



Indian Textile & Apparel Industry Business Confidence Survey – June 2018

Industry on Road to Revival



Outline of the Document

- Preface : 03
- Respondents' Profile : 04
- Survey Findings : 05
- Indian Textile & Apparel Industry Business Confidence Index : 12

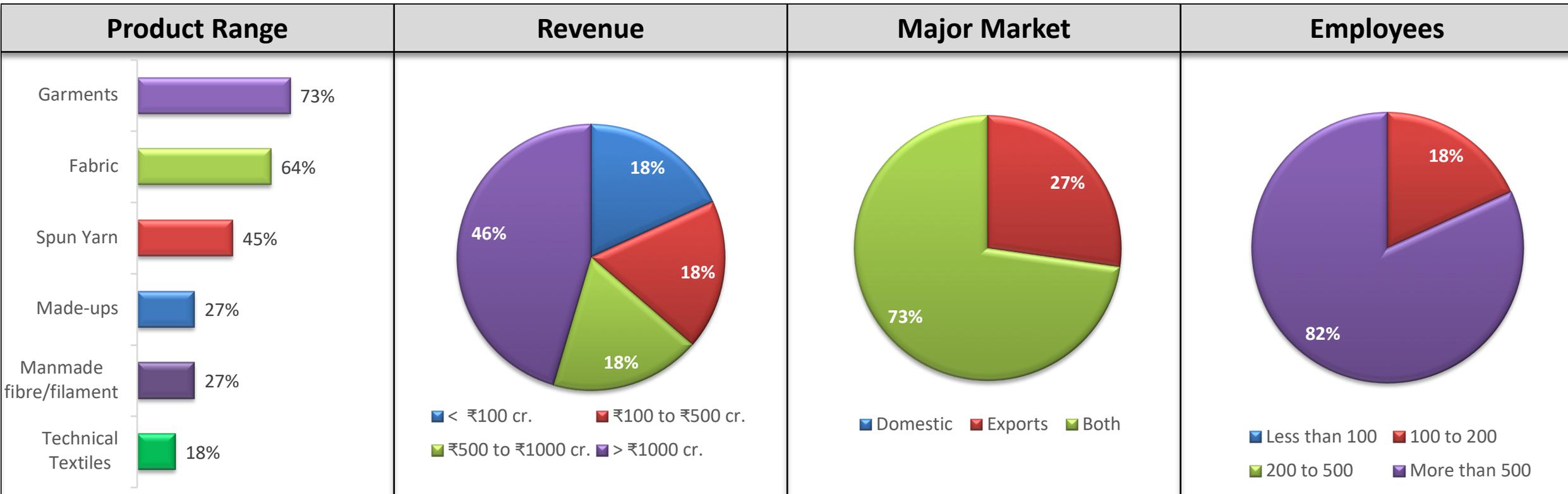
DISCLAIMER

This document is a copyright of Wazir Advisors. No part of this publication may be reproduced, stored in, or introduced into a retrieval system, or transmitted in any form or by any means (electronic, mechanical, photocopying, recording or otherwise), without the prior written permission of Wazir Advisors. Wazir Advisors has made every effort to ensure the accuracy of the information presented in this document. However, neither Wazir Advisors nor any of its employees can be held responsible for any financial consequence arising out of the use of information provided herein. In case any discrepancy or error is noticed then the same may please be brought to the notice of Wazir Advisors for appropriate corrections.

1. Preface

- Business Confidence Index is a barometer of what businesses think is going to happen in the near future. In December 2017, Wazir launched India's first ever Business Confidence Survey for the Indian textile and apparel industry with an aim to provide forward looking data set or 'lead indicators' about the sector's anticipated performance.
- The 2nd edition of Wazir's biannual Business Confidence Survey for the Indian textile and apparel industry is now being published based on feedback of a large set of industry stakeholders.
- This document summarizes the present and future performance expectations of firms about the economy, textile and apparel industry and their own firm. The outcome presents an overall idea of business sentiment which would be useful for investors and policymakers alike.

2. Respondent's Profile



- 73% of the respondents were involved in garment manufacturing
- 46% of the respondents have a revenue greater than ₹ 1000 cr.
- 73% of respondents caters to both domestic and export market
- 82% of respondents have greater than 500 number of employees



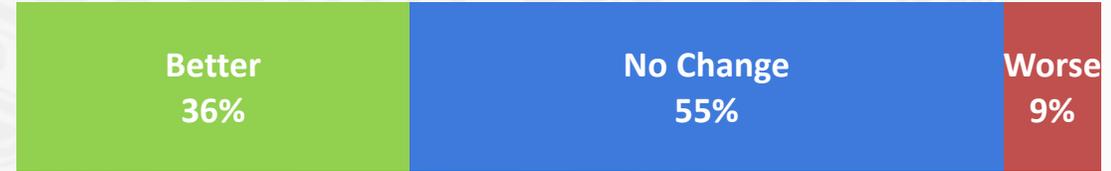
3. Survey Findings



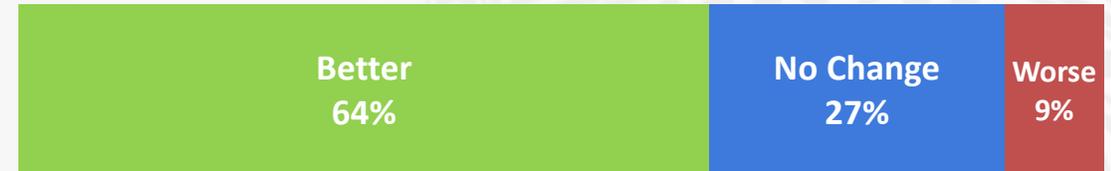
a. Economy

Current Scenario and Future Expectations

How would you rate the **CURRENT** Indian economic conditions vis-à-vis the **LAST** six months?



What are your expectations from the overall Indian economy over the **NEXT** six months?

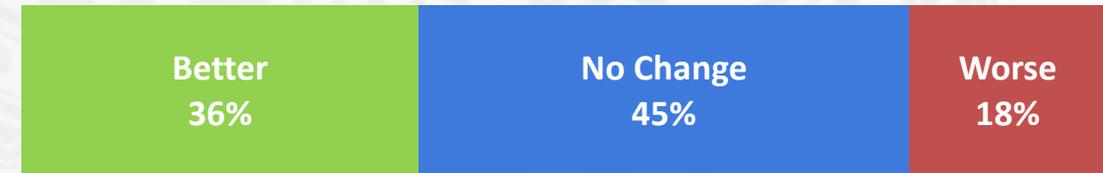


- 55% of respondents said that there is no change in current overall economy relative to last six months.
- However, 64% of respondents are expecting a better overall economy in next six months.

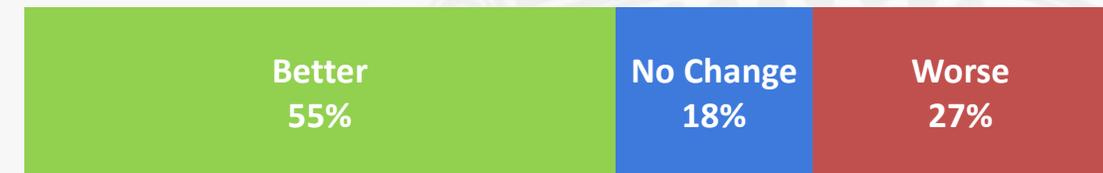
b. Industry

Current Scenario and Future Expectations

How would you rate the Indian textile & apparel industry's **CURRENT** performance vis-à-vis the **LAST** six months?



What are your expectations about Indian textile & apparel industry's performance over the **NEXT** six months?

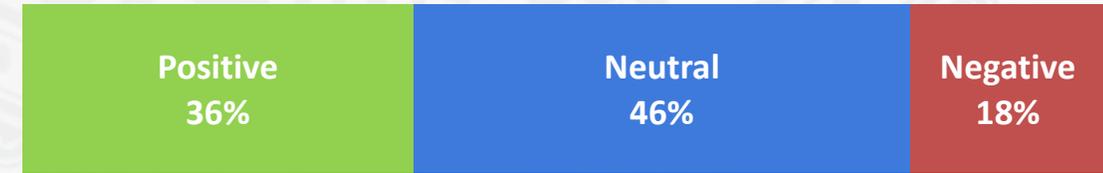


- 36% of respondents have shown a positive sentiment for the industry's current scenario, similar to the feedback received for current economic scenario.
- However, about 55% of respondents are expecting better days in next six months for the textile and apparel industry.

b. Industry

Current Scenario and Future Expectations

What do you think has been the overall effect of GST on the textile & apparel industry in the LAST 6 months?



- Maximum respondents think that GST has not had any positive impact on the Indian T&A apparel industry so far. A large part of Indian textile value chain was earlier not covered in the tax net and a mammoth industry percentage is unorganized. Hence, this feedback is but expected for initial period of GST implementation.

c. Firm Level

Current Scenario

How would you rate the **CURRENT** performance of your firm vis-à-vis the **LAST** six months?

Better
55%

No Change
27%

Worse
18%

What is the status of your **CURRENT** order book volume vis-à-vis the **LAST** six months?

Better
46%

No Change
27%

Worse
27%

- More than half of the respondents (55%) indicated that their current business performance has improved vis-à-vis last 6 months.
- 46% of respondents reported increase in their order books.

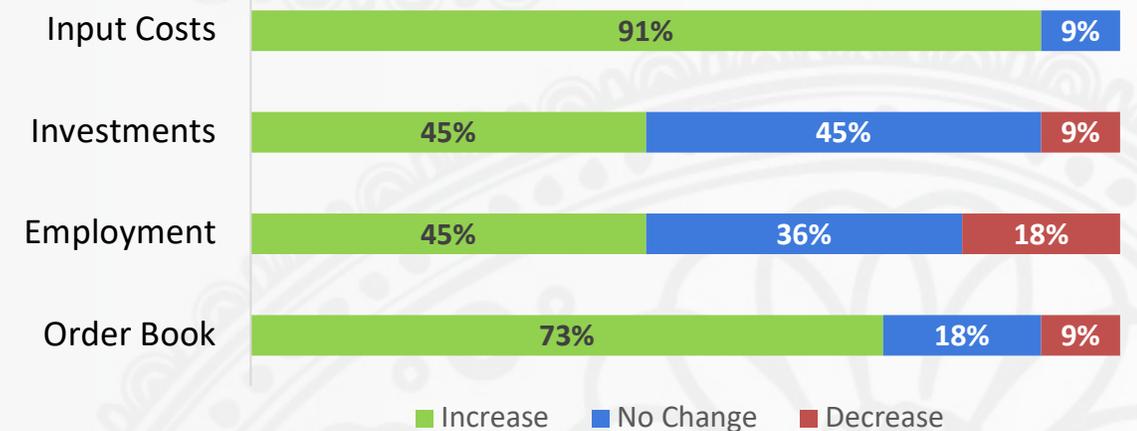
c. Firm Level

Future Expectations

What are your expectations from your firm's performance over the NEXT six months?



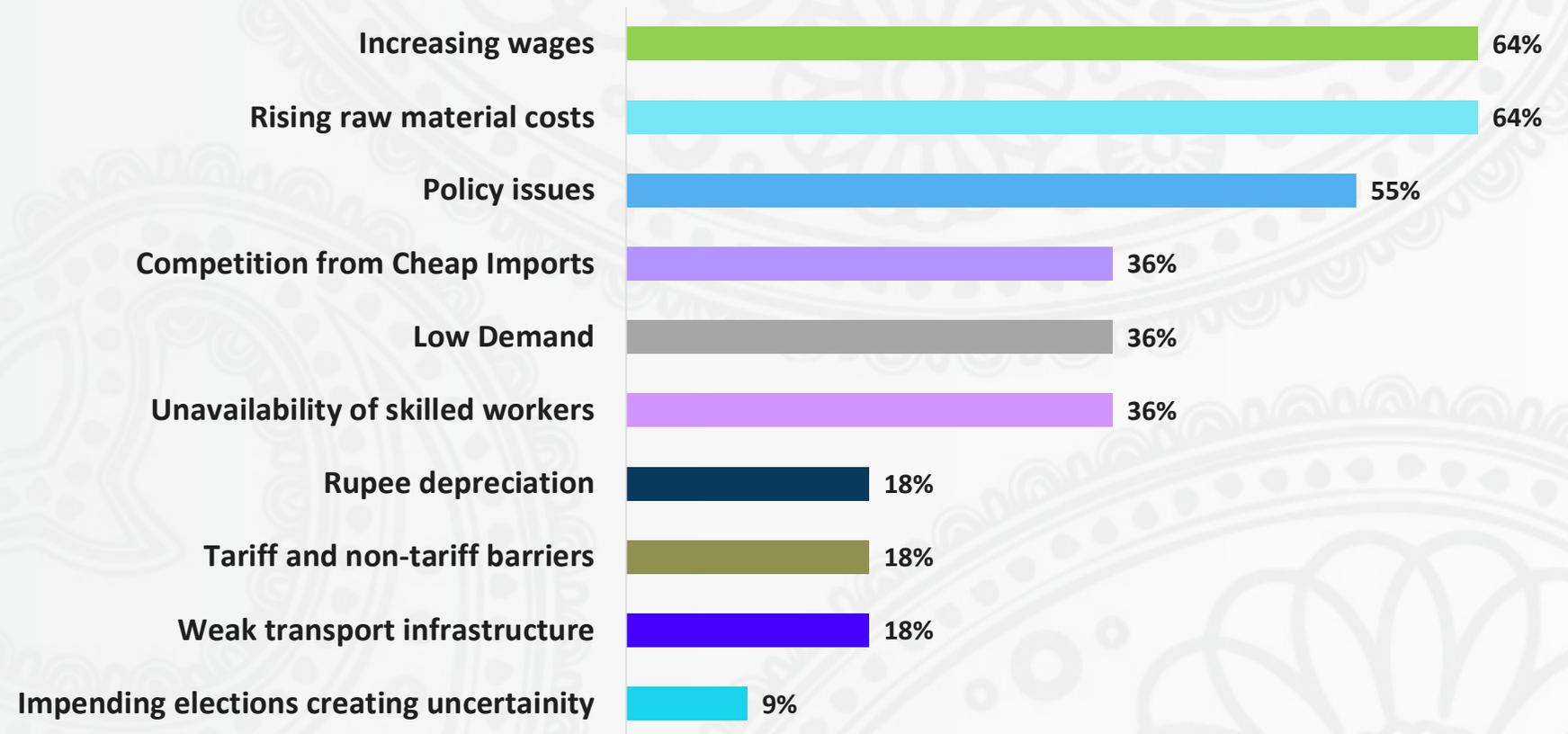
What are your expectations for your firm over the NEXT six months on the following parameters?



- About two-thirds (64%) of respondents were optimistic about better performance of their business over next six months.
- 91% of the respondents expect increase in input costs over next six months.
- 45% of respondents expect increase in investments and employment over next six months.
- In case of order book, 73% expects an increase over next six months.

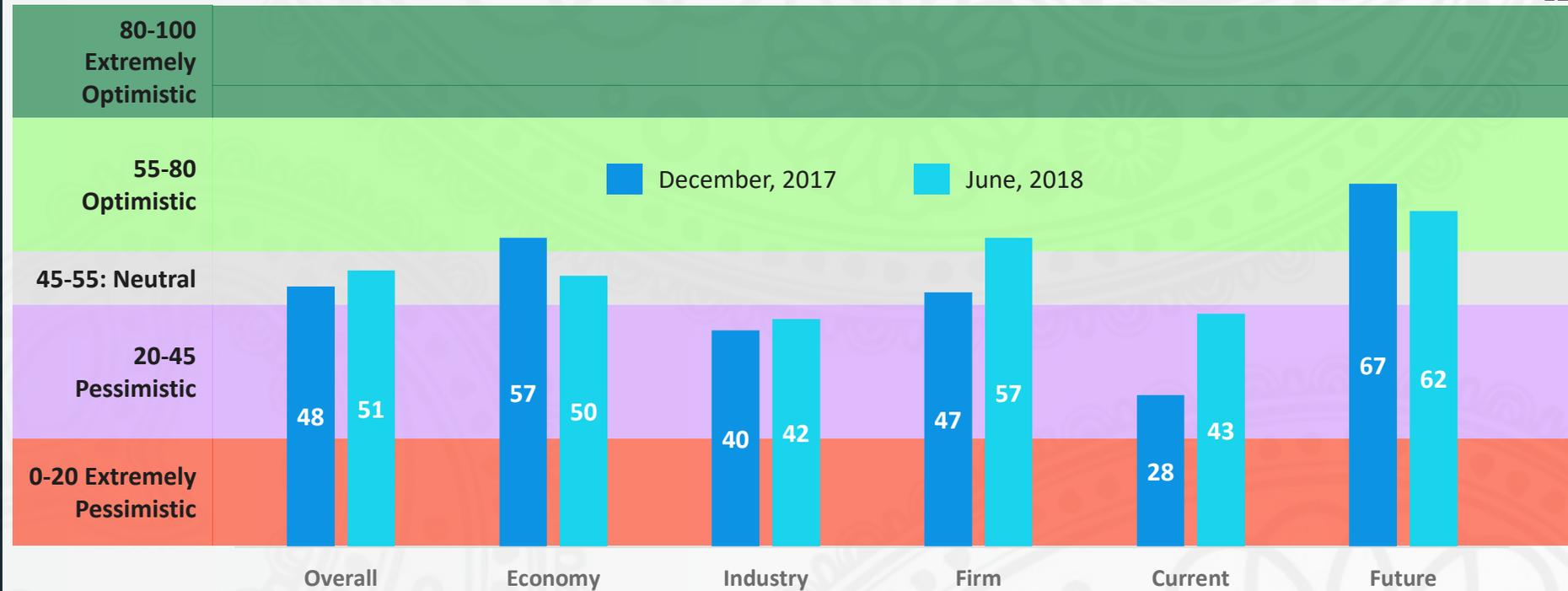
c. Firm Level

Major Business Growth Constraints



- 64% of the respondents view increasing wages and rising raw material costs as the major constraint to business growth.
- 55% cited policy issues and 36% cited cheap imports, low demand and unavailability of skilled workers as a key constraint.

4. Indian Textile & Apparel Industry Business Confidence Index



- The overall business confidence index of the industry increased to 51 in current period from 48.
- The index for economy expectations showed a dip, from mildly optimistic to neutral zone; but the industry and firm level indices showed a rise as compared to last six months.
- The current business index increased to 43 from 28 which corroborates with the high level of future index during the last reporting period.
- The future expectation index has decreased marginally to 62 (from 67) mainly because of lower economy expectations, but still remain in optimistic zone.

CONTACT

Prashant Agarwal
prashant@wazir.in
+91 9871195008

Sanjay Arora
sanjay@wazir.in
+91 99771110566

Varun Vaid
varun@wazir.in
+91 9899985979

B. Prakash
prakash@wazir.in
+91 9810866927