

Indian Textiles and Clothing Industry

Presentation by:

Confederation of Indian Textile Industry

- **Textile and Clothing (T&C) Industry constitutes 4% of India's GDP, 14% of Industrial Production and 14% of total exports of goods.**
- **Second largest employer after agriculture : Provides direct employment to over 35 Million people and indirect employment to 45 Million.**
- **T&C sales generated US \$ 55 Billion in 2008-09: US \$ 33.4 billion from domestic market and US \$ 21.6 billion from exports.**

Strong Fundamentals

- **Strong and diverse raw material base**
- **Globally competitive spinning industry**
- **Strong presence in textile value chain from raw material to finished goods**
- **Unique blend of tradition and technology**
- **Flexible production system and strong entrepreneurial skills**
- **Diverse design base**

Fibre Production

➤ Strong and Diverse Raw Material Base –

- ✓ The largest producer of Jute
- ✓ 2nd largest producer of Cotton
- ✓ 2nd largest for Silk
- ✓ 2nd position for Cellulosic fiber/yarn
- ✓ 4th largest producer of synthetic fiber /filaments

Fibres Category	Production during 2008	% Share in world	Rank
Jute (Jute, Kenaf and allied fibres)	1.7 Billion Kgs	56%	1
Cotton	5.0 Billion Kgs	22%	2 (china-30%)
Silk	17 Million Kgs	13%	2 (china-82%)
Cellulosic Fibre/Yarns	0.33 Billion Kgs	12%	2 (china-45%)
Synthetic Fibres/Yarns	2.4 Billion Kgs	6%	4 (china-48%)

Installed Capacity (2007)

Units in Million	Installed Capacity World	India	India as % of World	India's Rank
Spinning				
1. Spindles (Cotton system)	202.4	39.3	19.4	2 (china)
2. Spindles (Wool)	14.9	1.0	6.9	3 (China)
3. Rotors	8.7	0.6	6.9	4 (Russia)
Weaving				
1. Shuttle Looms	4.44	2.01	45.3	4 (china)
2. Shuttleless Looms	1.00	0.05	5.0	11 (china)
3. Handlooms	4.60	3.90	84.7	1
Total of Looms	10.04	5.96	135.0	1

In Bracket first rank country Source: ITMF report 2008

Spun Yarn Production



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Production of Spun Yarn (Billion Kgs)						
	2004-05	2005-06	2006-07	2007-08	2008-09 (P)	% CAGR (2004-09)
Cotton	2.3	2.5	2.8	2.9	2.9	6.6
Blended	0.6	0.6	0.6	0.7	0.7	3.7
Non Cotton	0.4	0.3	0.4	0.4	0.4	0.5
TOTAL	3.2	3.5	3.8	4.0	3.9	5.5

Cotton dominates in the Spun yarn Category

Source: O/o Textile Commissioner, Mumbai

Fabrics Production

Production of Fabrics (Billion Sqr Mtrs)

	2004-05	2005-06	2006-07	2007-08	2008-09	CAGR (2004-09)
Cotton	20.7	23.9	26.2	27.2	26.9	6.8
Blended	6.0	6.3	6.9	6.9	6.8	3.2
Non Cotton	18.0	18.6	19.5	21.2	20.5	4.0
Total	44.7	48.8	52.7	55.3	54.2	5.2

Non Cotton & Blended Fabrics equal cotton fabrics production

Production of Fabrics (Sector Wise)

Fabrics Production of Different Sectors (Billion. Sqr. Mtrs)					
	2004-05	2005-06	2006-07	2007-08	2008-09
Mill Sector	1.5	1.7	1.7	1.8	1.8
Handloom Sector	5.7	6.1	6.5	6.9	6.7
Power Loom Sector	28.3	30.6	32.9	34.7	33.6
Hosiery Sector	9.1	10.4	11.5	11.8	12.1
Grand Total	44.7	48.8	52.7	55.3	54.2

Grown at a CAGR of 6% during 2004-08, mainly driven by power loom sector

Source: O/o Textile Commissioner, India

Domestic Demand Drivers

- More than 60% of T&C production for domestic market
- Buoyant domestic economy
- Helpful demographic profile and increase in working female population
- *Organized retailing a driver for increased consumption.*

International Demand Drivers

- Dismantling of quotas
- Increase in sourcing of textiles by developed markets from developing countries.
- Apparel spending remains significant in life style products category in developed world.

Projected Market for Indian T&C Products



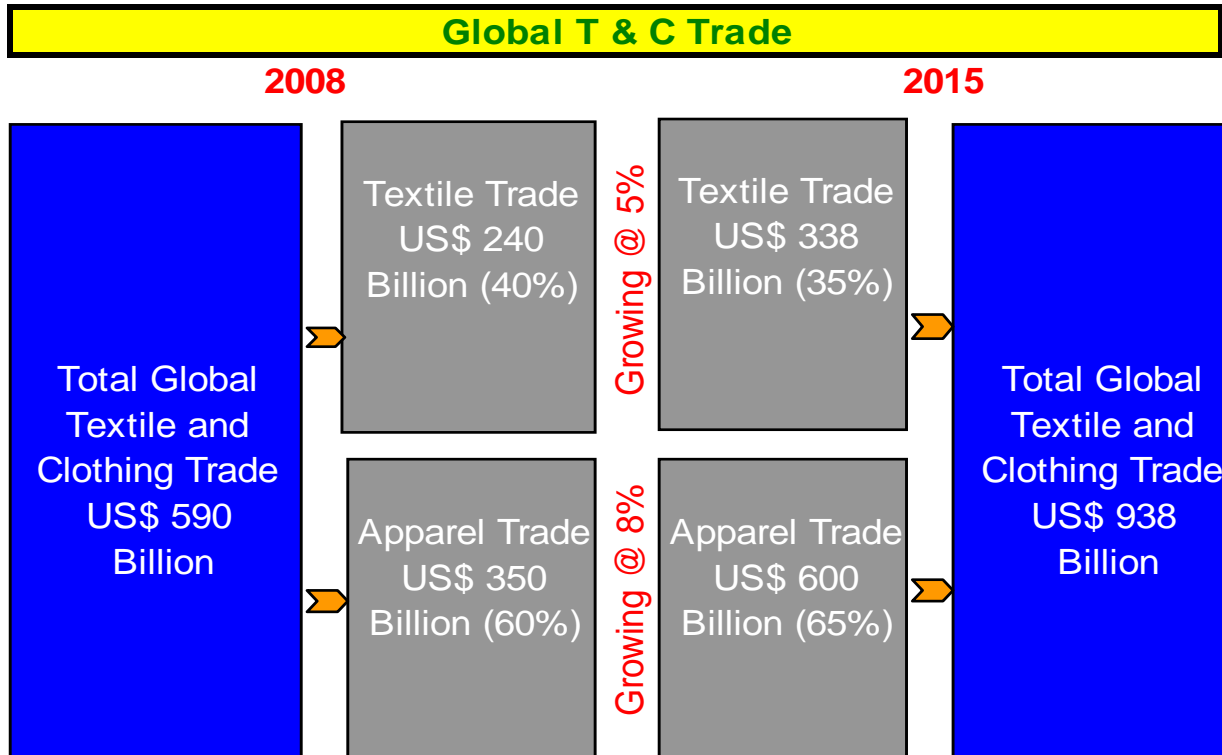
Assumptions about growth:

CAGR of 8% for Textile exports and 12 % for Apparel Exports

CAGR of 10%, for Textiles and Apparel domestic demand

Indian T&C Industry envisages to reach US \$ 100 Billion by 2015

Global Projections (2015)



Source: WTO and CITI estimates

Global Textile Market has grown @ 5% and Apparel Market has grown @ 8% for the last 5 years

Emerging Challenges

- ***Competition in Domestic Market***

With market opening and FTAs, industry to face competition from increased imports.

- ***Regional Alliances***

Trade Blocs play a significant role in global trade.

Concessional tariffs to make global trade unequal

- ***Ecological and Social Issues***

Compliance problems to intensify

Thank You

Website : www.citiindia.com