

## Growing US market for INDIAN TEXTILES

**T**he US is the biggest importer of textile and apparel products. Over the last five years, total textile and apparel imports by the US increased at a CAGR of 0.4 per cent to reach \$110 billion in 2016, while its exports decreased at a CAGR of -2 per cent to touch \$24 billion. The textile and apparel trade balance recorded a relatively large deficit of \$86 billion in 2016.

Apparel is the largest imported category by the US, representing 74 per cent of total textile and apparel imports (2016). This is followed by cotton textiles, man-made textile, carpets and others with a share of 11 per cent, 9 per cent, 3 per cent and 3 per cent respectively. Top 10 suppliers accounted for 83 per cent of textile and apparel imports by the US. China is the largest supplier accounting for a 44 per cent share, followed by Vietnam and India with a share of 10 per cent and 7 per cent respectively.

India is the third largest supplier of textile and apparel products to the US after China and Vietnam. India's exports of T&A to the US stood at \$8 billion in 2016. It has grown at a CAGR of 1.1 per cent over the last five years. India's share has increased from 4.9 per cent in 2011 to 7.3 per cent in 2016.

Apparel is the largest category with a share of 51 per cent in India's T&A exports to the US. This is followed by cotton textiles, carpets and man-made textiles having share of 32 per cent and 11 per cent, and 4 per cent respectively.

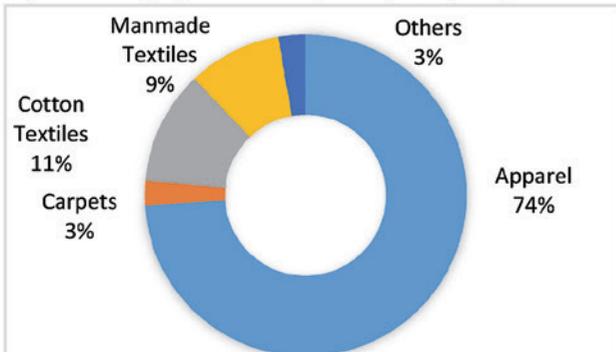
Table 1: USA's Total T&A Trade (In US\$ Bn.)

Year	Imports	Exports	Trade Balance
2012	108	27	-81
2013	112	27	-85
2014	115	26	-89
2015	120	25	-95
2016	110	24	-86
CAGR	0.4%	-3%	-1.5%

Data Source: UN Comtrade

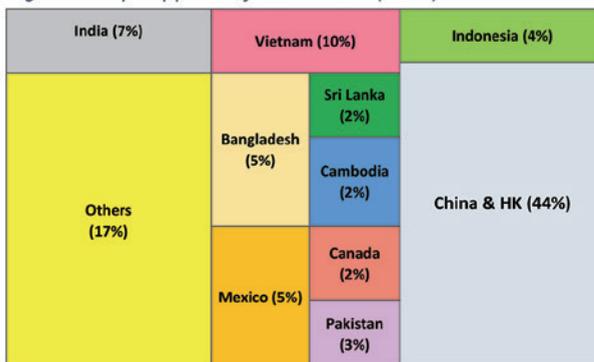
The US is the top market for textile and apparel products with imports worth \$110 billion and domestic apparel consumption worth \$315 billion. India's textile and apparel exports to the US have increased by 2 per cent over the last year while the exports from major competing nations, viz., Bangladesh, Indonesia and Vietnam, have shown

Figure 1: Category-wise T&A Imports by USA (2016)



Note: Textiles comprise of fibre ,yarn, fabric and home textiles

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



Data Source: UN Comtrade

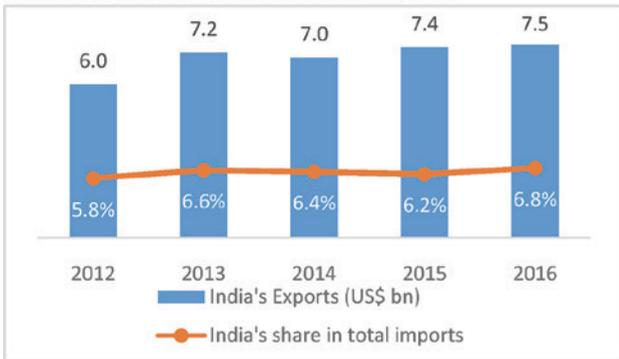
Table 2 : USA's Top 10 Textile and Apparel imported commodities

Values in US\$ mn.

Commodity	2014	2015	2016	CAGR
1 Knitted jerseys, pullovers, cardigans, vests etc.	15,409	15,441	14,294	-3.7%
2 Woven women's suits, ensembles etc.	10,202	10,504	10,242	0.2%
3 Woven men's suits, ensembles etc.	8,873	8,919	8,434	-2.5%
4 Knitted women's suits, ensembles etc.	6,225	6,533	6,164	-0.5%
5 Knitted T-shirts, Singlets, tank tops etc.	5,625	6,008	5,993	3.2%
6 Bed linen, table linen toilet & kitchen linen	5,554	5,791	5,615	0.5%
7 Made-up articles of textile materials	4,037	4,426	4,553	6.2%
8 Woven men's shirts	3,859	3,865	3,670	-2.5%
9 Knitted women's slips, pajamas, etc.	3,229	3,441	3,328	1.5%
10 Bras, girdles, garters etc.	2,619	2,911	2,849	4.3%

Data Source: UN Comtrade

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



Data Source: UN Comtrade

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

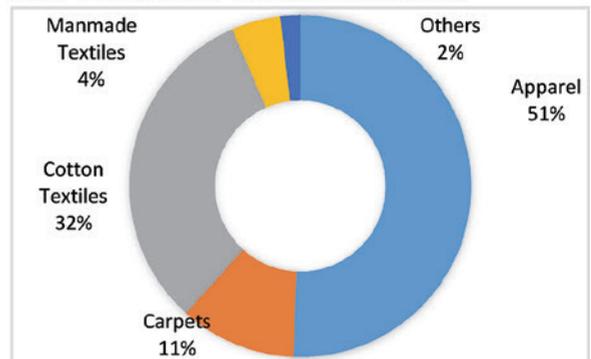


Table 3: India's Potential Categories of textile and apparel exports to USA

Market Segment	Existing Products	New Products
<b>Cotton Textiles</b>	<ul style="list-style-type: none"> <li>Toilet, table, bed and kitchen linen</li> <li>Curtain/ drapes, woven</li> <li>Textile furnishing articles, other than bed spread, woven</li> </ul>	<ul style="list-style-type: none"> <li>Other made up textile articles including dress patterns</li> <li>Denim fabrics</li> </ul>
<b>Apparel</b>	<p><b>Woven</b></p> <ul style="list-style-type: none"> <li>Women's shirt/ blouse of cotton and man-made fibres</li> <li>Men's shirt of cotton</li> <li>Women's dresses of synthetic fibres</li> </ul> <p><b>Knitted</b></p> <ul style="list-style-type: none"> <li>Men's shirt of cotton</li> <li>Women's dresses of synthetic fibres</li> <li>Babies' garments of cotton</li> </ul>	<p><b>Woven</b></p> <ul style="list-style-type: none"> <li>Women's trousers, breeches and shorts of cotton</li> <li>Men's trousers, breeches and shorts of cotton</li> </ul> <p><b>Knitted</b></p> <ul style="list-style-type: none"> <li>T-shirts and Singlets</li> <li>Jerseys &amp; pullovers of cotton &amp;MMF</li> <li>Women's trousers, breeches &amp; shorts of cotton</li> <li>Women's dresses of synthetic fibres</li> </ul>

decline. Calling off the proposed Trans-Pacific Partnership trade deal has weakened the prospects for Vietnam, which signals better growth opportunities for India's textile and apparel exports to the US. India, the largest and more resourceful country of all those listed above is yet to tap the real potential as far as apparel and cotton textiles exports

are concerned. India has advantage in terms of manpower availability and infrastructure. Manufacturers need to be ready to undertake suitable investments for product and infrastructure expansion to cater to the demand, which China may no longer cater exclusively.

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