waist-coats, etc of MMF	924	894	988	3%
5	Knitted T-shirts, singlets & other vests, other than of cotton	701	684	730	2%
6	Knitted Jerseys, pullovers, cardigans, waist-coats etc. of cotton	755	661	675	-5%
7	Woven Women's blouses, shirts & shirt-blouses of MMF	576	640	642	6%
8	Woven Men's shirts of cotton	527	597	556	3%
9	Women's anoraks, wind-cheaters, wind-jackets etc. of MMF	289	330	353	11%
10	Woven Women's dresses of synthetic fibres	344	344	329	-2%

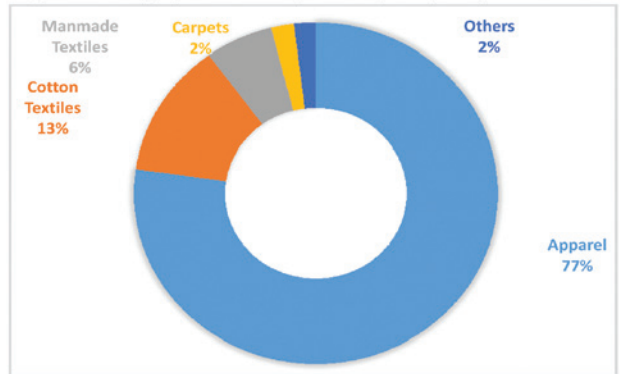
Data Source: UN Comtrade

Figure 3: India's Textile and Apparel Exports to Spain



Data Source: UN Comtrade

Figure 4: Category-wise T&A Exports to Spain (2016)



Data Source: UN Comtrade

Table 3: India's potential Categories of exports to Spain

S.No	Market Segment	Existing Products	New Products
1	Cotton Textiles	<ul style="list-style-type: none"> Toilet, table, bed and kitchen linen Curtain/ drapes, woven Textile furnishing articles, other than bed spread, woven 	<ul style="list-style-type: none"> Other made up textile articles including dress patterns Denim fabrics
2	Apparels	<p>Woven</p> <ul style="list-style-type: none"> Women's shirt/ blouse of cotton and man-made fibres Men's shirt of cotton <p>Knitted</p> <ul style="list-style-type: none"> Men's shirt of cotton Women's dresses of synthetic fibres Babies' garments of cotton 	<p>Woven</p> <ul style="list-style-type: none"> Women's trousers, breeches and shorts of cotton Men's trousers, breeches and shorts of cotton <p>Knitted</p> <ul style="list-style-type: none"> T-shirts and Singlets Jerseys and pullovers Women's trousers, breeches and shorts of cotton Women's dresses of synthetic fibres

Data Source: UN Comtrade and Wazir Analysis

growth of fast fashion brands like Zara and other clothing retailers like Desigual and Mango. Being the world's 6th largest apparel importer, Spain offers huge potential for India to increase its market share in apparel exports to the country.

Countries like Bangladesh and Turkey have increased their share in Spain's textile and apparel imports in the

past years, owing to their market access arrangements with the European Union. However, India's share has remained stagnant. India may focus on increasing its export competitiveness by enhancing product quality and service.