

Global Textile and Apparel Trade Performance & India's Positioning in 2016

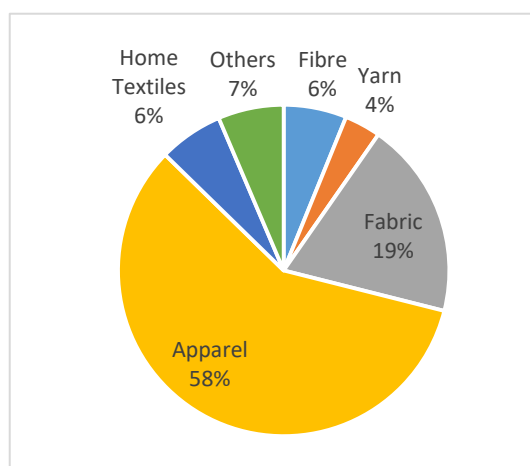
Global trade of textile and apparel stumbled in 2016 for a consecutive year due to weak global demand. Data from UN Comtrade shows a 1.4% decline to US\$ 765 billion for 2016 from US\$ 776 billion in 2015, which is a cause of concern for many developing countries. Overall the total value of world merchandise exports have also declined by 3.2% in 2016 to US\$ 16 trillion from US\$ 16.5 trillion in 2015. Some of the key reasons for the decline in global exports are economic slowdown in China, strong fluctuations in exchange rates, and financial volatility driven by divergent monetary policies in developed countries.

Table 1: Category-wise global textile and apparel trade

Values in US\$ Mn.	2015	2016	CAGR
Fibre	53	47	-11.3%
Yarn	29	27	-6.9%
Fabric	148	147	-0.7%
Apparel	444	446	0.5%
Home Textiles	50	48	-4.0%
Others	52	49	-5.8%
Total T&A	776	765	-1.4%
Total All commodities	16,489	15,955	-3.2%

Data Source: UN Comtrade database, WTO statistics

Figure 1: Category-wise share in global trade (2016)

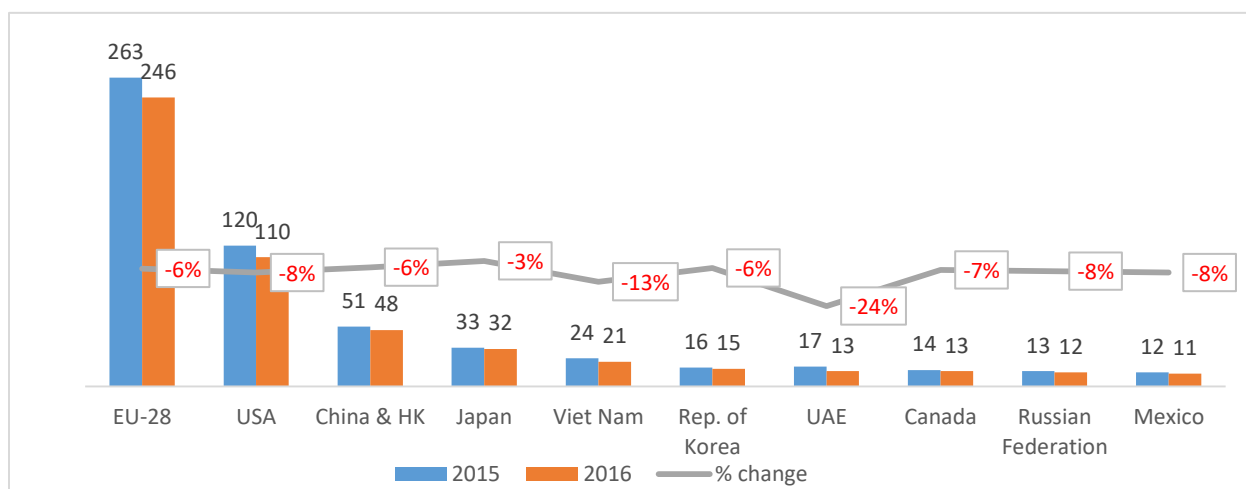


Apparel is the largest traded category with a share of 58%. This is followed by fabric, home textiles, fibre and yarn with a share of 19%, 6%, 6% and 4% respectively. Apparel is the only category that shown a positive growth of 0.5%, while there has been decline in trade in all other categories.

All the top markets for textile and apparel have reported a decline in textile and apparel imports

European Union, USA and China remained the top 3 markets for textile and apparel in 2016. They together accounted for 53% of the world textile imports in 2016, while top 10 markets accounted for share of 68%. All the ten markets have reported a decline in the value of textile and apparel imports in 2016, with highest decline seen in UAE (-24%) and Vietnam (-13%). The smallest decline was recorded in Japan (-3%).

Figure 2: Top 10 markets of textile and apparel, 2016 (Values in US\$ billion)

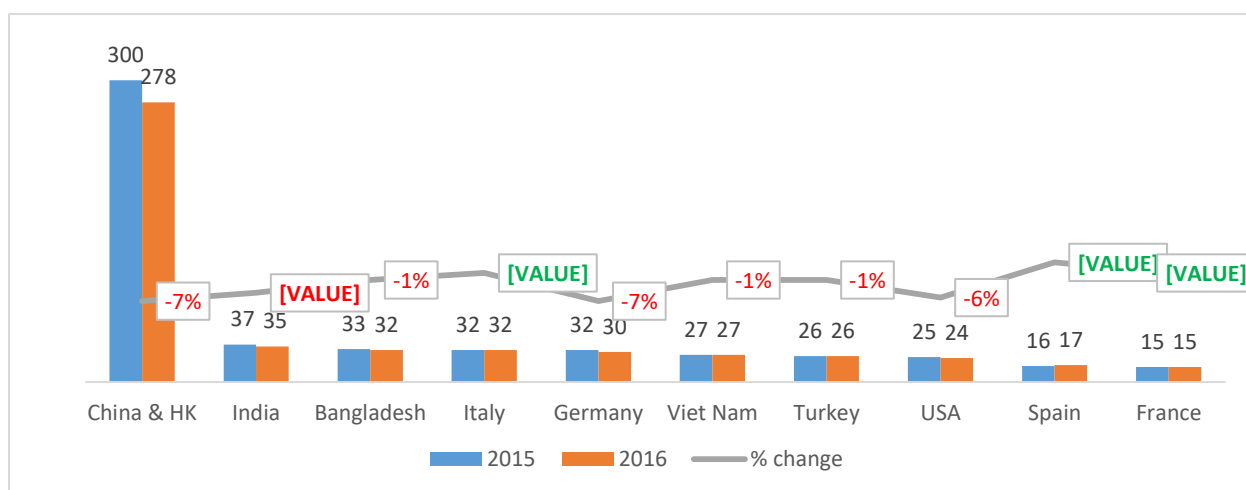


Data Source: UN comtrade database

China, India and Bangladesh remained top 3 suppliers of textile and apparel products but their textile and apparel exports has declined

The ranking of the top ten exporters of textile and apparel products remained unchanged in 2016, with China (36%), India (5%) and Bangladesh (4%) in the first three positions. Top 10 suppliers accounted for 70% of the world exports of textile and apparel exports in 2016 (compared to 68% in 2015). Of the top 10 exporters only three saw an increase in value of their exports in 2016: Italy (1%), Spain (4%) and France (1%). The other top exporters recorded declines ranging from -1% to -7%. Maximum decline was registered by China (-7%) and its share in global textile and apparel trade has also reduced from 39% in 2015 to 36% in 2016.

Figure 3: Top 10 suppliers of textile and apparel, 2016 (Values in US\$ billion)



Data Source: UN comtrade database

In the EU market, share of top 15 suppliers has increased from 77% in 2015 to 82% in 2016. EU's largest supplier viz. China has registered 8% decline in its trade. Cambodia is the fastest growing supplier with 78% increase in its supplies during 2016. Bangladesh, Pakistan & Poland also registered double digit y-o-y growth.

In the US market, share of top 15 supplier nations has increased from 89% in 2015 to 90% in 2016. USA's imports from China have decreased y-o-y by 7%. Cambodia and Guatemala are fastest growing suppliers to USA with 22% and 17% y-o-y growth. Imports from India and Jordan have also increased y-o-y by 2% and 1% respectively while imports from remaining suppliers have declined.

Table 2: Change in Imports of EU-28 from Top Supplier Nations

S.No	Supplier	2015	2016	%change
1	China	56.2	51.6	-8%
2	Germany	23.4	21.9	-6%
3	Bangladesh	16.3	18.9	16%
4	Italy	17.6	17.7	0.4%
5	Turkey	16.3	16.2	-0.3%
6	Belgium	12.4	12.8	3%
7	Spain	10.0	10.3	3%
8	France	9.3	9.6	4%
9	India	9.27	9.26	-0.1%
10	UK	8.9	8.5	-4%
11	Poland	5.8	6.4	10%
12	Pakistan	5.1	5.8	14%
13	Portugal	4.4	4.7	8%
14	Cambodia	2.5	4.5	78%
15	Denmark	4.0	4.1	3%
	R.O.W	61.5	43.4	-29%
	Total	263	246	-7%

Table 3: Change in Imports of USA from Top Supplier Nations

S.No	Supplier	2015	2016	%change
1	China & HK	51.6	48.1	-7%
2	Viet Nam	11.3	10.8	-4%
3	India	7.4	7.5	2%
4	Mexico	5.9	5.6	-5%
5	Bangladesh	5.8	5.6	-5%
6	Indonesia	5.4	3.8	-29%
7	Pakistan	3.9	2.9	-27%
8	Canada	3.0	2.4	-20%
9	Cambodia	1.8	2.2	22%
10	Sri Lanka	2.1	2.1	-0.03%
11	Italy	2.3	2.1	-6%
12	El Salvador	1.98	1.97	-0.1%
13	Guatemala	1.2	1.5	17%
14	Jordan	1.25	1.27	1%
15	Rep. of Korea	1.3	1.2	-5%
	R.O.W	13.3	10.7	-20%
	Total	120	110	-8%

Data Source: UN Comtrade database

India's textile and apparel exports have also plummeted.

India's textile and apparel exports have declined from US\$ 37.2 billion in 2015 to US\$ 35.4 billion in 2016 at a rate of 4.7%.

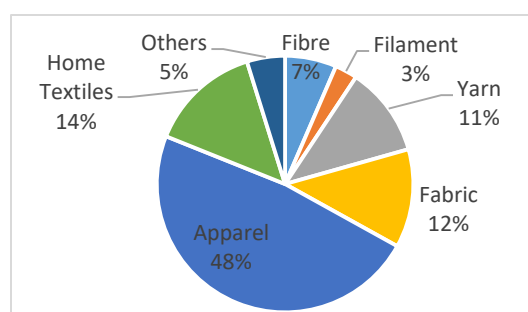
Table 4: Segment wise textile and apparel exports from India (In US\$ mn.)

Category	2015	2016	% change
Fibre	2.7	2.3	-15%
Filament	1.1	1.0	-6%
Yarn	4.5	4.0	-12%
Fabric	4.9	4.4	-10%
Apparel	17.1	17.0	-1%
Home Textiles	5.1	5.0	-2%
Others*	1.6	1.7	3%
Total	37.2	35.4	-4.7%

*Others include sacks & bags, dress patterns, twine, worn clothing, etc.

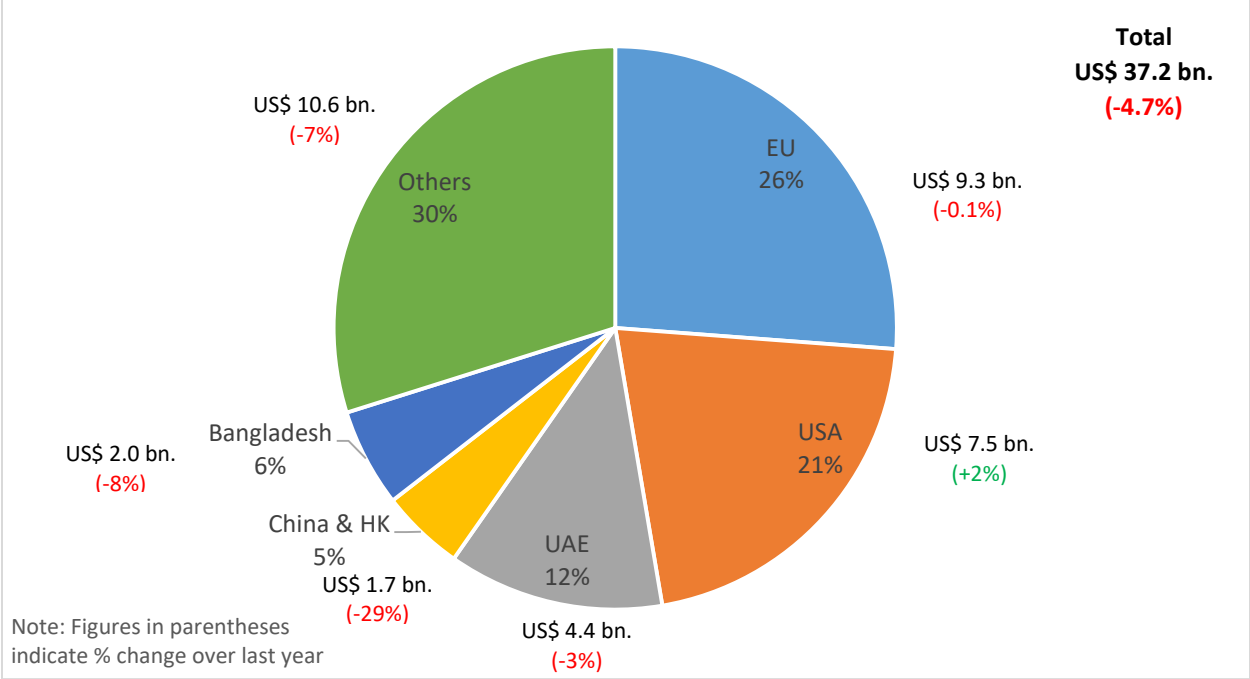
Data Source: UN Comtrade

Figure 4: Segment-wise share in global trade (2016)



Apparel is the largest category exported from India having a share of 48% in the total textile and apparel exports during 2016. Home Textiles is the second largest category with a share of 14% in 2016 followed by fabric and yarn with a share of 12% and 11% respectively. All categories have shown de-growth.

Figure 5: Top Markets for Textile and Apparel Products for India (2016)



Data Source: UN Comtrade

European Union continues to remain the biggest market for Indian textiles and apparel products in 2016 with a share of 26% followed by USA with a share of 21%, UAE with a share of 12%, Bangladesh with a share of 6% and China with a share of 5% respectively. Textile and apparel exports to USA have shown a positive growth of 2% over last year while exports to China have shown a sharp decline of 29% in the same period.