CHAPTER 5

Trends in Production of Textile Sector

5.1 INTRODUCTION

The Indian textile industry is one of the largest in the world with a massive raw material and textiles manufacturing base. Indian economy is largely dependent on the textile manufacturing and trade in addition to other major industries. India is one of the world's largest producers of textiles and garments. Abundant availability of raw material such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is world's second largest producer of textiles and garments. The Indian textiles industry accounts for about 24 per cent of the world's spindle capacity and eight per cent of global rotor capacity at end of 2014-15. The potential size of the Indian textiles and apparel industry is expected to reach US$ 223 billion by 2021, according to a report by Technopak Advisors.

About 27 per cent of the foreign exchange earnings are on account of export of textiles and clothing alone. The textiles and clothing sector contributes about 14 per cent to the industrial production and 3 per cent to the gross domestic product of the country. Around 8 per cent of the total excise revenue collection is contributed by the textile industry. So much so, the textile industry accounts for as large as 21 per cent of the total employment generated in the economy. Around 35 million people are directly employed in the textile manufacturing activities at the end of 2014-15. Indirect employment including the manpower engaged in agricultural based raw-material production like cotton and related trade and handling could be stated to be around another 60 million.

5.2 INDUSTRIAL STRUCTURE

The Textile Sector in India ranks next to Agriculture. Textile is one of India’s oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third of our gross export earnings and provides gainful employment to millions of people. The textile industry occupies a unique place in our country.

Textile Industry is providing one of the most basic needs of people and it holds important position in maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it has a major contribution to the country's economy.

Evolution of the Industry: A significantly large section of Indian consumers were traditionally dependent on tailor–made dresses till late 1980s. Even when over the past few decades western dresses started making inroads in to Indian households both in the urban and rural areas. Indian consumers used to purchase their fabric and hand over to the tailors for stitching. Tailor–made garments had a long era in India. However, increasing availability of ready-made products in retail outlets in metros and other cities, together with media exposure largely worked towards proliferation of ready-made garments in India. Convenience, availability of wide choice of designs, colors and instant availability of products within budget were the factors that tilted Indian consumers towards ‘ready-to-wear products.

Industry Composition: The Indian garment industry is highly labor- intensive with about 77,000 units spread over the entire country. The industry has two major sectors - knitted and woven. Weaving sector is predominantly small scale, having an average 4-5 power looms per unit. Knits have been more successful especially in export channels. The hosiery sector, on the other hand, has largely a domestic focus and is growing rapidly. The average size of a manufacturing unit does not exceed 15 to 20 machines. The representation of large scale units in the industry as yet is not so significant, though the number of large scale players is slowly rising in tune with the growth trend of the industry. Many International players have also tied up with premier Indian companies.

Production Strategies: Three types of production strategies are normally used by apparel manufacturers. The first one is called flexible manufacturing strategy. The manufacturing firm will operate with the flexibility needed to meet the demands of its consumers depending upon the inherent ability to adapt immediate changes in the apparel market. The second method, known as ‘Value added Manufacturing Strategy is a quick response strategy that focuses on eliminating any unnecessary operations. The manufacturers take necessary action through cutting down extra time that delay production such as inspection, bundling, sorting etc requires extra time. ‘Agile Manufacturing Strategy’- the third strategy points to the dynamic ability of the firm to strategically use changes as a vehicle to grow in the new markets. It requires openness to change and flexibility to pursue change - ability to anticipate consumer needs through innovation that makes it possible for the product to grow.

Table 5.1: Major Brands

Name of The Manufacturer	**Products Manufactured**
Raymond Ltd. Mumbai	Garments: worsted, woolen and linen fabrics to creating suits, trousers and apparel.
	Monzoni: super premium formalwear and sportswear including suits, shirts, trousers and high quality accessories such as handcrafted silk ties, pure leather shoes crafted in Europe and leather belts.
	Park Avenue: The shirts, trousers, suits and jackets need little care and therefore convenient to carry while travelling.
	ColorPlus: one of India's leading casual wear brands. Our shirts, trousers, knits, survival gear and accessories have always met international quality standards.
	Parx: premium casual lifestyle brand which is positioned to cater to the needs of consumers who are looking for dressing up for life "beyond work".
	Zapp: range of apparel, accessories and lifestyle products for kids between the age group of 4 to 14 years.
	Notting Hill: suits, shirts, trousers, jeans, t-shirts and also accessories like ties, handkerchiefs and socks.
Arvind Limited Ahmedabad	Flying Machine, New Prot & Ruf & Tuf: Jeans
	Excalibur : Shirts
	Arrow : Formals & Casuals
	Lee : Jeans
	Wrangler : Jeans

	Tommy Hillfiger : High Fashion Products
Aditya Birla Nuvo Ltd. Mumbai	Louis Philippe / Upper Crest: Silk Trousers, Blazer, Ties, T-
	Shirts
	Van Heusen: Winter wear, Knits
	Allen Solly: Formal Trousers and Shirts and Casuals
	Peter England: Formal shirts and formal and casual
	trousers for men
	Espirit: T-shirts and Shirts
DCM Benetton India Ltd Benetton India Private Limited Gurgaon	Benetton Kids: Sweaters, Pullovers, Corduroy Jackers,
	Denim Wear
	Girls wear: Casual, fun wear, frocks, dungarees, skirts
S Kumar Nationwide Ltd. Mumbai	S. Kumars, Reid & Taylor, Tamarind
	Suits, Polo style shirts, Khaki Trouser, Navy Blazer, Silk Ties,
	Jeans, T Shirts
Levi Strauss (India) Ltd	Jeans for men and women
Bangalore	
Lee Cooper Lee Cooper India Pvt. Ltd. Mumbai	Men’s:
	Jeans, T-Shirts, Other Tops, Headgear & Belts
	Women’s:
	Jeans, Shirts & Tees, Other Tops, Other Bottoms, Belts &
	Accessories
CELEBRITY FASHIONS LTD.	Men’s wear
Chennai	

5.3 Textile Sector Exports:

Textile and clothing exports account for one-third of the total value of exports from the country. There are 1,227 textile mills with a spinning capacity of about 29 million spindles. While yarn is mostly produced in the mills, fabrics are produced in the power loom and handloom sectors as well. The Indian textile industry continues to be predominantly based on cotton, with about 65 per cent of raw materials consumed being cotton. The yearly output of cotton cloth was about 12.8 billion m (about 42 billion Ft.). The manufacture of jute products (1.1 million metric tons) ranks next in importance to cotton weaving.

Table 5.2: Domestic Production of Raw Materials and Semi Processed Fabric

		Production (msm)						**Growth**		
		2004	**2005**	**2006**	**2007**	**2008**	**2009 (H1)**	**2008**	**3-year**	**2009 (H1)**
Cotton		18,040	20,655	23,873	26,238	27,205	13,371	3.7%	9.6%	-1.3%
☐	Mills	969	1,072	1,192	1,305	1,249	626	-4.3%	5.2%	0.5%
☐	Handloom	4,519	4,792	5,236	5,717	6,076	2,894	6.3%	8.2%	-3.8%
☐	Powerloom	6,370	7,361	8,821	9,647	9,932	4,717	3.0%	10.5%	-5.2%
☐	Hosiery	6,182	7,430	8,624	9,569	9,948	5,134	4.0%	10.2%	3.8%
Blended		6,068	6,032	8,298	6,882	6,888	3,630	0.1%	4.5%	6.3%
☐	Mills	253	243	252	330	422	256	27.9%	20.2%	26.1%
☐	Handloom	117	146	145	99	123	46	24.2%	-5.6%	-
										16.4%
☐	Powerloom	4,688	4,526	4,632	5,025	4,918	2,636	-2.1%	2.8%	8.7%
☐	Hosiery	1,010	1,117	1,269	1,428	1,425	692	-0.2%	8.5%	-5.5%
100% NC		17,613	17,998	18,637	19,545	21,175	10,102	8.3%	5.6%	-0.5%
☐	Mills	212	211	212	111	110	46	-0.9%	-19.5%	-
										14.8%
☐	Handloom	857	784	727	720	748	364	3.9%	-1.6%	-0.8%
☐	Powerloom	15,889	16,438	17,173	18,207	19,886	9,469	9.2%	6.6%	-0.6%
☐	Hosiery	655	565	525	507	431	223	-15.0%	-8.6%	6.7%
Total		41,721	44,685	48,808	52,665	55,268	27,103	4.9%	7.3%	-0.1%
☐	Mills	1,434	1,526	1,656	1,746	1,781	928	2.0%	5.3%	5.5%
☐	Handloom	5,493	5,722	6,108	6,536	6,947	3,304	6.3%	6.7%	-3.6%
☐	Powerloom	26,947	28,325	30,626	32,879	34,736	16,822	5.6%	7.0%	-0.6%
☐	Hosiery	7,847	9,112	10,418	11,504	11,804	6,049	2.6%	9.0%	2.8%
Khadi, Wool, Silk		662	693	769	724	763	381	5.4%	3.3%	0.0%
Total		42,383	45,378	49,577	53,389	56,031	27,484	4.9%	7.3%	-0.1%

Source: Market Research on Textiles Apparels and Clothing, Italian Trade Commission

Textile is one of India's oldest industries and has a formidable presence in the national economy in as much as it contributes to about 14 per cent of manufacturing value-addition, accounts for around one-third (2014) to gross export earnings and provides gainful employment to millions of people. They include cotton and jute growers, artisans and weavers who are engaged in the organised as well as decentralised and household sectors spread across the entire country.

Table 5.3: Percentage of Textile Exports to Total Exports (USD Millions)

Year	2011-12	2012-13	2013-14	2014-15
Textile exports	34597	34000	39310	41400
Total exports	146596	116643.9	312350	310500
% textile to total	23.60	10.57	12.58	13.33

Sources: Navneet Gera, Business Standard (23rd Aug. 2013), DNA (17th April, 2015), https://data.gov.in/catalog/exports-imports-and-trade-balance (30th Nov. 2015), http://www.dgciskol.nic.in/annualreport/book_3e.pdf (30th Nov. 2015)

Figure 5.1: Share of India's Textile Exports (FY15)

The fundamental strength of this industry flows from its strong production base of wide range of fibres / yarns from natural fibres like cotton, jute, silk and wool to synthetic and man-made fibers like polyester, viscose, nylon and acrylic. The strong multi-fiber base is highlighted by following important positions achieved by this industry across globe are:

Table 5.4: Production of Textile Raw Materials (2014-15)

Sr.	Raw material	Production	Exports	Export Value

No.				
1	Cotton	35.9 million bales; 1 bale= 170 Kg	7.7 million bales	80.55 mn USD
2	Silk	27708 MT	4156 MT	449.7 mn USD
3	Wool	47.9 million Kg (2013-14)	7.9 million Kg	
4	Jute	11.4 million bales; 1 bale = 180 Kg	1 million bales (2013)	108 mn USD
5	Manmade fibers	1.2 million tones	NA	2000 mn USD

Sources: Cotton Corporation of India, Ministry of Textiles, Tech Science Research, Silk data received from respective DOS State & compiled at CSB (Central office),

Table 5.5: Yarn and Fabric Production

Year	Yarn (Lakh Kg)	Fabric (million sq m)		
		Cotton	Non cotton	Blended
2011-12	346.03	30201	21663	8135
2012-13	350.02	30570	20567	8468
2013-14	427.98	33871	18812	9283
2014-15	489.11	35439	17874	10006

Source: Ministry of Textiles, Tech Science Research

Cotton – Second largest cotton and cellulosic fibers producing country in the world.

Silk – India is the second largest producer of silk and contributes about 18 per cent to the total world raw silk production.

Wool –India has 3rd largest sheep population in the world, having 6.15 crore sheep, producing 45 million kg of raw wool, and accounting for 3.1 per cent of total world wool production. India ranks 6th amongst clean wool producer countries and 9th amongst greasy wool producers.

Man-Made Fibers - the fourth largest in synthetic fibers/yarns globally.

Jute – India is the largest producer and second largest exporter of the jute goods.

India has overtaken Italy, Germany and Bangladesh to emerge as the world's second largest textile exporter, as per data released by 'UN Comtrade'. India's share in Global Textiles increased by 17.5 per cent in 2013 compared to 2012.

Table 5.6: Percentage Share of Cotton Fabrics to Total Exports (1961 to 1990)

1961-62	1962-63	1963-64	1964-65	1965-66	1966-67	1967-68	1968-69	1969-70	1970-71
7	6.7	6.8	7.9	7.9	5.3	6.6	6.5	6.3	6.4

1971-72	1972-73	1973-74	1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
6.4	6.4	9.5	8.7	5.4	6.7	4.3	3.9	4.2	4.1
1981-82	**1982-83**	**1983-84**	**1984-85**	**1985-86**	**1986-87**	**1987-88**	**1988-89**	**1989-90**	**1990-91**
4.7		4.4		5.3				5.4	6.5

Source: Ministry of Textiles, Tech Science Research

Table 5.7: Indian Textile Exports 1991 onwards (million USD) and Growth

Year	Exports	Growth (year on year)
1991-92	4192	-
1992-93	4448	6
1993-94	4891	10
1994-95	6533	34
1995-96	8032	23
1996-97	8636	8
1997-97	9050	5
1998-99	8866	-2
1999-00	9822	11
2000-01	11285	15
2001-02	10207	-10
2002-03	11617	14
2003-04	12792	10
2004-05	13555	6
2005-06	16402	21
2006-07	17373	6
2007-08	19426	12
2008-09	20016	3
2009-10	19853	-1
2010-11	23312	17
2011-12	34597	48
2012-13	34000	-1.72
2013-14	39310	15.61
2014-15	41400	5.31

Source: Ministry of Textiles, Tech Science Research

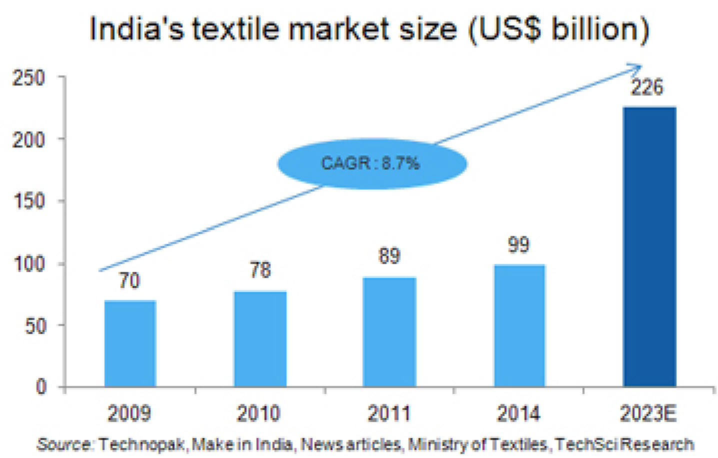
The Textiles Vision Document formulated by the National Manufacturing Competitiveness Council (NMCC) has projected that textiles exports from India will touch US$ 300 billion by the year 2024-25.

Market Size

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. The most significant change in the Indian textiles industry has been the advent of man-made fibers (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of three per cent during the period April-July 2014. Cotton yarn production increased by four per cent during April-July 2014. Blended and 100 per cent non-cotton yarn production increased by five per cent during April-July 2014.

Cloth production by mill sector registered a growth of six per cent during April 2013-July 2014. Cloth production hosiery sector increased by eight per cent during April-July 2014. Total cloth production grew by two per cent during April-July 2014.

Figure 5.2: India's Textile Market Size (US$ billion)



Investments

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth US$ 1,522.51 million during April 2000 to December 2014.

Table 5.8: Top 10 textile companies in India (2015)

S. No.	Name of company	Employees	Turn over (Mn	Estd year

			USD)	
1	Wardhman Textiles	25000	1000	1965
2	Arvind Mills	2500	932	1931
3	Bombay Dyeing	10000	310	1879
4	Raymonds	10000	250	1925
5	Grasim	6500	29.2	1947
6	Reliance Textiles	5000	--	1966
7	Fab India	40000	68	1960
8	JCT Limited	4500	70	1946
9	Lakshmi Mills	1000	27	1910
10	Mysore Silk Factory	1000	17	1912

Source: http://top10companiesinindia.co.in/2013/05/30/top-10-textile-companies-in-india/

Table 5.9: Market Shares of Leading Players (%)

Manufacturer	**2005-06**	**2006-07**	**2007-08**
Pantaloon Retail (India)	7.25	9.90	14.64
Gokaldas Exports	9.84	8.72	7.28
Arvind	2.07	5.29	5.97
Aditya Birla Nuvo	7.07	6.05	5.96
Orient Craft	7.72	6.06	5.06
Vishal Retail	2.35	3.32	4.52
Bombay Rayon Fashions	0.55	1.71	2.88
Koutons Retail India	1.82	3.51	2.79
Raymond Apparel	2.32	2.23	2.69
Celebrity Fashions	1.81	2.80	2.28
Rupa & Co.	2.98	2.56	2.14
Indus League Clothing	0.74	0.84	2.14
Pearl Global	1.72	1.53	2.08
SPL Industries (Shivalik Prints)	2.65	1.83	1.88
Lux Industries	2.06	1.44	1.65
Zodiac Clothing Co.	1.88	1.75	1.64

Manufacturer	2005-06	2006-07	2007-08
Madura Garments Exports	0.29	1.20	1.51
Page Industries	1.16	1.19	1.40
S E L Manufacturing Co.	1.04	1.18	1.37
Kitex Garments	1.22	1.33	1.28
S Kumar’s Nationwide	0.34	1.09	1.18
Venus Garments (India)	0.93	1.36	1.16
Kewal Kiran Clothing	0.98	1.16	1.15
Maxwell Industries	1.67	1.30	1.12
Colorplus Fashions	1.17	1.06	1.12
Loyal Textile Mills	1.47	1.08	1.05
K P R Mill		1.13	1.02
Nahar Spinning Mills	2.15	1.57	0.94
Provogue (India)	1.04	1.21	0.91
Oswal Woolen Mills	0.88	0.78	0.75
Other	30.83	23.82	18.44
Total	**100**	**100**	**100**

Source: The Textile Apparel & Clothing Industry in India, Market Research 2009: Italian Trade Commission

Some of the major investments in the Indian textiles industry are as follows:

a) Reliance Industries Ltd (RIL) plans to enter into a joint venture (JV) with China-based Shandong Ruyi Science and Technology Group Co. The JV will leverage RIL's existing textile business and distribution network in India and Ruyi's state-of-the-art technology and its global reach.

b) Giving Indian sarees a ‘green’ touch, DuPont has joined hands with RIL and Vipul Sarees for use of its renewable fibre product Sorona to make an ‘environment-friendly’ version of this ethnic ladies wear.

c) Raymond has launched ‘Regio Italia’, a luxurious, elite and finest Italian fabric for its customers. Regio Italia is a fine collection of fabrics from Italy with the latest designs that is carefully woven and specially handpicked assortment of the best designs in formal and occasion menswear suiting fabrics.

d) Snapdeal has partnered with India Post to jointly work on bringing thousands of weavers and artisans from Varanasi through its website. “This is an endeavor by Snapdeal and India Post to empower local artisans, small and medium entrepreneurs to sustain their livelihood by providing a platform to popularize their indigenous products,” said Mr Kunal Bahl, CEO and Co-Founder, Snapdeal.

e) Welspun India Ltd (WIL), part of the Welspun Group has unveiled its new spinning facility at Anjar, Gujarat - the largest under one roof in India. The expansion project reflects the ethos of the Government of Gujarat’s recent ‘Farm-Factory-Fabric-Fashion-Foreign’ Textile Policy, which is aimed at strengthening the entire textile value-chain.

5.4 GUJARAT TEXTILES INDUSTRY

Textiles production and exports depend on production of cotton. The cotton production in Gujarat according to various districts is given in following table.

Table 5.10: Cotton Production

Sr. No.	District Name	Average(1990-95)			Average(2000-05)			2009-10			2011-12		
		Area (In Hectare)	Production (In Bales)	Yield (Bales/Hect)	Area (In Hectare)	Production (In Bales)	Yield (Bales/Hect)	Area (In Hectare)	Production (In Bales)	Yield (Bales/Hect)	Area (In Hectare)	Production (In Bales)	Yield (Bales/Hect)
1	Ahemdabad	1365	1270	0.93	1920	1880	0.98	2200	3612	1.64	2219	3916	1.76
2	Banaskantha	190	172	0.91	70	170	2.43	326	1075	3.30	480	1815	3.78
3	Vadodara	1418	1902	1.34	1609	2900	1.80	1621	5560	3.43	1969	6390	3.25
4	Bharuch	816	752	0.92	1276	1869	1.46	1070	2169	2.03	1251	2608	2.08
5	Narmada	-	-	-	303	535	1.77	447	1058	2.37	457	1336	2.92
6	Valsad	-	-	-	-	-	-	-	-	-	-	-	-
7	Navsari	-	-	-	-	-	-	-	-	-	-	-	-
8	The Dangs	-	-	-	-	-	-	-	-	-	-	-	-
9	Gandhinagar	23	47	2.01	164	438	2.67	340	1311	3.86	331	1365	4.12
10	Kheda	139	187	1.34	179	423	2.37	285	1016	3.56	304	733	2.41
11	Anand	-	-	-	24	62	2.55	28	102	3.64	53	227	4.28
12	Mehsana	890	922	1.04	408	892	2.19	563	2119	3.76	652	2907	4.46
13	Patan	-	-	-	803	729	0.91	666	1213	1.82	727	1988	2.73
14	Panchmahals	125	94	0.75	82	144	1.76	87	226	2.60	101	177	1.75
15	Dahod	-	-	-	5	14	2.84	1	2	2.00	2	3	1.50
16	Sabarkantha	180	231	1.28	441	1153	2.62	1125	2975	2.64	1566	4895	3.13
17	Surat	50	140	2.80	73	196	2.68	8	28	3.50	90	338	3.76
18	Amreli	370	490	1.32	1116	2432	2.18	2455	6856	2.79	3889	10099	2.60
19	Bhavnagar	1038	1542	1.49	1892	3329	1.76	3097	8463	2.73	3052	10926	3.58
20	Jamnagar	255	372	1.46	365	1202	3.29	1658	7350	4.43	2310	10765	4.66
21	Junagadh	309	480	1.55	267	817	3.06	506	2587	5.11	686	2889	4.21

22	Porbandar	-	-	-	128	188	1.47	56	169	3.02	236	620	2.63
23	Kutch	493	424	0.86	483	993	2.06	635	3150	4.96	873	3922	4.49
24	Rajkot	969	1500	1.55	1808	4875	2.70	2872	12656	4.41	3871	18231	4.71
25	Surendranagar	3218	2561	0.80	3986	4746	1.19	4558	10260	2.25	4772	17149	3.59
26	Gujarat State	11850	13086	1.10	17401	29988	1.72	24604	73957	3.01	29891	103299	3.46

Source: SDDS-DES, Ministry of Agriculture, Govt. of India.

Gujarat is one of the leading industrial states in India and textile industry in particular had contributed in a big way to the industrialization of the State. In fact, overall economic growth of the State is very much dependent on this sector. Textile Industry plays an important role in Indian economy, as well. It is an employment oriented industry, occupying the second position i.e. after agriculture. The principal highlights of textile sector in Gujarat are as follows

a) Around 25 per cent of fixed investment, production value and employment of the SSI sector are from textiles alone.
b) Further, 23 per cent of GDP comes out of textiles in the State, 16 per cent of the cultivated land area of the state is for cotton and Gujarat is the largest cotton producer in the country.
c) Gujarat has long been recognized as the country's textile hub where Ginning, Pressing, spinning, Weaving, Processing, RMG etc., are the major Contributor to the textile industry of the country.
d) Produces 8.9 million bales (25 per cent of the total production in India), In 2012-13Gujarat is also the highest exporter of cotton.
e) Gujarat has the distinction of being the highest contributor of manmade fibers (31 per cent) and manmade filament yarn (38 per cent) in the country.
f) Gujarat is the largest producer of denim in India (65 to 70 per cent) and the third largest in the world.

Table 5.11: Denim Mills Worldwide

Region	**No. Of Denim Mills**
Asia (China)	297
Asia (Other countries)	104
North America	9
Europe	41
Latin America	46
Africa	15
Australia	1
Total Denim Mills (World)	**513**

Source:http://www.suryalakshmi.com/Uploads/PDF/whitepaper002%20Global%20Denim%20Outsourcing.pdf

Table 5.12: State-wise cotton production in the country

S. No.	State	Area (lakh hectares)	Production (lakh bales)	Productivity (Kg/ha)
1	Punjab	4.50	14	529
2	Haryana	6.39	25	665
3	Rajasthan	4.16	17	695
4	Gujarat	30.06	125	707
5	Maharashtra	41.92	85	345
6	Madhya Pradesh	5.79	18	528
7	Telangana	16.51	50	515
8	Andhra Pradesh	7.36	27	624
9	Karnataka	7.60	28	626
10	Tamilnadu	0.70	5	1214
11	Odisha	1.25	4	544
12	Others	0.31	2	1097
	Total	**126.55**	**400**	**Av= 674**

Source: http://cotcorp.gov.in/current-cotton.aspx?pageid=4

Table 5.13: Top 10 Jute Producing States of India 2012-13

Rank	State	Area	Production
1	West Bengal	577.0	8349
2	Bihar	139.1	1690
3	Assam	70.0	823
4	Andhra Pradesh	25.0	225
5	Orissa	22.4	177.7
6	Meghalaya	12.6	86.31

7	Nagaland	4.6	40.2
8	Tripura	1.3	11
9	Uttar Pradesh	0.4	4.5
10	Others	20.0	0

Area IN '000 Hect.; Production In '000 bales of 180 k.g per bale ; PY = Productivity in QTLS / Hect.)

Source: Crop projection as made by Directorate of Jute Development, Ministry of Agriculture, http://jutecomm.gov.in/StateWise%20P%20&%20R%20jute.htm

A Unique Industry: The unique structure of the Indian textile industry is due to the legacy of tax, labor, and other regulatory policies that have favored small-scale, labor-intensive enterprises, while discriminating against larger scale, more capital-intensive operations. The structure is also due to the historical orientation towards meeting the needs of India's predominately low-income domestic consumers, rather than the world market. Policy reforms, which began in the 1980s and continued into the 1990s, have led to significant gains in technical efficiency and international competitiveness, particularly in the spinning sector. However, broad scope remains for additional reforms that could enhance efficiency and competitiveness of India's weaving, fabric finishing, and apparel sectors.

Unlike other major textile-producing countries, India's textile industry is comprised mostly of small-scale, nonintegrated spinning, weaving, finishing, and apparel-making enterprises. This unique industry structure is primarily a legacy of government policies that have promoted labor-intensive, small-scale operations and discriminated against larger scale firms. Large textile firms have been promoted to a lesser extent in the country.

Composite Mills are relatively large-scale mills that integrate spinning, weaving and, sometimes, fabric finishing are common in other major textile-producing countries. In India, however, these types of mills now account for about only 3 percent of output in the textile sector. About 276 composite mills are now operating in India, most owned by the public sector and many deemed financially "sick" at end of 2014-15.

Spinning: Spinning is the process of converting cotton or manmade fiber into yarn to be used for weaving and knitting. Largely due to deregulation beginning in the mid-1980s, spinning is the most consolidated and technically efficient sector in India's textile industry. Average plant size remains small, however, and technology outdated, relative to other major producers. In 2002-03, India's spinning sector consisted of about 1,146 small-scale independent firms and 1,599 larger scale independent units.

Weaving and Knitting: Weaving and knitting converts cotton, manmade, or blended yarns into woven or knitted fabrics. India's weaving and knitting sector remains highly fragmented, small-scale, and labor-intensive. This sector consists of about 3.9 million handlooms, 380,000 "powerloom" enterprises that operate about 1.7 million looms, and just 137,000 looms in the various composite mills. "Powerlooms" are small firms, with an average loom capacity of four to five owned by independent entrepreneurs or weavers. The modern (shuttleless) looms account for less than 1 percent of total loom capacity in the country at the end of 2014-15.

Table 5.14: State wise distribution of handlooms in India YEAR??

No.	State / District	No. of Looms
1	Assam	132056
2	Andhra Pradesh	202100
3	Arunachal Pradesh	39692
4	Bihar	34906
5	Chandigarh	NA
6	Chattisgarh	8111
7	Delhi	7027
8	Goa	NA
9	Gujarat	20550
10	Haryana	22718
11	Himachal Pradesh	47631
12	Jammu & Kashmir	18154
13	Jharkhand	13314
14	Karnataka	70605
15	Kerala	49508
16	Madhya Pradesh	14425
17	Maharastra	39900
18	Manipur	281496
19	Meghalaya	NA
20	Mizoram	NA
21	Nagaland	87878
22	Orissa	92869
23	Pondicherry	3106
24	Punjab	6556

No.	State / District	No. of Looms
25	Rajasthan	34343
26	Sikkim	838
27	Tamil Nadu	43174
28	Tripura	117792
29	Uttra Pradesh	182539
30	Uttranchal	7031
31	West Bengal	350654
TOTAL		**34,87,146**

Source: Web.http://texmin.nic.in

Table 5.15: Growth of Power looms in the Country

Year	No. of Powerlooms
1951	24078
1961	160465
1971	221200
1981	599020
1991	1057000
2001	1661550
2011	2269469

Source: 1. Ambedkar Institute for labour studies, Bombay
2. AIFCOSPIN Silver Jubilee Annual 1988 and year Book, 1991, Bombay.
3. Abid Hussain Committee Report, 1990, New Delhi.
4. www.indiastat.com

Table 5.16: State-wise Registration of Power looms and Employment in India (2008-09)

Sl. No.	State / Union Territories	No of looms registered	Employment (Anticipated)
1	Andhra Pradesh	45138	112780
2	Assam	2726	6815
3	Bihar	2894	7235
4	Delhi	1102	2755
5	Goa	122	305
6	Gujarat	323339	808348
7	Haryana	9933	24833
8	Himachal Pradesh	1461	3653
9	Jammu and Kashmir	65	163
10	Karnataka	88566	204725
11	Kerala	2800	7000
12	Madhya Pradesh	104823	262058
13	Maharastra	1106474	2766185
14	Orissa	3321	8303
15	Punjab	23620	59059
16	Rajasthan	34159	85396

Sl. No.	State / Union Territories	No of looms registered	Employment (Anticipated)
17	Tamil Nadu	387379	968445
18	Uttar Pradesh	65993	164983
19	West Bengal	5687	14218
20	Chandigarh	42	105
21	Dadar and Nagar Haveli	962	2405
22	Puducherry	830	2075
TOTAL		**2204734**	**5511835**

Fabric Finishing: Fabric finishing (also referred to as processing), which includes dyeing, printing, and other cloth preparation prior to the manufacture of clothing, is also dominated by a large number of independent, small scale enterprises. Overall, about 2,300 processors are operating in India, including about 2,100 independent units and 200 units that are integrated with spinning, weaving, or knitting units.

Table 5.17: Indian Export of Fabrics (2000-01 to 2014-15)

Years	Export of fabrics (Million US $)
2000-01	1113.89
2001-02	1041.13
2002-03	1034.62
2003-04	956.84
2004-05	1035.48
2005-06	1010.69
2006-07	1052.50
2007-08	1125.82
2008-09	1243.66
2009-10	1087.19
2010-11	1346.05
2011-12	1872.15
2012-13	2017.37
2013-14	2121.03
2014-15	2466.61

Source of data : (taxprocil, 2015)

Clothing: Apparel is produced by about 77,000 small-scale units classified as domestic manufacturers, manufacturer exporters, and fabricators (subcontractors).

Table 5.18: INDIA'S APPAREL MARKET SIZE

	2002		2003		2004		2005	
	Volume ('000 units)	Value (Rs.Cr,)	Volume ('000 units)	Value (Rs.Cr,)	Volume ('000 units)	Value (Rs.Cr,)	Volume ('000 units)	Value (Rs.Cr,)
Mens Wear	1254370	23335	1297220	26090	1342140	29135	1393639	32590
Womens wear	1236880	19130	1300610	21730	1368310	24680	1443113	28375
Unisex Apparel	417810	4215	434340	5240	452020	5835	470978	6615
Kidswear	1139870	9950	1180290	10810	1222280	11745	1268933	13085
Uniforms	372960	4660	397210	5460	423020	6345	456862	7675
TOTAL	4421890	61290	4609670	69330	4807770	77740	5033524	88340

Source: http://www.indianmirror.com/indian-industries/garment.html

Table 5.19: Sector-wise Production of Cloth in India (Mn Sq mtr)

Year	Mill	Handloom	Powerloom	Total Textile cloth*production
1980-81	4533	3109	4802	12444
1985-86	3544	4135	9534	17213
1990-91	2589	4295	13348	23330
1995-96	2019	7202	17201	31958
2000-01	1670	7506	23803	40233
2005-06	1656	6108	30626	49577
2007-08*	1781	6947	34736	56036

Source: Ministry of Textiles GOI Annual Report 2008-09
* Provisional

Table 5.20: Sector-wise Production of Cloth in India

(Mn Sq mtr) Year	Mill	Handloom	Powerloom	Total Textile cloth*production
1980-81	4533	3109	4802	12444
1985-86	3544	4135	9534	17213
1990-91	2589	4295	13348	23330
1995-96	2019	7202	17201	31958
2000-01	1670	7506	23803	40233
2005-06	1656	6108	30626	49577
2007-08*	1781	6947	34736	56036

Source: Ministry of Textiles GOI Annual Report 2008-09

Table 5.21: Fiber wise Production of Cloth by Textile Industry of India (Mn Sq Mtrs)

Year	Cotton	Blended	100% Non-Cotton	Total
1980-81	8368	1270	1350	10988
1985-86	12467	1660	3086	17213
1990-91	15431	2371	5126	23330
1995-96	18900	4025	8535	31958
2000-01	19718	6351	13606	40233
2005-06	23873	6298	18637	49577
2007-08	27196	6888	21173	56036

Source: Ministry of Textile GOI

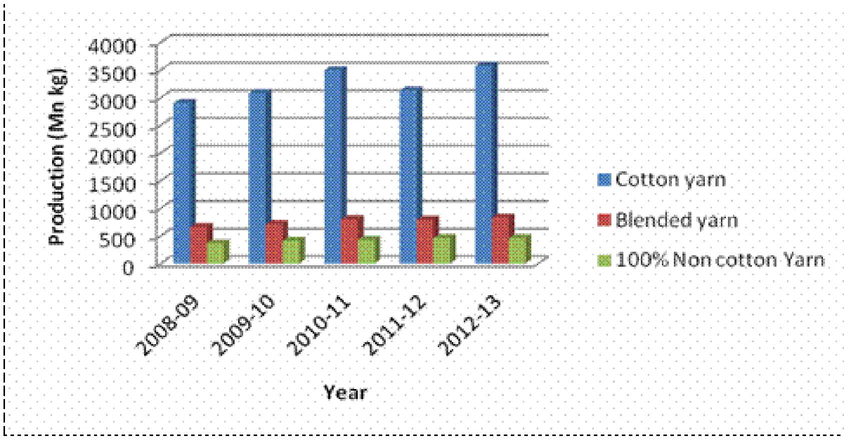
5.5 GROWTH OF TEXTILE INDUSTRY

India has already completed more than 67 years of its independence. The analysis of the growth pattern of different segment of the industry during the last five decades of post-independence era reveals that the growth of the industry during the first two decades after the independence had been gradual, though lower and growth had been considerably slower during the third decade. The growth thereafter picked up significantly during the fourth decade in each and every segment of the industry. The peak level of its growth has however been reached during the fifth decade i.e., the last ten years and more particularly in the 90s. The Textile Policy of 1985 and Economic Policy of 1991 focusing in the direction of liberalization of economy and trade had in fact accelerated the growth in 1990s. The spinning spearheaded the growth during this period and man-made fiber industry in the organised sector and decentralised weaving sector.

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. The most significant change in the Indian textiles industry has been the advent of man-made fibres (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of 10 per cent and filament yarn production grew by 6 per cent in the month of February 2014. MMF production increased by about 4 per cent during the period April 2013–February 2014.

Cotton yarn production increased by about 10 per cent during February 2014 and by about 10 per cent during April 2013–February 2014. Blended and 100 per cent non-cotton yarn production increased by 6 per cent during February 2014 and by 8 per cent during the period April 2013–February 2014.

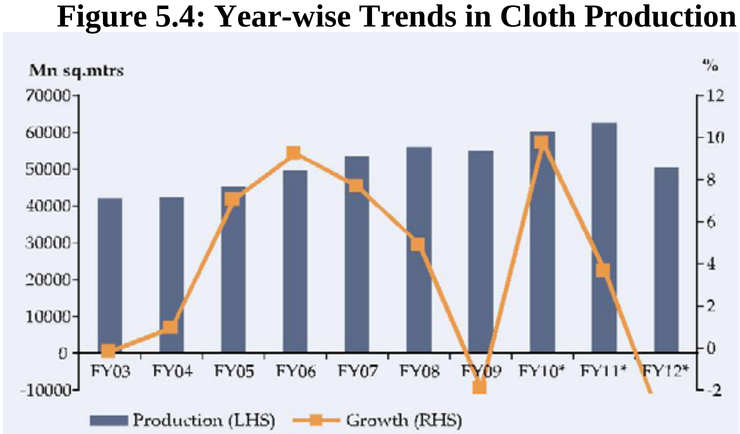
Figure: 5.3: Production of Spun Yarns



Source: http://www.fibre2fashion.com/industry-article/52/5199/cotton-blended-yarns-a-review-of-present-status1.asp

Cloth production by mill sector registered a growth of 9 per cent in the month of February 2014 and of 6 per cent during April 2013–February 2014.

Figure 5.4: Year-wise Trends in Cloth Production



Source: https://www.dnb.co.in/SME_cluster_series2012_Indore/PDF/IndustryOverview.pdf

Cloth production by power loom and hosiery increased by 2 per cent and 9 per cent, respectively, during February 2014. The total cloth production grew by 4 per cent during February 2014 and by 3 per cent during the period April 2013–February 2014.

Textiles exports stood at US$ 28.53 billion during April 2013–January 2014 as compared to US$ 24.90 billion during the corresponding period of the previous year, registering a growth of 14.58

per cent. Garment exports from India is expected to touch US$ 60 billion over the next three years, with the help of government support, said Dr A Sakthivel, Chairman, Apparel Export Promotion Council (AEPC).

Table 5.22: Year-wise Textile Exports by Value from India

Item	2011-12		2012-13		2013-14*		Variation	
	Rs. Crore	US$ Mn	Rs. Crore	US$ Mn	Rs. Crore	US$ Mn	Rs. Crore	US$ Mn
Readymade Garment	**62686.67**	**13094.62**	**67452.48**	**12398.10**	**87059.80**	**14385.84**	**29%**	**16%**
RMG of cotton incl. accessories	**46,097.93**	9,630.97	**45,826.50**	8,423.05	54870.44	**9068.97**	**20%**	**8%**
RMG of Man-made fibre	**10,561.82**	2,205.95	**13,712.34**	2,521.20	18925.70	**3128.47**	**38%**	**24%**
RMG of other textile material	**6,026.92**	1,257.70	**7,913.64**	1,453.85	13263.66	**2188.40**	**68%**	**51%**
Cotton Textiles	**54236.17**	**11139.28**	**61223.10**	**11272.29**	**76162.25**	**12509.80**	**24%**	**11%**
Cotton raw including waste	**21,624.20**	4,327.93	**20,276.51**	3,747.73	22248.48	**3622.89**	**10%**	**-3%**
Cotton yarn, fabrics &madeups	**32,611.97**	6,811.35	**40,946.59**	7,524.56	53913.77	**8886.91**	**32%**	**18%**
Man-made textiles	**27047.12**	**5658.01**	**27451.16**	**5045.70**	**34517.98**	**5693.89**	**26%**	**13%**
Manmade staple fibres	**2,752.68**	572.74	**2,772.55**	509.7	3491.40	**575.40**	**26%**	**13%**
Manmade yarn, fab. &madeups	**24,294.44**	5,085.27	**24,678.61**	4,536.00	31026.58	**5118.49**	**26%**	**13%**
Wool & Woolen t extiles	**2379.89**	**501.23**	**2266.10**	**415.35**	**2573.38**	**423.59**	**14%**	**2%**

Item	2011-12		2012-13		2013-14*		Variation	
	Rs. Crore	**US$ Mn**	**Rs. Crore**	**US$ Mn**	**Rs. Crore**	**US$ Mn**	**Rs. Crore**	**US$ Mn**
RMG of Wool	**1,654.69**	349.98	**1,601.81**	293.38	1888.67	**310.35**	**18%**	**6%**
Woollen yarn, fabrics &madeups	**725.2**	151.25	**664.29**	121.97	684.71	**113.24**	**3%**	**-7%**
Silk	**2270.12**	**475.67**	**2197.72**	**403.63**	**2409.51**	**397.49**	**10%**	**-2%**
RMG of Silk	**1,270.78**	266.65	**1,288.80**	236.7	1453.85	**239.79**	**13%**	**1%**
Natural silk yarn, fab. &madeups	**949.57**	198.85	**845.95**	155.35	856.37	**141.45**	**1%**	**-9%**
Silk waste	**49.77**	10.17	**62.97**	11.58	99.29	**16.25**	**58%**	**40%**
Handloom Product	**2,623.96**	551.94	**2,812.04**	515.31	2232.83	**370.15**	**-21%**	**-28%**
Carpets	**4,071.29**	**847.54**	**5,374.22**	**988.14**	**6,271.49**	**1,037.12**	**17%**	**5%**
Carpets (excluding silk) handmade	**4,051.21**	843.37	**5,353.08**	984.22	6255.84	**1034.55**	**17%**	**5%**
Silk carpets	**20.08**	4.17	**21.14**	3.92	15.65	**2.57**	**-26%**	**-34%**
Jute	**2226.07**	**464.95**	**2124.24**	**390.24**	**2296.38**	**378.53**	**8%**	**-3%**
Floor covering of jute	**260.71**	54.44	**289.61**	53.23	383.29	**63.36**	**32%**	**19%**
Other jute manufactures	**737.52**	155.31	**736.79**	135.42	926.33	**152.68**	**26%**	**13%**
Jute yarn	**282.01**	58.36	**221.16**	40.54	143.58	**23.46**	**-35%**	**-42%**
Jute hessian	**945.83**	196.84	**876.68**	161.05	843.18	**139.03**	**-4%**	**-14%**
Coir and Coir Manufacturers	**1018.45**	**211.92**	**1069.47**	**196.39**	**1394.83**	**229.56**	**30%**	**17%**

Item	2011-12		2012-13		2013-14*		Variation	
	Rs. Crore	US$ Mn	Rs. Crore	US$ Mn	Rs. Crore	US$ Mn	Rs. Crore	US$ Mn
Total Textile & Clothing	158559.74	32945.16	171970.53	31625.15	214918.45	35425.97	25%	12%
Handicrafts (EPCH Data)			17970.12	3304.90	23504.42	3884.91	31%	18%
Total T&C including Handicrafts	158559.74	32945.16	189940.65	34930.05	238422.87	39310.88	26%	13%
% Textile Exports	10.82%	10.77%	11.63%	11.63%	12.59%	12.58%		
India's overall exports	1465959.4	305963.92	1633634.81	300400.68	1894181.95	312610.30		

Source : Foreign Trade Statistics of India(Principal Commodities & Countries), DGCI&S for export figures in Rupee and Department of Commerce(Intranet) -Exchange rate

*Provisional

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted foreign direct investment (FDI) worth Rs 6,710.94crore (US$ 1.11 billion) during April 2000 to February 2014.

5.6 CONCLUSION

Textile industry plays a significant role in the economy. The Indian textile industry is one of the largest and most important sectors in the economy in terms of output, foreign exchange earnings and employment in India. It contributes 20 per cent of industrial production, 9 per cent of excise collections, 18 per cent of employment in industrial sector, nearly 20 per cent to the country’s total export earnings and 4 per cent ton the GDP. The sector employs nearly 35 million people and is the second highest employer in the country. The textile sector also has a direct link with the rural economy and performance of major fiber crops and crafts such as cotton, wool, silk, handicrafts and handlooms, which employ millions of farmers and crafts persons in rural and semi-urban areas. It has been estimated that one out of every six households in the country depends directly or indirectly on this sector.

India has several advantages in the textile sector, including abundant availability of raw material and labour. It is the second largest player in the world cotton trade. It has the largest cotton acreage, of about nine million hectares and is the third largest producer of cotton fiber in the world. It ranks fourth in terms of staple fiber production and fourth in polyester yarn production. The textile industry is also labour intensive, thus India has an advantage.

The key advantages of the Indian industry are:

i. India is the third largest producer of cotton with the largest area under cotton cultivation in the world. It has an edge in low cost cotton sourcing compared to other countries.
ii. Average wage rate in India are 50-60 per cent lower than that in developed countries, thus enabling India to benefit from global outsourcing trends in labour intensive businesses such as garments and home textiles.
iii. Design and fashion capabilities are key strengths that will enable Indian players to strengthen their relationships with global retailers and score over their Chinese competitors.
iv. Production facilities are available across the textile value chain, from spinning to garments manufacturing. The industry is investing in technology and increasing its capacities which should prove a major asset in the years to come.
v. Large Indian players such as Arvind Mills, Vimal, Welspun India, Alok Industries and Raymond have established themselves as 'quality producers' in the global market. This recognition would further enable India to leverage its position among global retailers.
vi. India has gathered experience in terms of working with global brands and this should benefit Indian vendors.