

A WAZIR ADVISORS PUBLICATION

PUBLISHED : JANUARY 2020

# INSIDE VIEW

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## Annual Report on Indian Textile and Apparel Industry



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## **Content**

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Global Textile & Apparel Industry Overview	1
.....	
Indian Textile & Apparel Industry Overview	4
.....	
India's Trade with Major Countries	6
.....	
Indian Textile Industry: Structure and Supply Scenario	16
.....	
Financial Health of Indian Textile Industry	31
.....	

# 1. Global Textile & Apparel Industry Overview

## Global Apparel Consumption

*Global apparel market has grown at 5% y-o-y to reach US\$ 1.9 trillion in 2018.*

*Global apparel market will grow to US\$ 2.6 trillion by 2025.*

*EU and USA account for 41% of the global apparel market but are slowing down as compared to countries like China, India and Brazil, which are expected to grow at a much faster pace.*

An important contributor to the global GDP, the global apparel market stood at US\$ 1.9 trillion in 2018. EU and the USA dominate the global apparel market with a combined share of over 41% while they account for only 11% of the world population. While, highly populated Asian countries, such as China, India and Japan, home to ~38% of the world population collectively account for a market of 21%.

The global apparel demand is expected to boost at a steady CAGR of 5% to grow from the current US\$ 1.9 trillion to reach US\$ 2.6 trillion by 2025. Among the top ten markets of apparel, Asian giants China and India are expected to deliver the most promising growth rates of 10% and 12%, respectively, when compared to the world aggregate of 5%. China at US\$ 450 billion, is set to become the largest apparel market in the world by 2025, while India will be propelled to fourth on the list with an expected market size of US\$ 164 billion. Higher economic growth and rise in per capita income of individuals will lead to the growth in the apparel market in these developing countries.

**Table 1:** Global Apparel Market Size (US\$ billion)

Country/Region	Value 2018	Share 2018 (%)	CAGR (2018-2025) (%)	Value 2025 (P)
EU-28	427	23	1	458
United States	348	18	2	400
China	231	12	10	450
Japan	100	5	1	107
India	74	4	12	164
Brazil	66	3	5	93
Russia	39	2	5	54
Canada	32	2	2	36
RoW	580	31	6	872
<b>World</b>	<b>1896</b>		<b>5</b>	<b>2,634</b>

**Data Source:** Published Data & Wazir Analysis  
\*Projected

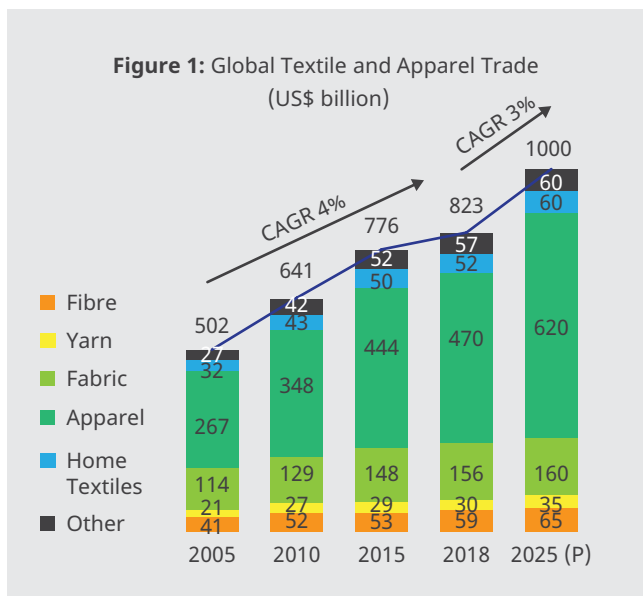
## Global Textile and Apparel Trade

*Global T&A market has grown at a CAGR of 4% since 2005 to reach US\$ 823 billion in 2018.*

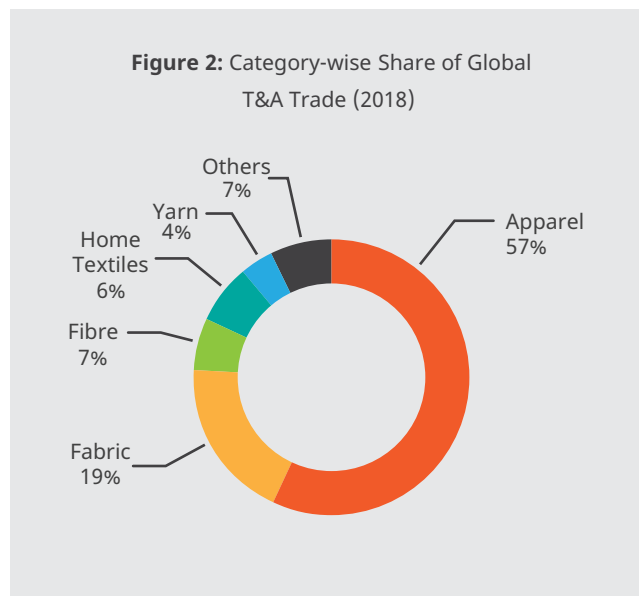
*Apparel dominated T&A trade with a share of 57%, followed by fabrics with a share of 19%.*

In 2018, the global textile and apparel trade stood at US\$ 823 billion and has grown at a CAGR of 4% since 2005. Apparel was the most traded T&A category across the globe with a share of 57% of the total T&A trade. Fabric was second to apparel and accounted for 19% of the total T&A trade. However, fabric exports have grown at a rate of 3% CAGR since 2005 as compared to apparel exports which have grown at CAGR of 4% during the same time period.

The global trade of T&A is expected to grow from the current US\$ 823 billion to US\$ 1,000 billion in 2025, while growing at a promising rate of over 3% when compounded annually.



Data Source: UN Comtrade & Wazir Analysis



Data Source: UN Comtrade & Wazir Analysis

*China's share in Global T&A trade has decreased from 36% in 2017 to 35% in 2018*

.....

*India is the third largest exporter of T&A in the world with exports of US\$ 37.0 billion.*

China has continued to be the largest T&A exporter. However, its share in global T&A trade has fallen from 36% in 2017 to 35% in 2018. The major reason for the decline is the increasing attraction of China's domestic textile and apparel market. With China vacating space in the global market, it is a great opportunity for countries like India, Vietnam and Bangladesh to grow in segments previously dominated by it and cash in on the vacated share.

India had maintained the position of the second largest supplier of T&A globally in the past decade. However, Germany with exports worth US\$ 39.7 billion has resulted in India becoming the third largest supplier with exports worth US\$ 37 billion in 2018.

**Table 2: Largest Exporters of Textile and Apparel 2018 (US\$ billion)**

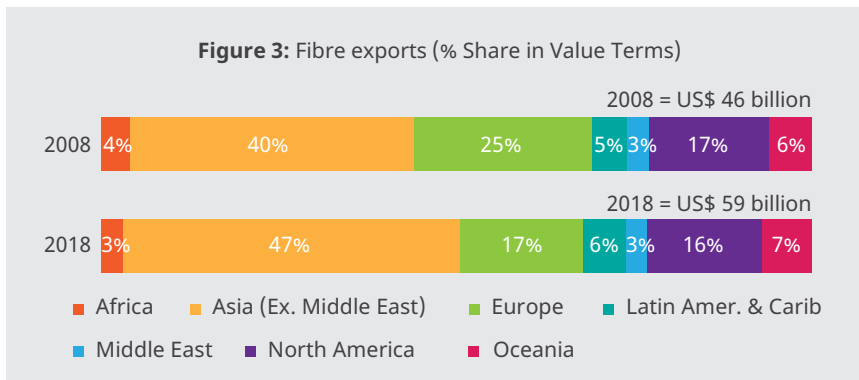
Country	Textile Exports	Apparel Exports	Total Exports	Share 2018 (%)
China	128.8	158.1	286.9	35
Germany	15.7	24	39.7	5
India	21.4	15.6	37	4
Italy	13.3	23.4	36.7	4
Viet Nam	7.8	28.7	36.6	4
Bangladesh	1.9	32.9	34.9	4
Turkey	12.6	15.3	27.9	3
USA	21.9	5.3	27.2	3
Spain	5	14.4	19.4	2
France	5.5	12	17.5	2
Belgium	6.9	9.4	16.3	2
ROW	111.9	131.4	243.3	30
<b>Total</b>	<b>352.7</b>	<b>470.6</b>	<b>823.3</b>	<b>100</b>

Data Source: UN Comtrade & Wazir Analysis

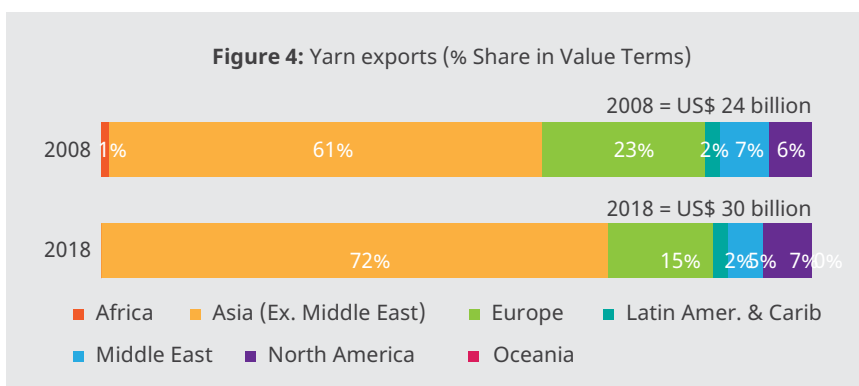
## Asia Leading the Charge in Global Trade

Developing Asian countries have increased the region's dominance in the textiles and apparel trade, thus creating a market shift towards Asia. European countries have lost majority of their share to Asia.

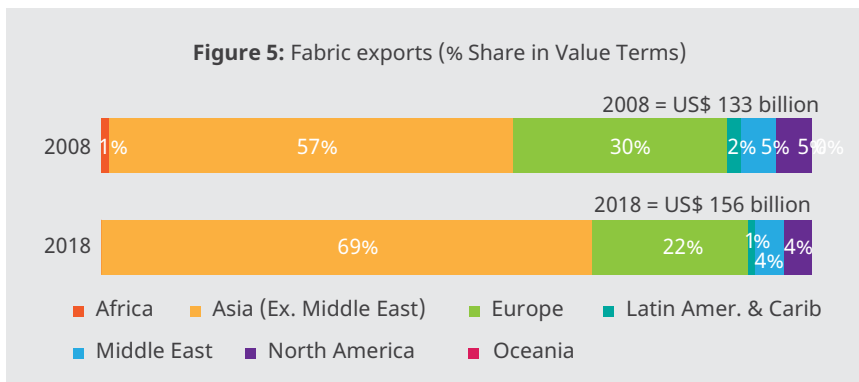
*Asia's share in global exports of fibre grew from 40% in 2008 to 47% in 2018 registering a high growth whereas the share of Europe has reduced considerably.*



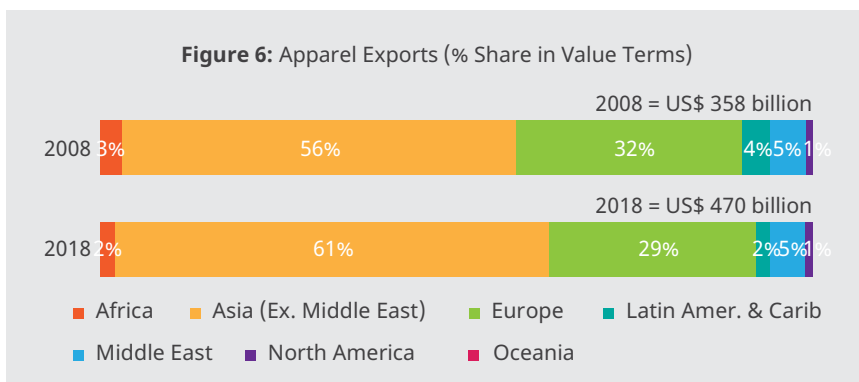
*In case of yarn exports, share of Asia has increased from 61% in 2008 to 72% in 2018.*



*Asia's share in fabric exports has increased from 57% in 2008 to 69% share in 2018, mainly at the expense of share of Europe.*



*Asia has increased its share in apparel exports from 56% in 2008 to 61% in 2018.*



Data Source: UN Comtrade & Wazir Analysis

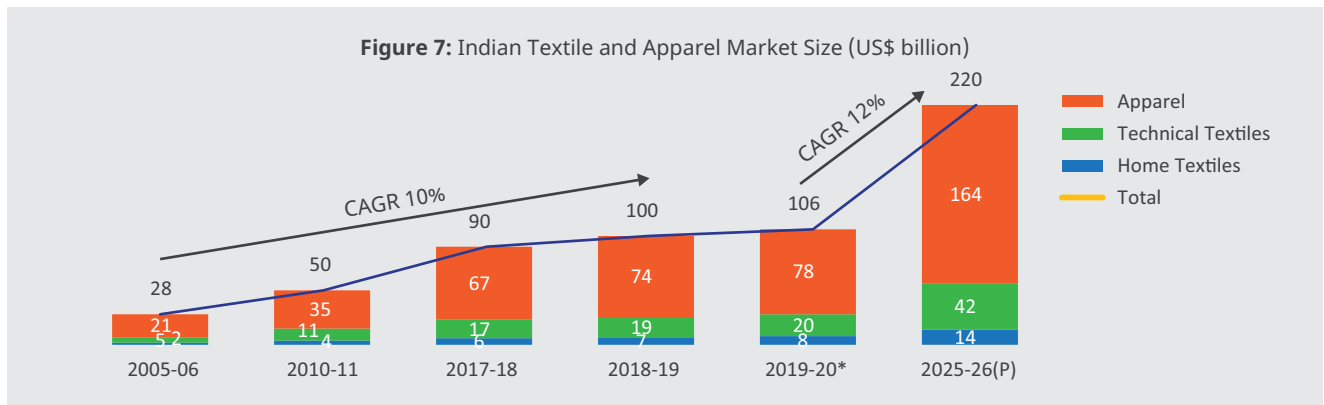
## 2. India's Textile and Apparel Industry Overview

### Domestic Market Overview

Indian domestic textile and apparel market is estimated at US\$ 106 billion (2019-20) which is expected to grow at 12% CAGR to reach US\$ 220 billion by 2025-26.

Apparel constituted ~74% share with market value of US\$ 78 billion in 2019-20

India has traditionally been a major producer of textiles. Along with this factor, a population boom in the 20<sup>th</sup> century led to an increased demand of textile and apparel in India. Besides the population, a rapid growth can be seen in the disposable income of the middle and lower middle class sections of the society and it is expected to grow even further in the foreseeable future. In value terms, India's domestic textile and apparel market is worth US\$ 106 billion in 2019-20 and is expected to grow at a CAGR of 12% to reach US\$ 220 billion by 2025-26. Apparel demand at US\$ 78 billion, dominated the domestic market with a share close to 74% of the total textile and apparel market in India.



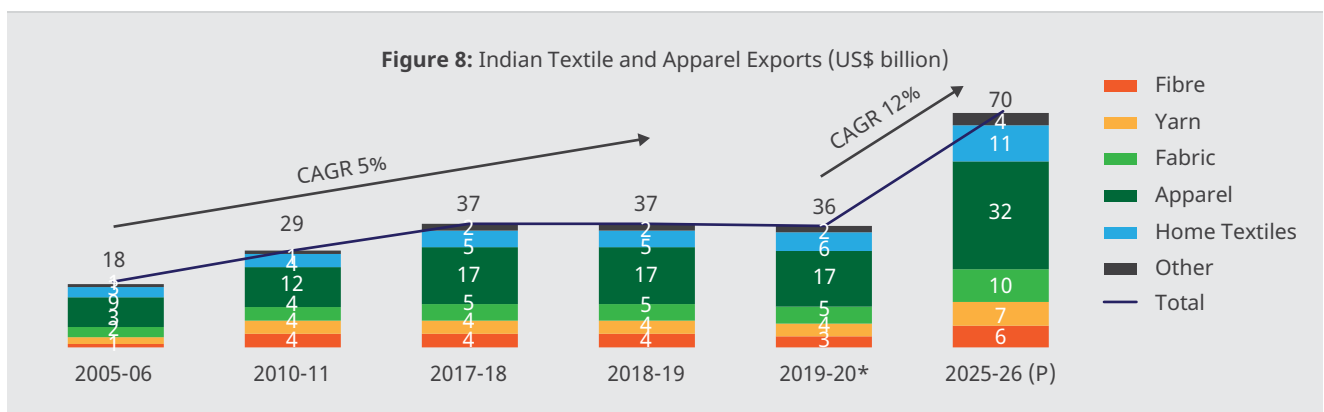
Data Source: Ministry of Textiles & Wazir Analysis  
\* Estimated

### Indian Exports Overview

India's T&A exports reached US\$ 37.0 billion in 2018-19.

India's exports of T&A are expected to grow to US\$ 70 billion by 2025-26.

Textile and apparel exports of India stood at US\$ 37 billion in the financial year 2018-19. However, analyzing the trade trend of first half of FY 2020, it seems that the exports in FY 2020 might reduce to US\$ 36 billion. Being a promising sourcing destination for global buyers, India's T&A exports are expected to still reach US\$ 70 billion by 2025-26, growing at a CAGR of 12%. The exports have grown at a 5% CAGR since the year 2005-06.

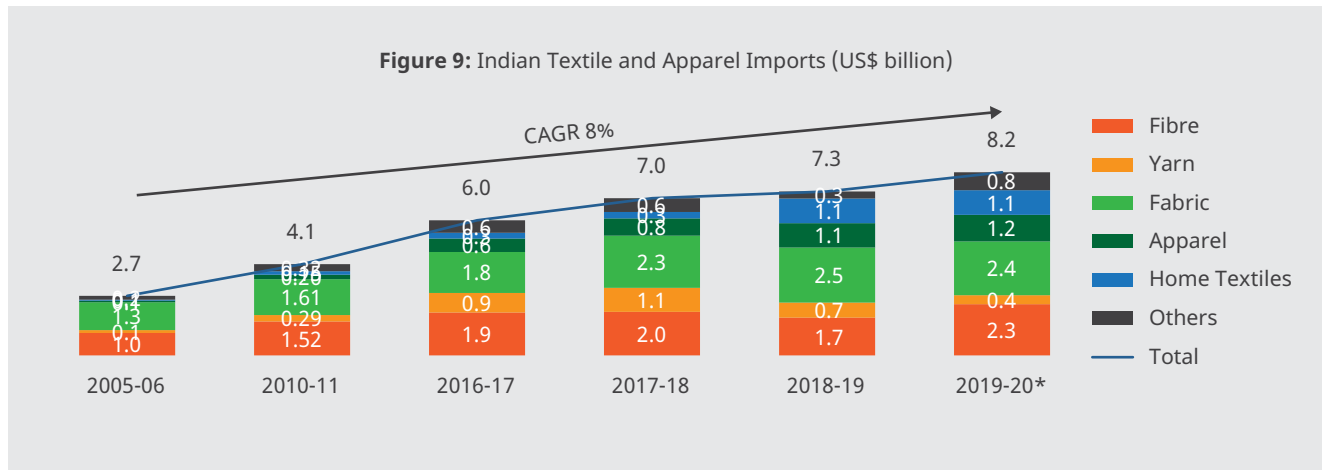


Data Source: Ministry of Textiles & Wazir Analysis  
\* Estimated

## Indian Imports Overview

*Textile and apparel imports have been increasing steadily over the last decade.*

India's textile and apparel imports in 2019-20 are estimated to reach around US\$ 8.2 billion. The imports of textile and apparel have been growing at a CAGR of 8% over the last 13 years from 2005-06 to 2018-19. The first half of the year 2019-20 has shown a tremendous increase in the fibre imports, which is expected to increase the overall yearly imports and result in a year-on-year growth of about 10%.



Data Source: Ministry of Textiles & Wazir Analysis  
\* Estimated

## Cost Competitiveness of Indian Textile Industry

*India has a strong position globally, in factor cost compared to competing countries.*

*Lending rates in India are among the most competitive in the region but India lacks the free trade access to major markets when compared to a few other countries.*

With the adoption of modern technologies and better capacity building, India in recent years has emerged as a cost competitive base for manufacturing. Although the lending rates in India may be on a higher side, they are best in the region when compared to Bangladesh. Moreover, the water cost in India is among the lowest in the world and more than 200% cheaper than China. India has strengthened its position as an alternative to China resulting from a favorable ease of doing business ranking, better compliance and political stability. Major advantage for Bangladesh and Ethiopia over India is their duty free access to EU.

The labor cost in India are highly competitive in the region and significantly lower than China. Labour costs in Ethiopia and Bangladesh are lowest among the major textile and apparel producing nations.

**Table 3: Factor Cost Comparison of India with Competing Countries**

Parameters	Unit	China	India	Bangladesh	Vietnam	Ethiopia
Labour Wages*	US\$ / month	550 - 600	<b>160 - 180</b>	110 - 120	190 - 200	80 - 90
Power Cost	US\$ / KWh	0.15 - 0.16	<b>0.10 - 0.12</b>	0.09 - 0.12	0.08 - 0.10	0.03 - 0.04
Water Cost**	US\$/m3	55 - 60	<b>16 - 20</b>	20 - 22	50 - 80	30 - 40
Lending Rate	%	6% - 7%	<b>11% - 12%</b>	12% - 14%	7% - 8%	8.5% - 9%
EODB Ranking ***	Rank	31 (91)	<b>63 (132)</b>	168 (129)	70 (99)	159 (127)

\*Cost for semi-skilled labor; includes all benefits  
\*\*Water cost is based on the average tariff of the water supply companies of specific countries  
\*\*\* Ease of Doing Business World Bank Ranking  
The values in bracket reflect the Rank in 2013



### 3. India's Trade with Major Countries

#### EU-28

*India's export to EU-28 stood at US\$ 9,136 million in 2018.*

*Garments have continued to be the largest commodity exported out of India to EU-28 with a share of 63% of India's total exports, followed by home textiles at 13%.*

#### Exports

EU-28 in 2018 has continued to be the largest market for Indian textile and apparel products. India's exports to EU-28 stood at US\$ 9,136 million and accounted for more than a quarter of India's total T&A exports in 2018. The exports to EU-28 have seen a slight decline of 1% CAGR over the last 5 years. Garments is the largest category exported to EU-28, with 63% share in India's total exports in 2018. The high share of garments is propelled by the fact that Indian garments attract abatement on import duty when imported in EU. However, other garment manufacturing hubs such as Bangladesh, Ethiopia and Turkey enjoy duty-free access to EU.

India's exports to EU-28 are dominated by knitted T-shirts, woven women's suits and blouses, sacks and bags of packing goods, and home linen.

**Table 4:** T&A Exports from India to EU 28 (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	India's share in EU-28's total imports (2018) (%)
Fibre	241	193	217	232	243	0	6
Filament	123	114	107	124	136	2	5
Yarn	572	453	465	527	536	-1	22
Fabric	547	491	501	511	489	-2	5
Garments	6,176	5,718	5,691	5,686	5,767	-1	6
Home Textiles	1,304	1,124	1,147	1,207	1,229	-1	14
Others	502	508	502	578	736	8	10
<b>Total</b>	<b>9,464</b>	<b>8,601</b>	<b>8,629</b>	<b>8,866</b>	<b>9,136</b>	<b>-1</b>	<b>7</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 5:** Top 5 T&A Commodities Exported to EU 28 (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	India's share in EU-28's total imports (2018) (%)
1	6109	Knitted T-shirts	1,012	931	926	957	979	-1	9
2	6204	Woven women's suits	886	811	791	769	857	-1	6
3	6206	Woven women's blouses	800	758	770	777	731	-1	19
4	6305	Sacks and bags for packing goods	368	366	369	444	577	8	47
5	6302	Bed/table/toilet/kitchen linen	612	506	502	532	547	-2	12

Data Source: UN Comtrade & Wazir Analysis

*In 2018, India imported US\$ 546 million of T&A products from EU-28 countries as compared to US\$ 464 million in 2017.*

*.....*

*India's import of fibre and apparel from EU-28 have increased in the recent years.*

## Imports

India's import of textile and apparel from EU 28 has increased at 4% CAGR between 2014 to 2018. The increase in imports over the previous year (2017) has brought the share of EU-28 in India's total imports from 6% to 7%. India's import of fibre and apparel from EU-28 have increased at a CAGR of 8% and 6%, respectively.

The top commodities imported from EU 28 comprised mainly of flax, nonwovens and coated fabric. India depends almost entirely on EU-28 for import of flax fibre, which is primarily sourced from Belgium and France. Also, the import of flax fibre has grown at a CAGR of 14% since 2014.

**Table 6:** India's T&A Imports from EU 28 (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	EU-28's share in India's total imports (2018) (%)
Fibre	93	90	98	105	136	8	8
Filament	36	34	29	29	31	-3	4
Yarn	10	7	9	8	10	-2	2
Fabric	122	114	120	136	141	3	6
Garments	92	86	105	99	125	6	12
Home Textiles	19	21	18	19	22	2	7
Others	74	72	71	69	81	2	12
<b>Total</b>	<b>447</b>	<b>423</b>	<b>450</b>	<b>464</b>	<b>546</b>	<b>4</b>	<b>7</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 7:** Top 5 T&A Commodities Imported from EU 28 (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	EU-28's share in India's total imports (2018) (%)
1	5301	Flax fibre	27	23	31	41	59	14	97
2	5603	Nonwovens	23	22	21	29	34	7	14
3	5903	Coated fabrics	16	15	17	24	28	10	6
4	6204	Women's woven suits	14	13	14	15	24	9	20
5	6203	Men's woven suits	18	15	20	20	22	4	11

Data Source: UN Comtrade & Wazir Analysis

## USA

*USA is the second largest market for Indian textiles and apparel products.*

*Like EU-28, USA also extensively imports garments from India, followed by home textiles.*

*India exports ~40% of total home linen imported by the USA.*

### Exports

USA traditionally has been an important destination for Indian products and 2018 was a testimony to the same. India's textile and apparel exports to USA have grown at a CAGR of 3% over the last 5 years. India accounted for 9% of USA's total imports in textile and apparel. About 47% of India's exports to USA were in the form of garments, followed by home textiles with a considerable share of 38%.

India's largest exported commodity to the United States in 2018 was home linen. India has a strong presence in the home linen category in USA with a share of 40% in USA's total imports. Women's suits and women's blouses have also shown a growth of CAGR 1% and 2%, respectively over the last 5 years, and proved to be a promising segment.

**Table 8:** T&A Exports from India to USA (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	India's share in USA's total imports (2018) (%)
Fibre	104	120	126	136	125	4	11
Filament	35	45	38	41	58	11	4
Yarn	62	61	53	53	59	-1	9
Fabric	422	450	452	514	536	5	7
Garments	3,598	3,869	3,822	3,875	4,025	2	6
Home Textiles	2,865	3,104	3,092	3,174	3,238	2	25
Others	312	337	347	401	458	8	6
<b>Total</b>	<b>7,398</b>	<b>7,987</b>	<b>7,931</b>	<b>8,194</b>	<b>8,500</b>	<b>3</b>	<b>9</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 9:** Top 5 T&A Commodities Exported to USA (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	India's share in USA's total imports (2018) (%)
1	6302	Bed/table/toilet/kitchen linen	1,773	1,911	1,877	1,948	1,955	2	40
2	6204	Woven women's suits	538	566	567	554	552	1	6
3	6110	Sweaters and pullovers	463	468	465	494	515	2	6
4	6206	Woven women's blouses	459	534	535	487	504	2	28
5	5702	Carpets	282	307	309	341	391	7	33

Data Source: UN Comtrade & Wazir Analysis

India's fibre and filament imports from the USA have grown at a CAGR of 22% and 29%, respectively.

Cotton accounts for 54% of the total imports of India from USA.

## Imports

India's import of textile and apparel from USA has grown rapidly at a CAGR of 14% from 2014 to 2018. Out of the US\$ 7.3 billion worth of textile and apparel imported by India, 7% was imported from USA in 2018. Fibre accounted for 70% of India's total imports from USA in T&A. This could be attributed to cotton fibre imports. Due to lower than expected production and high prices of Indian cotton, yarn and fabric imports from USA are on a high; although their share in the total imports is negligible.

The top commodities imported from USA comprised mainly of cotton fibre, worn clothing, nonwovens and synthetic filament yarn. International brands manufacturing out of India are increasingly nominating Cotton USA as well as Supima Cotton for their products, thus adding to the sharp growth in cotton fibre imports into India at 25% CAGR since 2014.

**Table 10:** India's T&A Imports from USA (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	USA's share in India's total imports (2018) (%)
Fibre	128	151	277	452	352	22	21
Filament	5	9	13	15	20	29	3
Yarn	2	1	2	2	2	-8	0
Fabric	31	29	36	33	41	6	2
Garments	5	6	6	6	4	-5	0
Home Textiles	14	11	15	16	15	1	5
Others	74	71	84	66	71	-1	10
<b>Total</b>	<b>260</b>	<b>278</b>	<b>433</b>	<b>591</b>	<b>503</b>	<b>14</b>	<b>7</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 11:** Top 5 T&A Commodities Imported from USA (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	USA's share in India's total imports (2018) (%)
1	5201	Cotton fibre	89	115	251	435	333	25	54
2	6309	Worn clothing	42	34	33	36	37	-2	39
3	5603	Nonwovens	23	24	40	19	17	-5	7
4	5402	Synthetic filament yarn	5	8	11	12	14	21	3
5	5911	Textile products for specific tech uses	8	6	8	8	11	5	14

Data Source: UN Comtrade & Wazir Analysis

## China

*In 2018, India accounted for 6% of China's imports with US\$ 2,035 million.*

*India's fibre exports to China have declined rapidly at a CAGR of 23%.*

*Indian cotton has faced a decline of demand in China, falling at a CAGR of 27% since 2014.*

### Exports

Although China is a major competitor of India in the Global T&A trade, it has been a major market for Indian textiles in the past. However, since 2014 the exports from India to China have been on a decline and have de-grown at negative 11% CAGR. However, China's yarn imports from India have shown an upwards trend in 2018 after falling for two straight years. India's fibre exports to China have also declined at 23% CAGR since 2014.

The top commodities exported to China consist mainly of fibre and yarns. The single largest commodity is cotton yarn which has shown a significant decline of 5% since 2014.

**Table 12:** T&A Exports from India to China (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	India's share in China's total imports (2018) (%)
Fibre	1,697	499	333	382	473	-23	5
Filament	4	4	3	4	5	1	0
Yarn	1,642	1,870	1,049	1,073	1,275	-5	20
Fabric	62	61	53	56	57	-2	1
Garments	109	121	143	141	166	9	2
Home Textiles	39	40	38	47	49	5	15
Others	12	13	9	9	11	-1	1
<b>Total</b>	<b>3,566</b>	<b>2,608</b>	<b>1,628</b>	<b>1,711</b>	<b>2,035</b>	<b>-11</b>	<b>6</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 13:** Top 5 T&A Commodities Exported to China (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	India's share in China's total imports (2018) (%)
1	5205	Cotton yarn	1,625	1,860	1,042	1,066	1,270	-5	23
2	5201	Cotton fibre	1,529	364	190	193	321	-27	10
3	5305	Vegetable fibres	82	71	75	109	86	1	37
4	5504	Artificial staple fibre	33	28	36	45	29	-2	5
5	6204	Women's trouser/skirts/suits	21	25	28	25	27	5	3

Data Source: UN Comtrade & Wazir Analysis

India's imports from China have grown at a CAGR of 3% since the year 2014.

India's garment imports from China have also grown rapidly at a CAGR of 13% over the last 5 years.

Imports from China have a 39% share in India's overall textile and apparel imports.

## Imports

India's import of textile and apparel from China has grown at a CAGR of 3% since 2014. China accounts for around 39% of total textile and apparel imports of India. Fabric occupied a major (53%) share of total import from China. Import of apparel has also grown at a steep rate of 13% CAGR in the past five years. A decline in the imports of yarns from China at 7% CAGR was also observed.

The top commodities imported from China are coated, knitted and synthetic fabrics and synthetic filament yarns, which have grown at a CAGR of 1%, 5%, 4% and 4%, respectively in the last 5 years. The import of tire cord fabrics has regained momentum in 2018 after a slight decline in 2015 and 2016.

**Table 14:** India's T&A Imports from China (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	China's share in India's total imports (2018) (%)
Fibre	268	260	233	255	207	-5	12
Filament	215	187	184	204	247	3	36
Yarn	319	287	214	230	218	-7	50
Fabric	1,297	1,283	1,229	1,447	1,526	3	62
Garments	174	209	215	271	318	13	30
Home Textiles	181	242	202	161	195	2	66
Others	73	91	99	121	148	15	22
<b>Total</b>	<b>2,526</b>	<b>2,559</b>	<b>2,377</b>	<b>2,690</b>	<b>2,859</b>	<b>3</b>	<b>39</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 15:** Top 5 T&A Commodities Imported from China (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR(%)	China's share in India's total imports (2018) (%)
1	5903	Coated fabric	318	319	308	351	346	1	79
2	6006	Knitted fabric	169	182	210	279	227	5	73
3	5407	Synthetic woven fabrics	126	128	119	133	157	4	69
4	5402	Synthetic filament yarn	98	105	111	115	123	4	26
5	5902	Tire cord fabric of high tenacity yarn	130	94	87	106	122	-1	43

Data Source: UN Comtrade & Wazir Analysis

## Japan

*India's T&A imports to Japan were US\$ 458 million in 2018.*

*Japan's most imported commodity from India is apparel, followed by yarns and home textiles.*

*India accounts for just 1% of Japan's total textile and apparel imports.*

### Exports

Japan is one of the major Asian T&A market and India's textile exports to Japan was to the tune of US\$ 458 million. India's overall exports to Japan have decreased at a CAGR of 1% since 2014 and account for just 1% of Japan's total T&A imports. The exports are mainly dominated by apparel with a share of 55%, followed by yarn at around 19%.

Unlike EU, USA and China, India enjoys duty free access while exporting to Japan and the top 5 exported commodities include woven garments for women, natural yarns and curtains.

Although India enjoys duty free access to Japan under CEPA, India's exports to Japan in comparison to their overall imports are very less in value.

**Table 16:** T&A Exports from India to Japan (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	India's share in Japan's total imports (2018) (%)
Fibre	6	7	7	8	6	2	1
Filament	12	12	12	13	11	-1	2
Yarn	80	73	76	74	86	1	14
Fabric	27	24	28	28	30	2	2
Garments	255	235	232	231	254	0	1
Home Textiles	77	63	63	58	59	-5	3
Others	14	12	11	8	10	-6	0
<b>Total</b>	<b>471</b>	<b>426</b>	<b>430</b>	<b>420</b>	<b>458</b>	<b>-1</b>	<b>1</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 17:** Top 5 T&A Commodities Exported to Japan (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	India's share in Japan's total imports (2018) (%)
1	6204	Woven women's trousers/dresses	58	55	56	56	72	4	2
2	6206	Woven women's blouses/shirts	58	54	53	59	62	1	6
3	5205	Cotton yarn	60	45	44	43	47	-5	22
4	5107	Yarn of combed wool	7	14	20	17	25	30	23
5	6302	Bed/table/toilet/kitchen linen	29	22	23	19	20	-7	2

Data Source: UN Comtrade & Wazir Analysis

India imported US\$ 122 million worth of textile and apparel from Japan.

India's imports from Japan have declined since the year 2014.

Japan contributes only 2% to India's textile and apparel imports

## Imports

India's T&A imports from Japan have declined over the last 5 years. The key commodity imported by India from Japan is filament. Japan accounted for just 2% of India's total textile and apparel imports in 2018.

India mainly imports artificial yarns, synthetic yarns and nonwovens. Around 35% of artificial filament yarn imported by India originates from Japan.

**Table 18:** India's T&A Imports from Japan (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	Japan's share in India's total imports (2018) (%)
Fibre	25	23	13	9	14	-11	1
Filament	77	67	59	66	69	-2	10
Yarn	1	1	1	1	1	20	0
Fabric	13	13	14	14	16	4	1
Garments	0	0	0	0	0.2	0	0
Home Textiles	1	1	1	1	1	8	0
Others	17	15	18	16	20	3	3
<b>Total</b>	<b>134</b>	<b>120</b>	<b>105</b>	<b>109</b>	<b>122</b>	<b>-2</b>	<b>2</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 19:** Top 5 T&A Commodities Imported from Japan (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	Japan's share in India's total imports (2018) (%)
1	5403	Artificial filament yarn	68	60	51	53	56	-3	35
2	5402	Synthetic filament yarn	8	6	7	12	13	8	3
3	5603	Nonwovens	9	10	11	9	11	3	5
4	5503	Synthetic staple fibre	13	8	6	6	8	-7	4
5	5601	Textile wadding and articles	2	2	4	5	5	15	12

Data Source: UN Comtrade & Wazir Analysis



## Bangladesh

India's T&A imports to Bangladesh were US\$ 2,495 million in 2018.

Bangladesh's most imported commodity from India is cotton, followed by cotton yarn and cotton fabric.

India accounts for just 19% of Bangladesh's total textile and apparel imports.

### Exports

Bangladesh is one of the major Asian T&A manufacturer and India's textile and apparel exports to Bangladesh was to the tune of US\$ 2,495 million in 2018. India's overall exports to Bangladesh have increased at a CAGR of 4% since 2014 and account for 19% of Bangladesh's total T&A imports. The exports are mainly dominated by fibre and yarn, followed by fabric.

Bangladesh imports basic commodities required for making garments and hence the commodities of cotton fibre, cotton yarn, woven cotton fabric and synthetic filament yarn are among the top imported commodities. However, the increase in import of cotton fibre and yarn suggests an increasing investment in spinning industry sector in Bangladesh.

**Table 20:** T&A Exports from India to Bangladesh (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	India's share in Bangladesh's total imports (2018) (%)
Fibre	727	717	555	783	839	3	37
Filament	52	63	67	66	81	9	20
Yarn	606	589	641	672	834	7	11
Fabric	651	652	568	686	697	1	33
Garments	42	54	79	42	27	-8	12
Home Textiles	3	4	3	3	2	-6	5
Others	4	5	6	8	15	27	7
<b>Total</b>	<b>2,085</b>	<b>2,084</b>	<b>1,919</b>	<b>2,260</b>	<b>2,495</b>	<b>4</b>	<b>19</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 21:** Top 5 T&A Commodities Exported to Bangladesh (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	India's share in Bangladesh's total imports (2018) (%)
1	5201	Cotton fibre	692	678	512	734	791	3	41
2	5205	Cotton yarn	558	532	576	615	757	6	68
3	5209	Woven cotton fabric	259	220	196	211	230	-2	17
4	5208	Woven cotton fabric	81	86	91	92	131	10	12
5	5402	Synthetic filament yarn	50	62	66	65	78	9	21

Data Source: UN Comtrade & Wazir Analysis

India imported US\$ 538 million worth of textile and apparel from Bangladesh.

.....  
Bangladesh contributes 7% in India's textile and apparel imports.

## Imports

India's T&A imports from Bangladesh have increased over the last 5 years at a CAGR of 15%. The key commodities imported by India from Bangladesh are apparel, jute fibre and jute yarn. Bangladesh accounted for just 7% of India's total textile and apparel imports in 2018.

India mainly imports men's woven suits, men's woven shirts and women's woven suits. Apart from that almost the entire jute yarn and raw jute imported by India originates from Bangladesh.

**Table 22:** India's T&A Imports from Bangladesh (US\$ million)

	2014	2015	2016	2017	2018	CAGR (%)	Bangladesh's share in India's total imports (2018) (%)
Fibre	24	51	108	49	44	13	3
Filament	0.4	0.3	0.2	0.4	0.2	-11	0
Yarn	48	59	81	42	42	-3	10
Fabric	29	41	25	59	61	16	2
Garments	112	133	150	157	345	25	32
Home Textiles	0	0	0.2	0.1	0.5	89	0
Others	55	78	74	30	45	-4	7
<b>Total</b>	<b>268</b>	<b>362</b>	<b>438</b>	<b>337</b>	<b>538</b>	<b>15</b>	<b>7</b>

Data Source: UN Comtrade & Wazir Analysis

**Table 23:** Top 5 T&A Commodities Imported from Bangladesh (US\$ million)

Rank (2018)	HS-4	Description	2014	2015	2016	2017	2018	CAGR (%)	Bangladesh's share in India's total imports (2018) (%)
1	6203	Men's woven suits	52	58	66	70	131	17	64
2	6205	Men's woven shirts	19	24	26	19	73	25	70
3	5307	Jute yarn	47	59	81	42	40	-3	93
4	6204	Women's woven suits	8	10	14	18	39	31	33
5	5303	Jute fibre	23	47	105	45	37	8	99

Data Source: UN Comtrade & Wazir Analysis

## 4. Indian Textile Industry: Structure and Supply Scenario

*T&A industry accounts for around 5% of India's Gross Domestic Product (GDP), and around 12% of total export earnings.*

The textile and apparel industry is one of the leading segments of Indian economy and one of the largest sources of foreign exchange earnings of the country. The industry accounts for around 5% of the Gross Domestic Product (GDP), and around 12% of total export earnings of India.

India is the world's second-largest textile manufacturer after China. It has a large raw material base and is capable of producing a wide variety of textiles and end products which find their use in various fields.

### Staple Fibre

*India's total staple fibre production was 9,217 million kg in 2017-18.*

#### Production

India's total staple fibre production stood at 9,217 million kg in 2017-18. Natural fibre production in India has been stagnant for the last 5 years, but the production of man-made fibre grew at 1% CAGR since 2012-13.

**Table 24:** India's Fibre Production (million Kg)

Fibre	Production 2012-13	Production 2017-18	Share (2017-18) (%)	CAGR 2012-17 (%)
Cotton	6,290	6,290	68	0
Silk	23	32	0.4	7
Wool	46	46	0.5	0
Others	1,674	1,530	17	-2
<b>Natural Fibre</b>	<b>8,033</b>	<b>7,898</b>		<b>0</b>
Viscose staple fibre	337	370	4	2
Polyester staple fibre	848	852	9	0
Acrylic staple fibre	74	93	1	5
Other MMSF	4	4	0.04	0
<b>MMSF</b>	<b>1,263</b>	<b>1,319</b>		<b>1</b>
<b>Total Fibre</b>	<b>9,296</b>	<b>9,217</b>		<b>0</b>

Data Source: Office of Textile Commissioner, Govt. of India

*India exported fibre worth US\$ 3,028 million in 2018-19, which has reduced at a CAGR of 7% over the past five years.*

*Cotton occupied 81% share in total fibre exports in 2013-14, which has reduced to 69% share in 2018-19.*

#### Exports

India exported fibre worth US\$ 3,028 million in 2018-19, which has reduced at a CAGR of 7% since 2013-14. The share of cotton in total fibre exports has reduced from 81% in 2013-14 to 69% in 2018-19.

Exports of both, natural and man-made fibre decreased at a CAGR of 9% and 1%, respectively since 2013-14. However, the fibre exports from India are still dominated by natural fibres.

**Table 25:** India's Fibre Exports (US\$ million)

Fibre	Exports 2013-14	Exports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton	3,638	2,104	69	-10
Silk	17	19	0.5	2
Wool	54	45	1	-4
<b>Others</b>	<b>158</b>	<b>289</b>	<b>10</b>	<b>13</b>
<b>Natural Fibre</b>	<b>3,867</b>	<b>2,457</b>		<b>-9</b>
Viscose staple fibre	206	172	6	-4
Polyester staple fibre	310	322	11	1
Acrylic staple fibre	40	62	2	9
Other MMSF	42	15	0.5	-18
<b>MMSF</b>	<b>598</b>	<b>571</b>		<b>-1</b>
<b>Total Fibre</b>	<b>4,465</b>	<b>3,028</b>		<b>-7</b>

Data Source: DGCIS and Wazir analysis

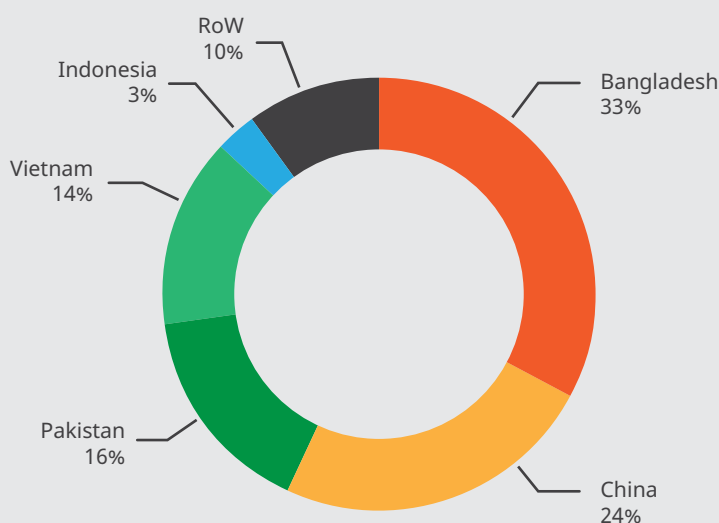
*The export of cotton fibre has reduced at a CAGR of 10% in the past five years.*

*In 2018-19, Bangladesh imported 33% share of the total cotton fibre exports from India.*

The exports of cotton fibre has reduced at a CAGR of 10% over the last five years.

In 2018-19, The top five countries collectively imported nearly 90% of cotton fibre from India. Bangladesh alone imported one third of India's total cotton fibre export. This was followed by China at 24%, Pakistan at 16% and Vietnam at 14%.

**Figure 10:** Country-wise Exports of Cotton Fibre from India in 2018-19



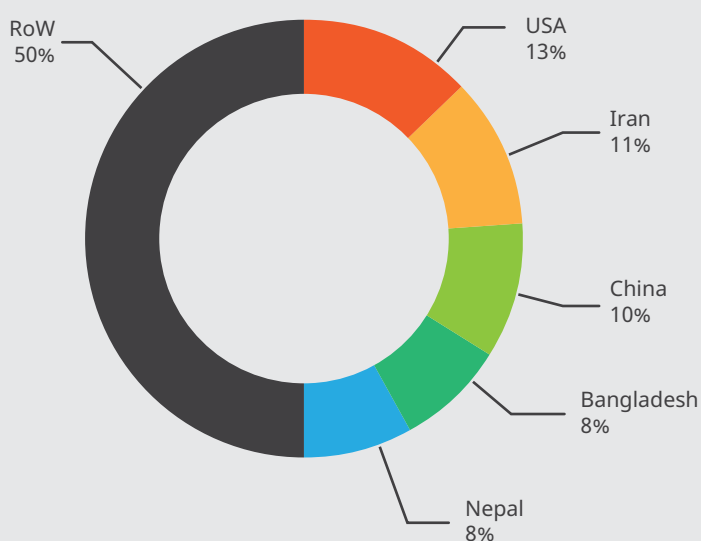
Data Source: DGCIS and Wazir analysis

USA is the leading importer of man-made staple fibre from India, having a share of 13%.

The exports of man-made staple fibre has remained stagnant in the past five years. In 2018-19, USA imported man-made staple fibre worth US\$ 74 million from India which accounts for 13% share.

Iran, China, Bangladesh and Nepal are the other major countries which together imported 37% of India's man-made staple fibre exports.

**Figure 11:** Country-wise Exports of Man-made Staple Fibre from India in 2018-19



Data Source: DGCIS and Wazir analysis

India imported fibre worth US\$ 1,701 million in 2018-19, which has grown at 7% CAGR since 2013-14.

Imports of man-made staple fibre has grown at 12% CAGR.

### Imports

India imported fibre worth US\$ 1,701 million in 2018-19, which has grown at a CAGR of 7% since 2013-14. Nearly 75% of the imports of fibre in 2017-18 was natural fibre. The share of cotton in total fibre imports has increased from 33% in 2013-14 to 37% in 2018-19.

Imports of man-made staple fibres have also grown at 12% CAGR, especially viscose staple fibre, which has shown a significantly high growth of 19% CAGR.

**Table 26:** India's Fibre Imports (US\$ million)

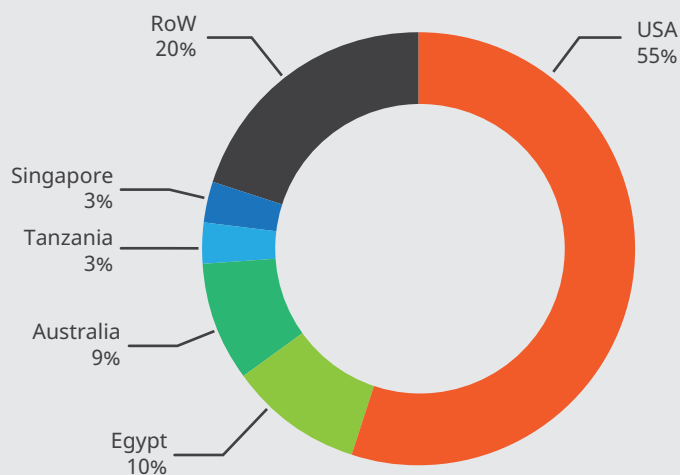
Fibre	Imports 2013-14	Imports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton	394	633	37	10
Silk	153	154	9	0.04
Wool	337	341	20	0.2
Others	56	106	6	13
<b>Natural Fibre</b>	<b>940</b>	<b>1,234</b>		<b>6</b>
Viscose staple fibre	41	96	6	19
Polyester staple fibre	69	128	8	13
Acrylic staple fibre	85	85	5	-0.1
Other MMSF	72	159	9	17
<b>MMSF</b>	<b>267</b>	<b>468</b>		<b>12</b>
<b>Total Fibre</b>	<b>1,207</b>	<b>1,702</b>		<b>7</b>

Data Source: DGC&S and Wazir analysis

*In 2018-19, India imported cotton fibre majorly from USA.*

In 2018-19, USA was the major supplier country of cotton fibre with a share of 55% in the total cotton fibre import of India. USA is followed by Egypt and Australia with the share of 10% and 9%, respectively.

**Figure 12:** Country-wise Imports of Cotton Fibre by India in 2018-19



Data Source: DGC&S and Wazir analysis

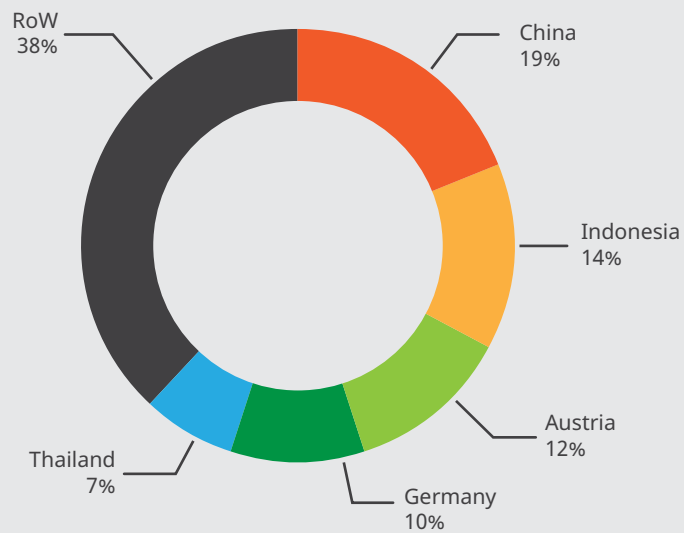
India imported man-made staple fibre worth US\$ 128 million in 2018-19.

There has been a significant increase in Viscose and Acrylic fibre imports.

Imports of synthetic staple fibre has increased significantly in the past five years. India imported synthetic staple fibre worth US\$ 128 million in 2018-19, which has grown at a CAGR of 13% in the past five years.

Viscose and Acrylic fibre imports have also increased significantly with a CAGR of 19% and 17%, respectively.

Figure 13: Country-wise Imports of Man-made Staple Fibre by India in 2018-19



Data Source: DGCIS and Wazir analysis

## Yarn

India's total yarn production was 7,050 million kg in 2018-19.

Spun yarn production has grown at a CAGR of 2%.

### Production

The production of yarn stood at 7,050 million kg in 2018-19, while growing at a CAGR of 1% over the last 5 years. The production of spun yarn has grown at a CAGR of 2% as well, but the production of filament yarn has reduced at a CAGR of 2%.

**Table 27:** India's Yarn Production (million Kg)

Yarn	Production 2013-14	Production 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton spun yarn	3,928	4,208	60	1
Blended & 100% non- cotton spun yarn	1,381	1,682	24	4
<b>Total spun yarn</b>	<b>5,309</b>	<b>5,890</b>		<b>2</b>
Man- made filament yarn	1,290	1,160	16	-2
<b>Total yarn</b>	<b>6,599</b>	<b>7,050</b>		<b>1</b>

Data Source: Office of Textile Commissioner, Govt. of India

In 2018-19, India's total yarn exports stood at US\$ 6,162 million.

Exports of spun yarn has declined with a CAGR of 3% since 2013-14.

### Exports

India's yarn exports slightly decreased over the last five years. On the contrast, the export of nylon filament yarn has increased significantly with a CAGR of 17% in the past five years.

The exports of spun yarn has declined with a CAGR of 3% while that of filament yarn has remained almost the same over the past five years.

**Table 28:** India's Yarn Exports (US\$ million)

Yarn	Exports 2013-14	Exports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton spun yarn	4,570	3,910	63	-3
Man made spun yarn	826	792	13	-1
Other spun yarn (Silk, Jute)	119	153	2	5
<b>Total Spun Yarn</b>	<b>5,515</b>	<b>4,855</b>		<b>-3</b>
Viscose filament yarn	55	49	1	-2
Polyester filament yarn	1,218	1,191	19	0
Nylon filament yarn	12	27	0.4	17
Other MMFY	49	40	1.6	-4
<b>MMFY</b>	<b>1,334</b>	<b>1,307</b>		<b>0</b>
<b>Total Yarn</b>	<b>6,849</b>	<b>6,162</b>		<b>-2</b>

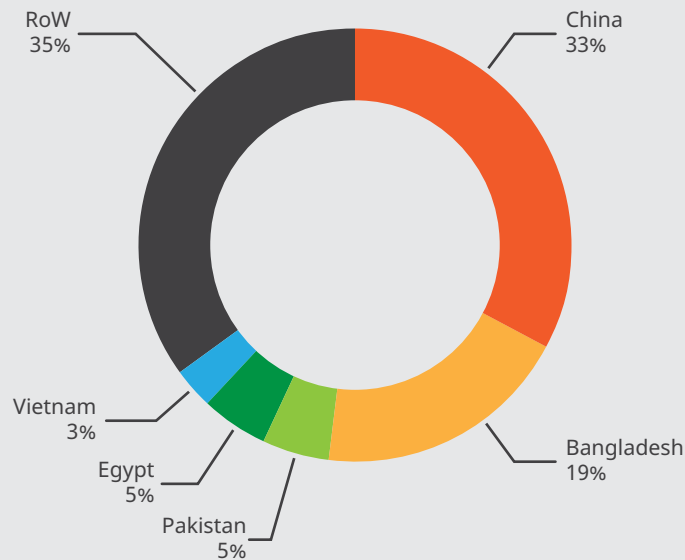
Data Source: DGCI&S and Wazir analysis



*China is the largest importer of cotton yarn from India, followed by Bangladesh and Pakistan.*

India's exports of cotton yarn has declined at a CAGR of 3% in the past five years. China is the largest importer of cotton yarn (33% share) from India, followed by Bangladesh and Pakistan with 19% and 5% share, respectively. The top five importers account for 65% of India's total cotton yarn exports.

**Figure 14:** Country-wise Exports of Cotton Yarn from India in 2018-19



**Data Source:** DGCIS and Wazir analysis

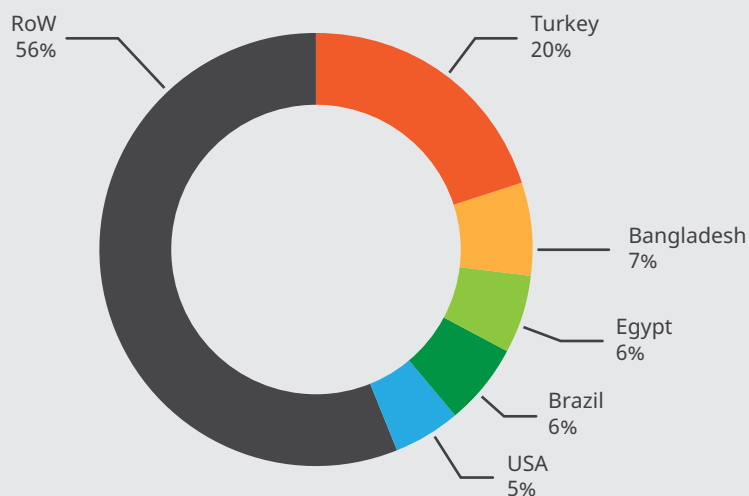
*India exported US\$ 1,191 million worth of man-made filament yarn in 2018-19.*

*Turkey is the largest importer of man-made filament yarn with 20% share in India's exports.*

India exported US\$ 1,191 million worth of man-made filament yarn, which has remained stagnant over the past five years.

Turkey imported 20% of the man-made filament yarn from India, followed by Bangladesh, Egypt, Brazil and USA with cumulative share of 24%.

**Figure 15:** Country-wise Exports of Man-made Filament Yarn in 2018-19



Data Source: DGCI&S and Wazir analysis

*India imported US\$ 1,144 million worth of yarn in 2018-19.*

### Imports

India imported yarn worth US\$ 1,177 million in 2018-19, which has grown at a CAGR of 2% over the last five years.

There has been a slight decrease in the imports of spun yarn from US\$ 461 million in 2013-14 to US\$ 425 million in 2018-19, while the imports of man-made filament yarn have increased at a CAGR of 4% over the last five years.

**Table 29:** India's Yarn Imports (US\$ million)

Yarn	Imports 2013-14	Imports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton spun yarn	55	21	2	-17
Man made spun yarn	222	261	22	3
Other spun yarn (Silk, Jute)	183	143	12	-5
<b>Total Spun Yarn</b>	<b>460</b>	<b>425</b>		<b>-2</b>
Viscose filament yarn	111	108	9	-1
Polyester filament yarn	105	163	14	9
Nylon filament yarn	84	73	6	-3
Other MMFY	293	375	32	5
<b>MMFY</b>	<b>593</b>	<b>719</b>	<b>3</b>	<b>4</b>
<b>Total yarn</b>	<b>1,053</b>	<b>1,144</b>		<b>2</b>

Data Source: DGCI&S and Wazir analysis

## Fabric

*Fabric production in India stood at 70,070 million sq. m. in 2018-19, which has grown at 5% CAGR in the past five years.*

*The production of fabric from decentralized sector has grown at a CAGR of 5%.*

### Production

Fabric production in India stood at 70,070 million sq. m, which has grown at 5% CAGR in the past five years. Fabric from decentralized sector had the major share of 97%, the rest being the fabric from mill sector. Moreover, the production by decentralized sector has grown at a CAGR of 5% while mill sector production has decreased at 4% CAGR.

**Table 30:** India's Fabric Production (million sq. m)

Fabric	Production 2013-14	Production 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Mill sector	2,531	2,078	3	-4
Decentralized sector	52,989	67,992	97	5
<b>Grand Total (Exc. Khadi, Wool &amp; Silk)</b>	<b>55,520</b>	<b>70,070</b>		<b>5</b>

Data Source: Office of Textile Commissioner, Govt. of India

*India exported fabric worth US\$ 4,787 million in 2018-19, which has decreased at CAGR of 1% since 2013-14.*

*Exports of knitted fabric has grown at 13% CAGR in the past five years.*

### Exports

India exported fabric worth US\$ 4,787 million in 2018-19, which has decreased at 1% CAGR since 2013-14. Woven fabric comprised of 91% of the total fabric exports of the year 2018-19. Moreover, exports of knitted fabric also increased at 13% CAGR over the past five years.

**Table 31:** India's Fabric Exports (US\$ million)

Fabric	Exports 2013-14	Exports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton woven	1,719	1,873	39	2
Synthetic woven	2,234	1,684	35	-5
Other woven	746	789	17	1
<b>Total Woven Fabric</b>	<b>4,699</b>	<b>4,347</b>		<b>-2</b>
Knitted fabric	240	440	9	13
<b>Total Fabric</b>	<b>4,939</b>	<b>4,787</b>		<b>-1</b>

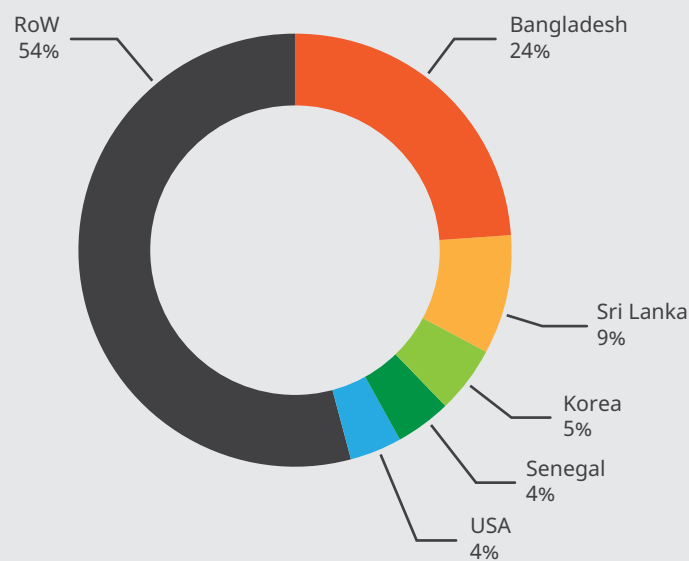
Data Source: DGCI&S and Wazir analysis

India exported cotton woven fabric worth US\$ 1,873 million in 2018-19.

The major importing nations of woven cotton fabric from India were Bangladesh and Sri Lanka.

India exported cotton woven fabric worth US\$ 1,873 million, which has remained stagnant over the past five years in value terms. The major importing nations of woven cotton fabric from India are Bangladesh and Sri Lanka which together imported one-third of India's cotton woven fabric exports.

Figure 16: Country-wise Exports of Cotton Woven Fabric in 2018-19



Data Source: DGCIS and Wazir analysis

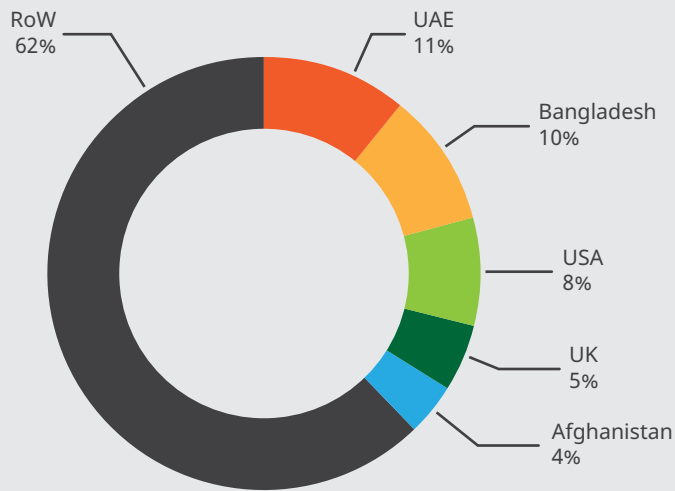
India exported synthetic woven fabric worth US\$ 842 million in 2018-19.

The UAE and Bangladesh formed nearly 21% of the total exports of synthetic woven fabric from India.

India exported synthetic woven fabric worth US\$ 842 million in 2018-19, which has grown at 3% CAGR since 2013-14. The top importing nations; UAE and Bangladesh formed nearly 21% of the total exports of synthetic woven fabric from India.

USA, UK and Afganistan are the other major importing nations with cumulative share of ~17% in the total synthetic woven fabric exports of India.

**Figure 17:** Country-wise Exports of Synthetic Woven Fabric in 2018-19



Data Source: DGCI&S and Wazir analysis

Fabric imports stood at US\$ 2,472 million growing at 6% CAGR since 2013-14.

Imports of knitted fabric and synthetic woven fabric have increased at 16% and 7% CAGR, respectively since 2013-14.

### Imports

India imported US\$ 2,472 million worth of fabric in 2018-19, which has grown at 6% CAGR over the past five years. Imports of synthetic woven fabrics have also increased at 7% CAGR owing to its diverse end uses. The imports of knitted fabric has also increased rapidly at 16% CAGR in the last 5 years.

**Table 32:** India's Fabric Imports (US\$ million)

Fabric	Imports 2013-14	Imports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton woven	265	186	7.5	-7
Synthetic woven	726	1,015	41	7
Other woven	554	705	28.5	5
<b>Total Woven Fabric</b>	<b>1,546</b>	<b>1,906</b>		<b>4</b>
Knitted fabric	268	566	23	16
<b>Total Fabric</b>	<b>1,813</b>	<b>2,472</b>		<b>6</b>

Data Source: DGCI&S and Wazir analysis

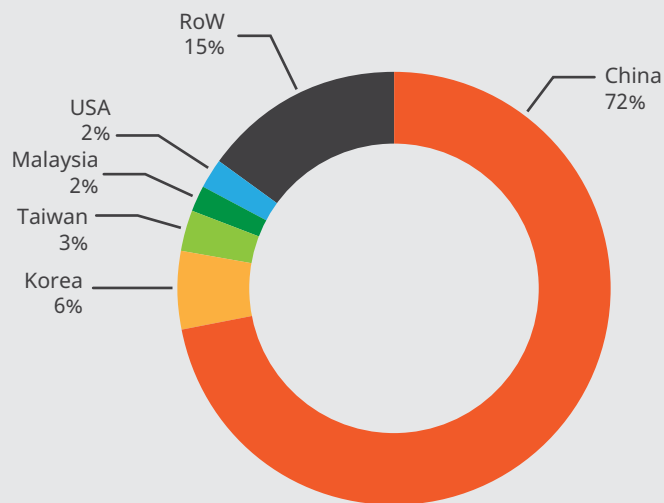
*In 2018-19, India's synthetic woven fabric imports stood at US\$ 282 million.*

*China and Hong Kong is the largest exporter of synthetic woven fabric to India with a share of 72%.*

India imported synthetic woven fabric worth US\$ 180 million in 2013-14, which has now increased to US\$ 282 million in 2018-19 while gaining at a CAGR of 9%.

China and Hong Kong alone hold 72% share in the entire synthetic woven fabric imports of India. Korea, Taiwan, Malaysia, and USA are other major exporting countries, which collectively hold 13% share in total synthetic woven fabric imports of India.

**Figure 18:** Country-wise Imports of Synthetic Woven Fabric in 2018-19



**Data Source:** DGCI&S and Wazir analysis

## Garments & Made-ups

*Garment production in India is estimated at 21 billion pcs in 2018-19.*

### Production

Garment production in India is estimated at 21 billion pieces in 2018-19 and has grown at 8% CAGR in the last 5 years. Made-ups is a comparatively small segment and its production is estimated at 2,300 million kg, which has grown at 4% CAGR in the past five years.

**Table 33:** India's Apparel and Made-ups Production

Apparel & Made-ups	Production 2013-14	Production 2018-19	CAGR 2013-18 (%)
Garments (Mn pcs)	14,500	21,000	8
Made-ups (Mn kg)	1,900	2,300	4

Data Source: Wazir estimates

*India exported garments worth US\$ 16,157 million in 2018-19, which has grown at a CAGR of 1% in the past five years.*

### Exports

India, one of the largest T&A exporter in the world, exported US\$ 16,157 million worth of garments in 2018-19, while growing at a CAGR of 1% in the past five years. Exports of synthetic garments have grown at 4% CAGR as compared to exports of cotton garments which have been stagnant over the past five years.

**Table 34:** India's Apparel and Made-ups Exports (US\$ million)

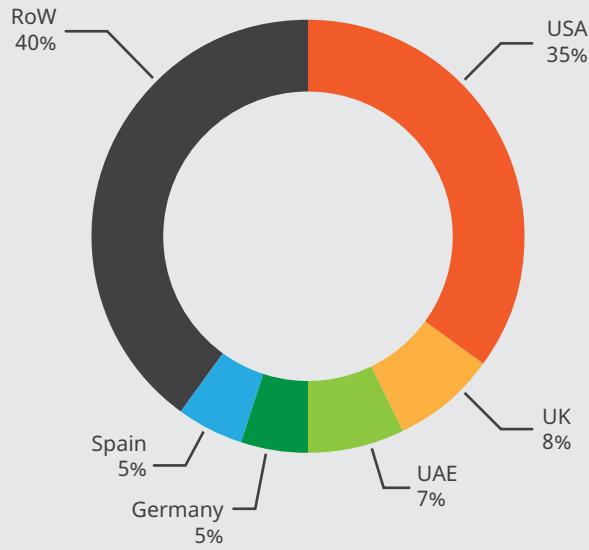
Garment	Exports 2013-14	Exports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton garments	8,372	8,221	51	0
Synthetic garments	2,959	3,647	23	4
Other garments	3,670	4,289	26	3
<b>Total Garments</b>	<b>15,001</b>	<b>16,157</b>		<b>1</b>
<b>Made-ups</b>	<b>4,804</b>	<b>5,453</b>		<b>3</b>

Data Source: DGCI&S and Wazir analysis

*USA, UAE and UK held about 50% share of the total exports of garments from India, in 2018-19.*

The top three countries; USA, UAE and UK occupied ~50% share of the total exports of garments from India, in 2018-19. Germany and Spain were the other major importers of garments with share of 5% each.

**Figure 19: Country-wise Exports of Garments in 2018-19**



Data Source: DGCI&S and Wazir analysis

India imported US\$ 1,106 million worth of garments and US\$ 285 million worth of made-ups in 2018-19.

Imports of synthetic garments have increased at 27% CAGR over the past five years.

### Imports

India's imports of garments have increased at 21% CAGR in the past five years. Imports of synthetic garments have increased at a higher pace, growing at 27% CAGR; while accounting for only 28% share in total import of garments.

Imports of made-ups has also grown at a CAGR of 9%, with India importing made-ups worth US\$ 285 million in 2018-19.

**Table 35: India's Apparel and Made-ups Imports (US\$ million)**

Garment	Imports 2013-14	Imports 2018-19	Share (2018-19) (%)	CAGR 2013-18 (%)
Cotton garments	200	476	43	19
Synthetic garments	92	304	28	27
Other garments	141	326	29	18
<b>Total Garments</b>	<b>433</b>	<b>1,106</b>		<b>21</b>
<b>Made-ups</b>	<b>187</b>	<b>285</b>		<b>9</b>

Data Source: DGCI&S and Wazir analysis



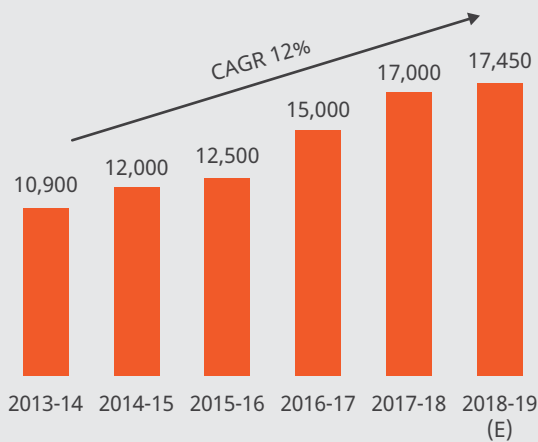
## Technical Textiles

The Indian technical textiles market is estimated at US\$ 17,450 million in 2018-19, growing at a CAGR of 12%.

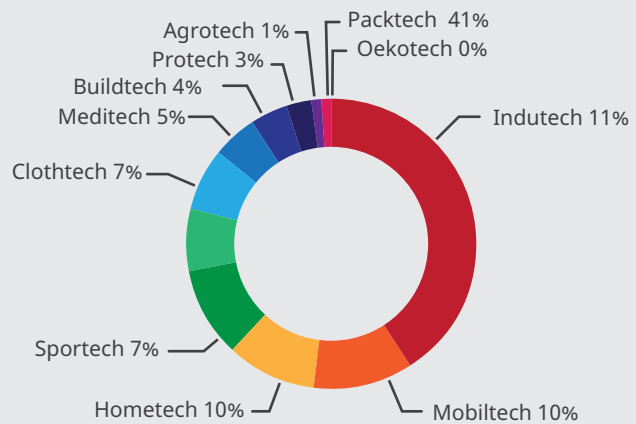
### Domestic Market

The current Indian technical textiles market is estimated at US\$ 17,450 million, growing at a CAGR of 12% since 2013-14. It contributes to about 0.7% to India's GDP and accounts for approximately 13% of India's total textile and apparel market. In 2017-18, Packtech segment had the highest share of 41%, followed by Indutech, Homotech, and Mobiltech with a share of 11%, 10% and 10%, respectively.

**Figure 20:** Domestic Market Size of Technical Textiles in India (US\$ million)



**Figure 21:** Application-wise Break-up of Indian Technical Textile Market (2017-18)



Data Source: Office of Textile Commissioner, Govt. of India  
\*Estimated

India's exports of technical textiles in 2018-19 is estimated at US\$ 1,978 million.

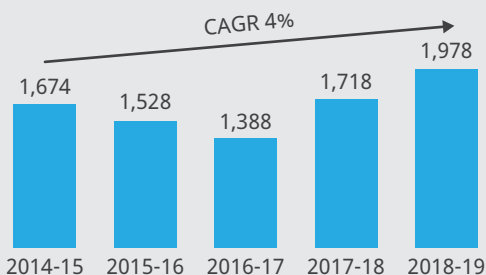
India's imports of technical textiles in 2018-19 is estimated at US\$ 2,209 million.

### Exports

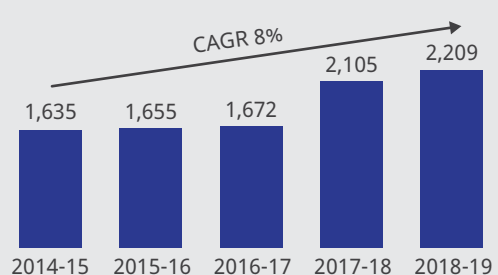
India's exports of technical textiles in 2018-19 is estimated at US\$ 1,978 million, which has grown a CAGR of 4% over the past four years since 2014-15.

India's imports of technical textiles have increased at a CAGR of 8% within the last 4 years, from US\$ 1,635 million to US\$ 2,209 million in 2018-19.

**Figure 22:** Exports of Technical Textiles from India (US\$ million)



**Figure 23:** Imports of Technical Textiles by India (US\$ million)



Data Source: DGCIS and Wazir analysis

## 5. Financial Health of Indian Textile Industry

More than 50 public listed companies in T&A and allied sectors clocked turnover of more than US\$ 100 million in FY19.

In FY2019, there were more than 50 public listed companies in India of textiles, apparel and allied sectors that clocked annual turnover in excess of US\$ 100 million.

**Table 36:** Leading Textile Companies in India, their Turnover and PBDIT Margins (FY 2019)

S. No.	Company Name	Products	Headquarters	Revenue (US\$ Mn)	PBDIT (%)
1	Reliance Industries*	Fibre, filament, fabrics	Mumbai, Maharashtra	2,900	NA
2	Grasim (Textile Business)	Fibre	Mumbai, Maharashtra	1,706	19
3	Vardhman Textiles	Fibre, yarn, fabrics, apparel	Ludhiana, Punjab	957	21
4	Arvind	Fabrics, apparel	Ahmedabad, Gujarat	943	11
5	SRF Ltd.	Technical textiles	Gurgaon, Haryana	938	19
6	Welspun India	Home textiles	Mumbai, Maharashtra	790	16
7	Trident Group	Yarn, home textiles	Ludhiana, Punjab	759	20
8	Bombay Dyeing	Yarn, home textile	Mumbai, Maharashtra	645	40
9	Raymond Ltd.	Fabrics, apparel	Mumbai, Maharashtra	496	12
10	Garden Silk Mills	Polyester chips, yarn, fabrics	Mumbai, Maharashtra	438	5
11	KPR Mill	Yarn, fabrics, apparel	Coimbatore, Tamil Nadu	435	18
12	RSWM Ltd.	Yarn, fabrics	Noida, Delhi NCR	432	7
13	JBF Industries Ltd.	Polyester chips, yarn	Mumbai, Maharashtra	429	3
14	Page Industries	Innerwear, leisurewear	Bangalore, Karnataka	417	23
15	Filatex India	Synthetic yarn	New Delhi	416	8
16	Sutlej Textiles and Industries Ltd.	Yarn, fabrics, home textiles	Mumbai, Maharashtra	374	10
17	Nahar Spinning Mills Ltd.	Yarn, fabrics	Ludhiana, Punjab	334	11
18	Jindal Worldwide	Fabrics, home textiles	New Delhi	306	6
19	Sangam India	Yarn, fabrics, denim	Mumbai, Maharashtra	272	9
20	Nahar Enterprise	Yarn, fabrics	Ludhiana, Punjab	271	11
21	Siyaram Silk Mills	Fabrics	Mumbai, Maharashtra	266	15
22	Indo Count Industries Ltd.	Yarn, fabrics, home textiles	Mumbai, Maharashtra	263	9
23	Himatsingka Seide	Yarn, home textiles	Bangalore, Karnataka	262	31
24	Century Enka	Yarn, fabrics	Mumbai, Maharashtra	262	10
25	DCM Industries	Yarn	New Delhi	246	8
26	Indo Rama Synthetics	Polyester chips, polyester fibre, polyester yarn	Gurgaon, Haryana	245	-5
27	Nandan Denim	Denim fabrics	Ahmedabad, Gujarat	212	11
28	Banswara Syntex	Yarn, fabrics, apparel	Mumbai, Maharashtra	197	10
29	Loyal Textiles Mills Ltd.	Yarn, fabrics, apparel, home textiles	Chennai, Tamil Nadu	189	9

S. No.	Company Name	Products	Headquarters	Revenue (US\$ Mn)	PBDIT (%)
30	Nitin Spinners	Yarn, fabrics	Rajasthan, India	180	15
31	Lux Industries	Hosiery, innerwear	Kolkata, West Bengal	176	16
32	Gokaldas Export	Apparel	Bangalore, Karnataka	172	7
33	Sportking India	Yarn, fabrics, apparel	Ludhiana, Punjab	168	11
34	TCNS Clothing Conmany	Apparel	Noida, Uttar Pradesh	167	16
35	Rupa and Company	Hosiery, leisurewear	Kolkata, West Bengal	161	16
36	Mafatlal Industries	Fabrics, apparel	Mumbai, Maharashtra	152	-3
37	Garware Technical Fibres	Yarn, thread, coated fabrics	New Delhi	150	21
38	Dollar Industries	Hosiery, innerwear	Kolkata, West Bengal	149	13
39	Ganesha Ecosphere	Fibre, yarn, technical textiles	New Delhi	148	13
40	Bannari Amman Spinning	Yarn, fabrics, apparel	Coimbatore, Tamil Nadu	145	11
41	Vishal Fabrics	Fabrics	Ahmedabad, Gujarat	144	8
42	AYM Syntex	Fabrics, Apparel, Medical Textile, Home textile	Mumbai, Maharashtra	144	8
43	Bombay Rayon Fashions Ltd.	Yarn, fabrics, apparel	Mumbai, Maharashtra	142	NA
44	Pearl Global Industries Ltd.	Apparel	Gurgaon, Haryana	125	7
45	Sumeet Industries	Polyester chips, polyester & polypropylene yarn	Surat, Gujarat	121	5
46	Pasupati Acrylon	Fibre	New Delhi	119	7
47	Ginni Filaments	Yarn, fabrics, apparel, non-woven	Noida, Delhi NCR	117	7
48	JCT Ltd.	Yarn, performance fabrics	New Delhi	116	5
49	S P Apparels	Apparel	Tirupur, Tamil Nadu	113	17
50	Damodar Ind	Yarn	Mumbai, Maharashtra	111	5
51	Maral Overseas	Yarn, Fabric, Garment	Noida, Uttar Pradesh	109	7
52	Aarvee Denim	Fibre, Yarn, Fabrics	Ahmedabad, Gujarat	109	11
53	Suryalakshmi Cotton Mills	Yarn, fabrics	Secunderabad, Andhra Pradesh	108	7
54	Indian Acrylics	Fibre	Chandigarh	105	5
55	Winsome Textile	Yarn, fabrics	Gurgaon, Haryana	104	12

\*Estimated

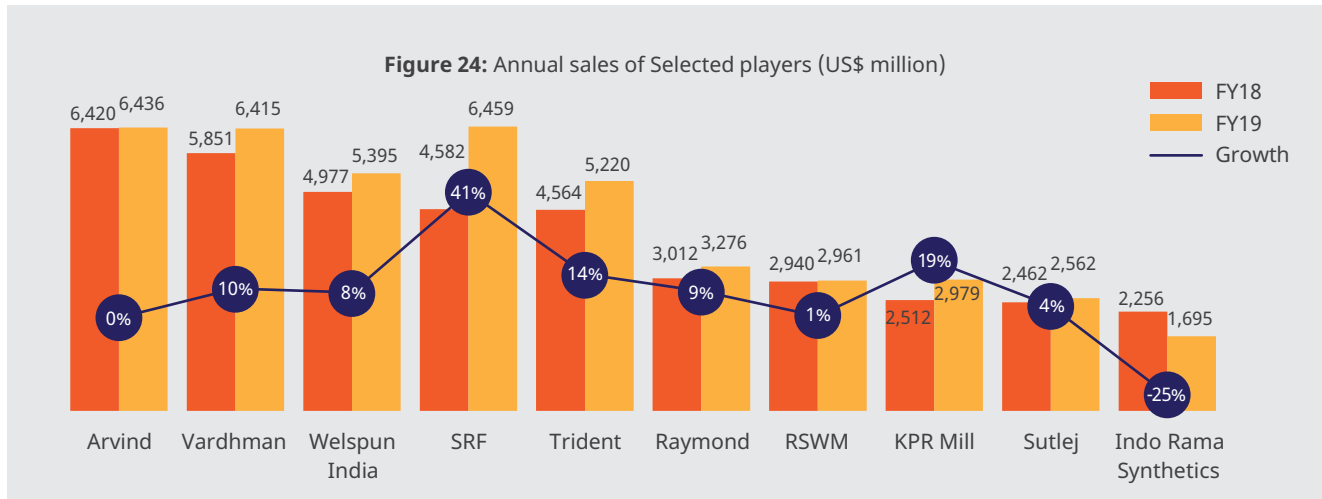
Data Source: Moneycontrol

Conversion Rate: 1US\$ = INR 69.32

## Financial Analysis of Selected Leading Players

*At a consolidated level, annual sales have increased by 10% in FY19 as compared to FY18.*

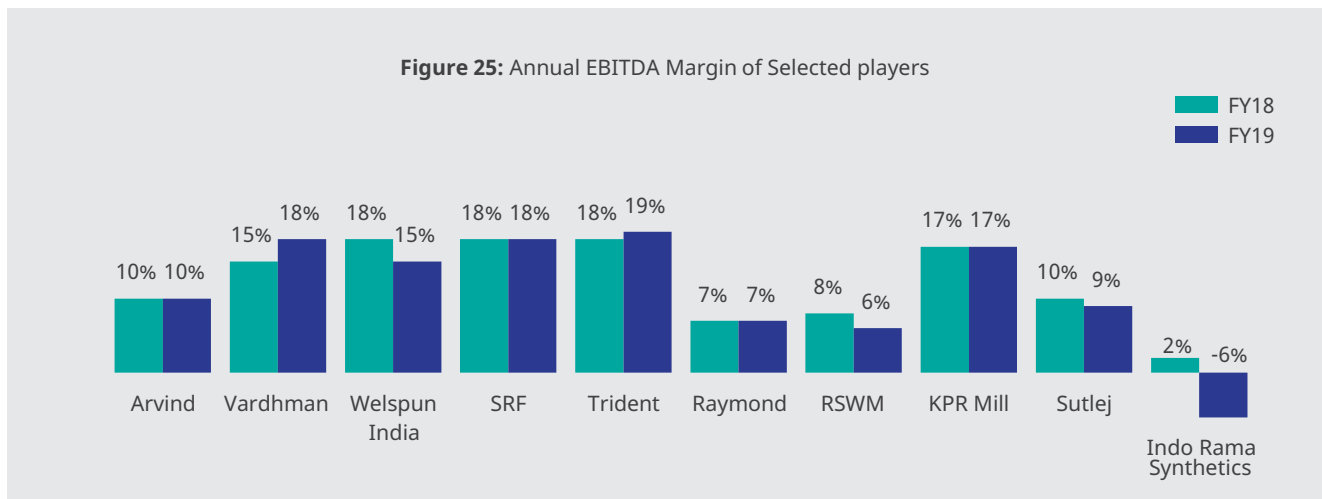
Overall, consolidated sales of the selected leading players have increased by 10% as compared to the previous financial year. SRF has shown the highest revenue growth rate of 41%. The revenue of some of the leading companies including KPR Mill, Trident, and Vardhman have increased as well.



Data Source: Money control

*Consolidated EBITDA margin has increased by 0.1 percentage points for the selected top companies in FY19.*

Though the overall sales have increased, annual EBITDA margins have marginally increased in FY19 as compared to FY18. Except Vardhman and Trident, the EBITDA margin of all the other top companies have either declined or remained stagnant.

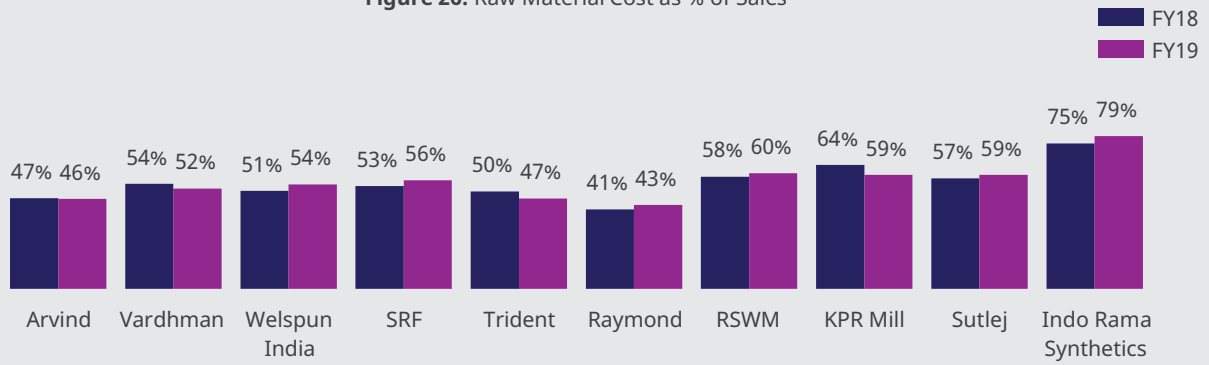


Data Source: Money control

*Consolidated raw material cost has remained stagnant for the selected top companies from FY18 to FY19.*

Average raw material cost remained stagnant from 53.1% in FY18 to 53% in FY19. Even though Welspun, SRF, Raymond, RSWM, Sutlej and Indo Rama Synthetics have shown increase in their raw material costs, the consolidated costs have reduced.

**Figure 26: Raw Material Cost as % of Sales**

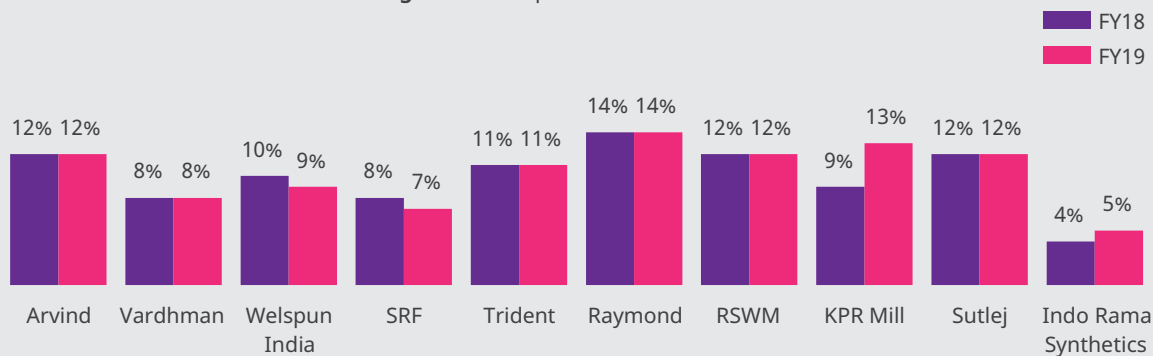


Data Source: Money control

*Consolidated manpower cost has marginally decreased by 0.2 percentage points for the selected top companies in FY19.*

The average manpower costs for these selected companies decreased from 10.3% in FY18 to 10.1% in FY19.

**Figure 27: Manpower Cost as % of Sales**

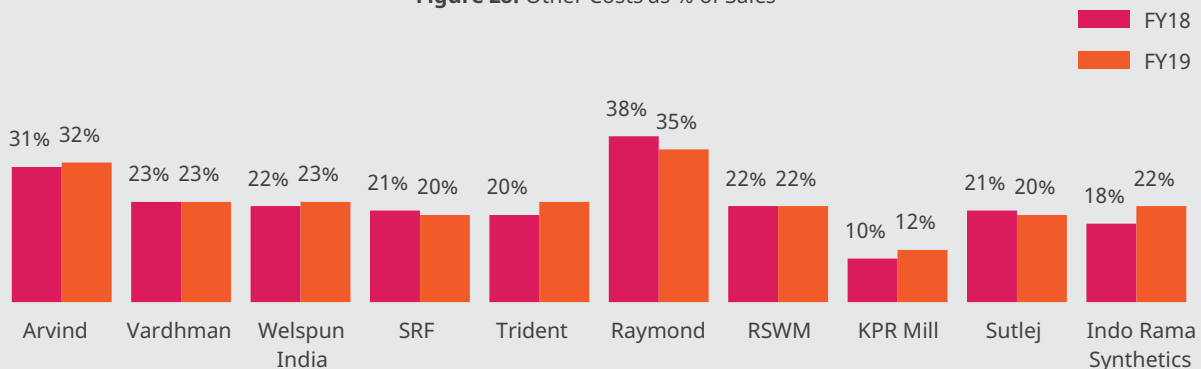


Data Source: Money control

*Consolidated other costs have marginally increased by 0.2 percentage points for the selected top companies in FY19.*

Average Other Costs of selected top players increased from 23.5% in FY18 to 23.7% in FY19.

**Figure 28: Other Costs as % of Sales**



Data Source: Money control



We assist clients in strategy formulation and implementation, forming alliances and joint ventures, investments, market understanding, sector analysis and due diligence, thereby providing end-to-end solutions spanning the complete business cycle in textile value chain.

Having worked with leading Indian and International companies, public sector organizations, government departments, development agencies, trade bodies, etc., Wazir has a deep understanding of global textile sector dynamics and the right connect with the people who matter.

Wazir's team of textile experts possess experience across functions: projects, operations, sourcing and marketing in the sector. The team members have worked on strategy and implementation assignments in all major textile and apparel manufacturing and consumption bases across the globe.

Wazir leverages its body of knowledge, contacts and combined expertise of its team to deliver value to the clients.

Our services span the entire breadth of textile manufacturing value chain: from fibre to finished goods.

We cover the following segments:

- Fibre and filaments
- Yarn
- Fabrics
- Apparels
- Made-ups
- Technical textiles
- Textile machinery and equipment
- Handlooms and handicrafts

## Strategy

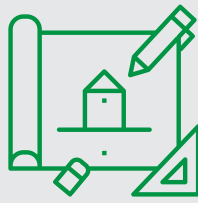


Wazir delivers practical, implementable strategies for clients to meet their objectives. We assist clients to conceptualize, evaluate and select business opportunities in the textile and apparel sector.

Be it corporate strategy intending to enhance profitability or new market opportunity identification or sector growth strategy to support MSMEs, we are geared to advise our clients efficiently and effectively.

- *Corporate Strategy*
- *Market Opportunity Assessment*
- *Market Entry Strategy*
- *Location Analysis*
- *Business Performance Enhancement*
- *Product Diversification*
- *Marketing and Distribution Strategy*
- *Sector Mapping and Growth Strategy*
- *Policy Formulation Support*
- *Government Scheme Evaluation*

## Implementation



Wazir provides implementation services to textile and apparel sector entities to convert the plans into reality. Wazir has the capability to execute every strategy that it recommends.

Whether it is to manage a Government scheme or to improve productivity in apparel factories or to identify the most suitable technology; we have in-house competence to cover all the critical elements of implementation.

- *Benchmarking and Gap Study*
- *Process Re-engineering*
- *Productivity and Profitability Improvement*
- *Management Contract*
- *Project Management and Monitoring*
- *Supply Chain Optimization*
- *Feasibility and Techno-Economic Viability (TEV) Study*
- *Cluster and Industrial Park Development*

## Alliances



Partnerships and collaborations are ways to achieve accelerated growth, expand market reach and attain technical advancement. Realizing the importance and need of inter-organization alliances in textile and apparel sector, Wazir has developed broad range of services to support companies and organizations looking for inorganic growth globally.

- *Company Due-diligence*
- *Joint Venture*
- *Marketing Tie-up*
- *Technology Transfer*
- *M&A Execution*
- *Strategic and Financial Funding*



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