

Indian Textile & Apparel Industry: Brightest Future Ever

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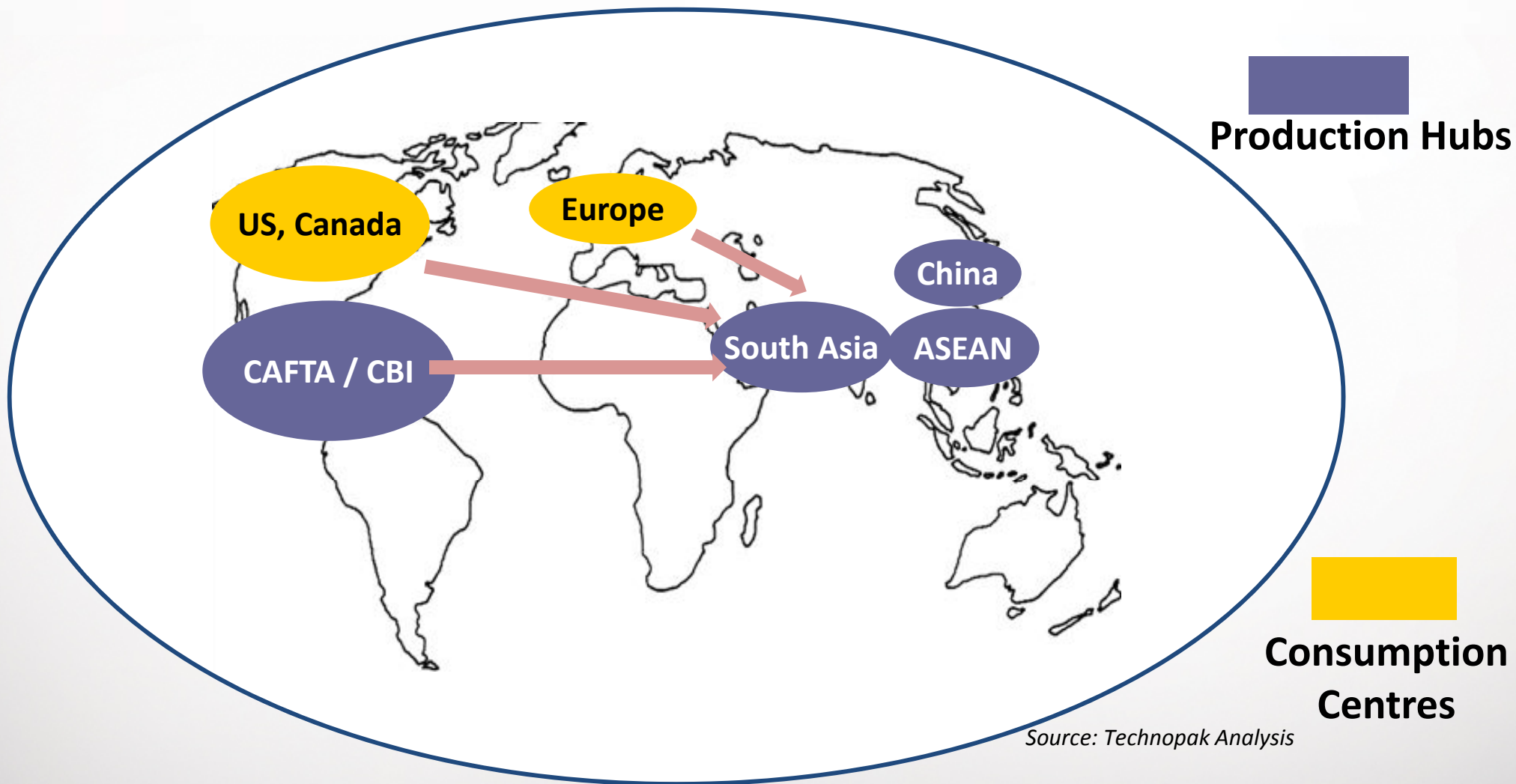
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Changing Face Of Global Trade

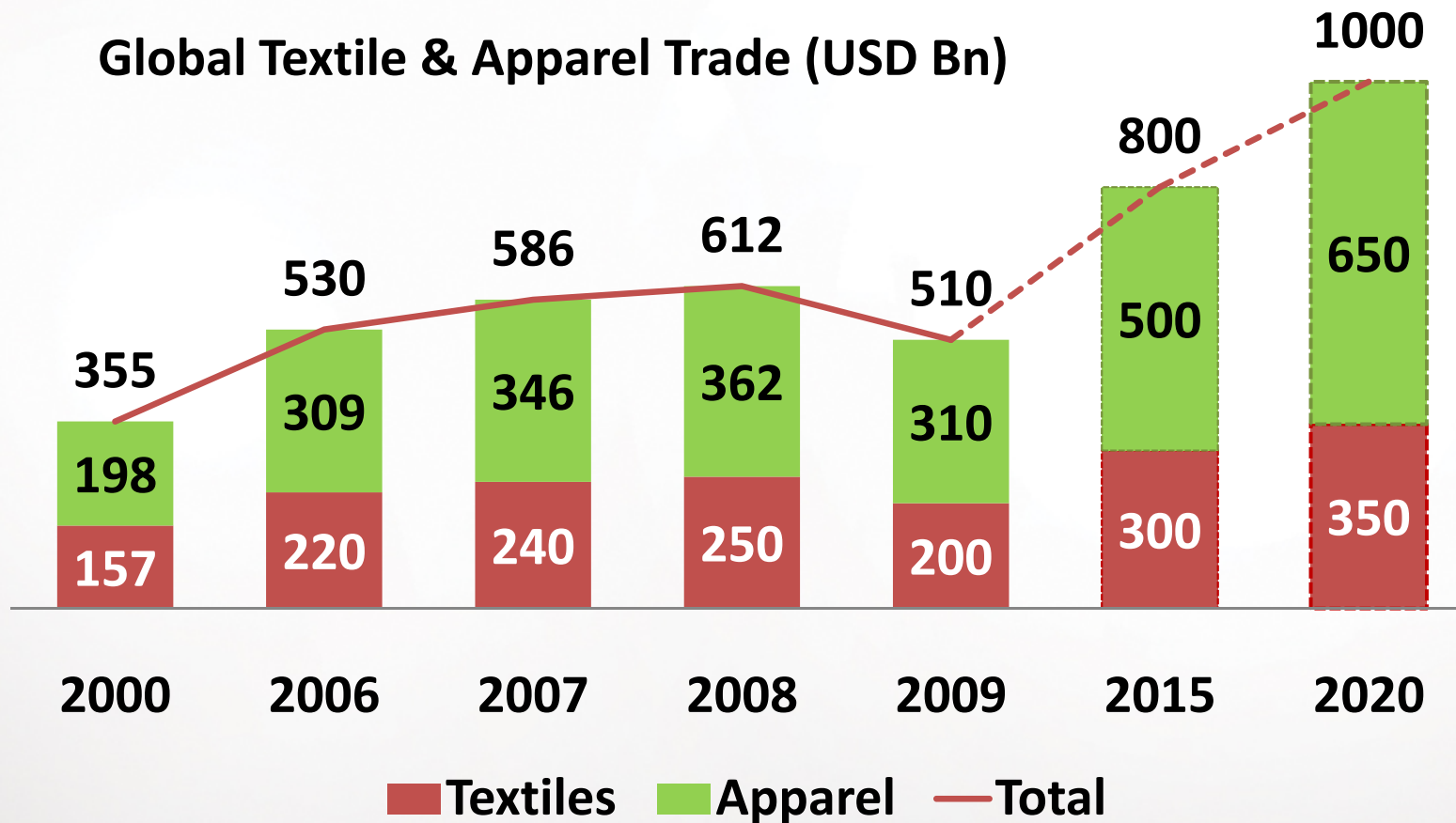
Over The Years, Production Has Converged Towards Asia From Western Countries



..Leading To Increase In Global Textile & Apparel Trade



Global Textile & Apparel Trade (USD Bn)



Source: WTO, UN Comtrade & Technopak Analysis

And...Resulting In Continuing Shift Of Export Base Towards Asia For Apparel ...



Declining Apparel Exports of Western / Developed Countries

Country	Trade Value in 2000 (US\$ mn)	CAGR since 2000
Korea Republic	5027	-12%
Dominican Republic	2555	-10%
USA	8629	-8%
Mexico	8631	-7%
Canada	328	-6%



Growing Apparel Exports of Asian Countries

Country	Trade Value in 2000 (US\$ mn)	CAGR since 2000
Vietnam	1821	22%
Cambodia	970	18%
China	36071	16%
Bangladesh	5067	10%
India	5960	8%
Pakistan	2144	8%

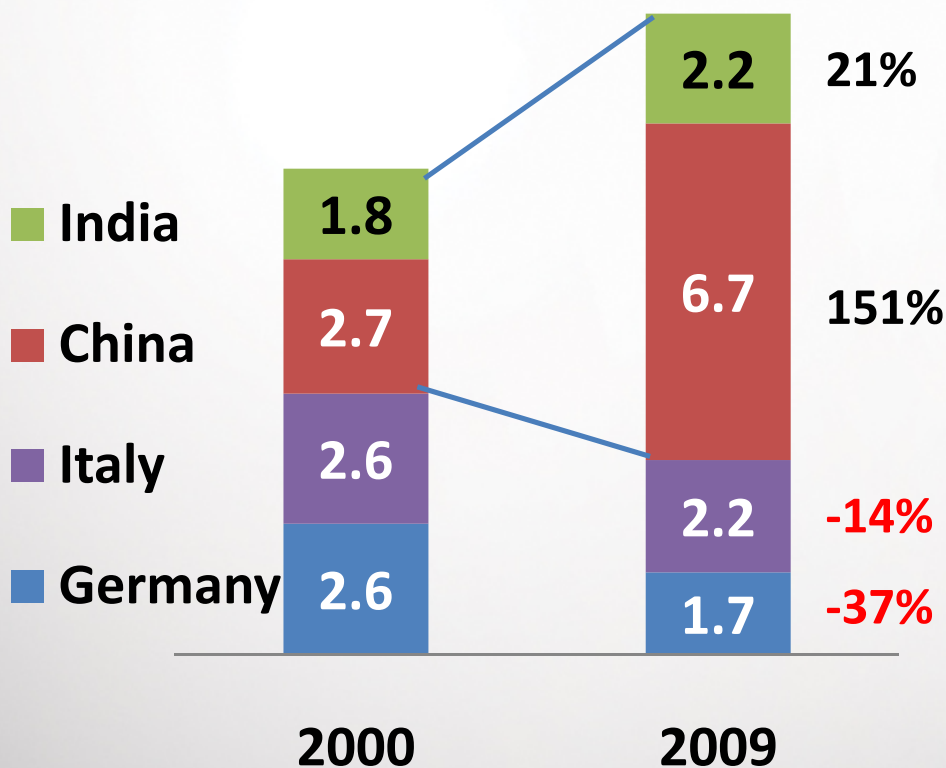
...As Well As For Raw Materials.....



Yarn Exports of Major Countries

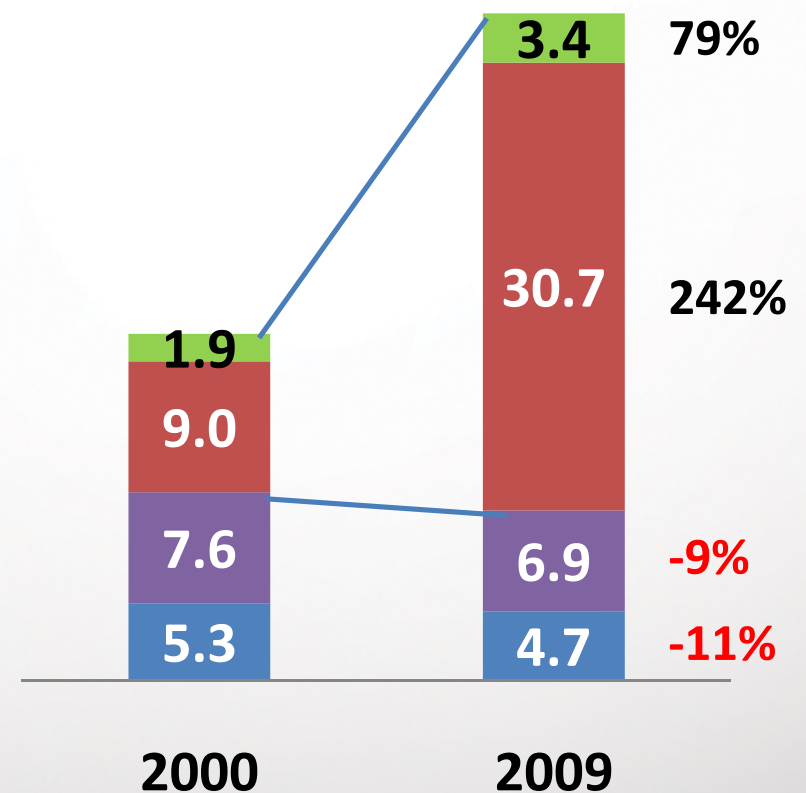
US\$ Bn

Growth



Fabric Exports of Major Countries

Growth



Rising Market Opportunity For Developing Countries



- Most developed countries will see continued decline of their textile and apparel industry and create fresh opportunity of up to **US\$ 140 Billion** for exports for developing countries by 2020
- In addition, an opportunity of approx **US\$ 360-370 Billion** likely to be created due to rise in demand
- Hence an additional market opportunity of **~US\$ 500 Billion** likely to be created by 2020

China's Exports May Be Constrained In Future...Creating Opportunities For Others



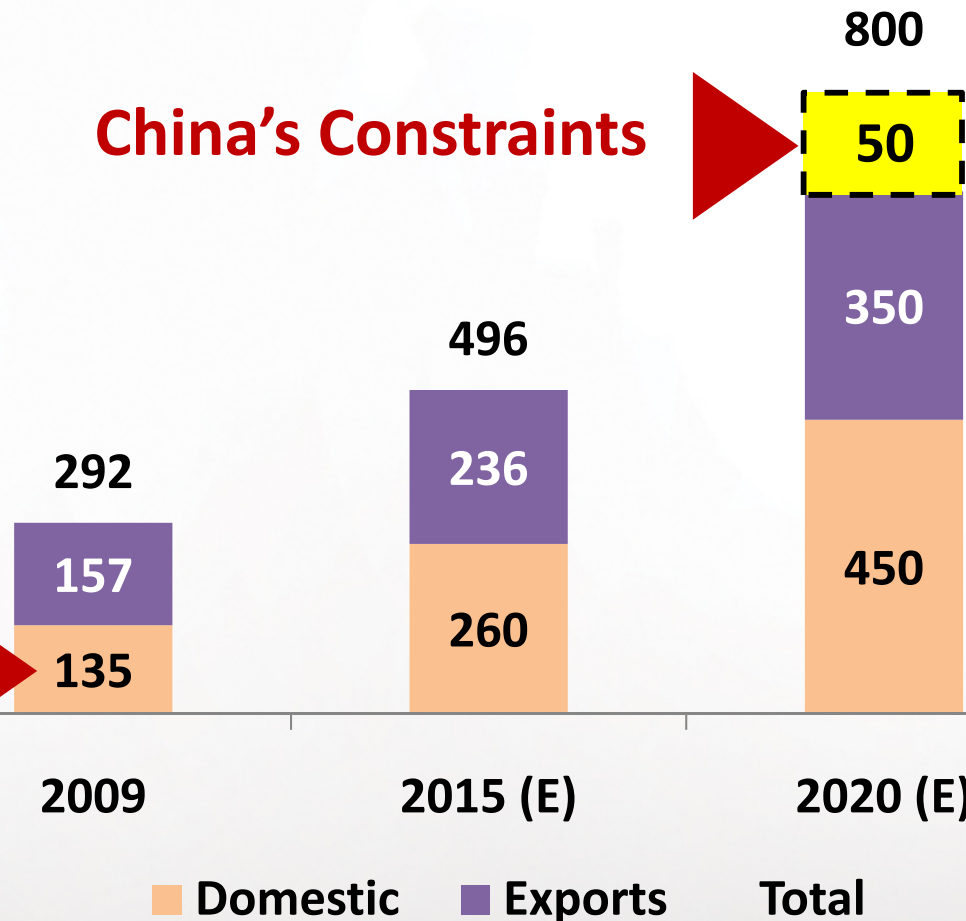
China T&A Industry Size – Some Projections

US\$
Billion

China's Constraints

China will add **US\$ 315 Billion** to its domestic apparel demand by 2020

China will remain the biggest exporter but with rising costs and rising domestic demand, it may cede some export opportunity



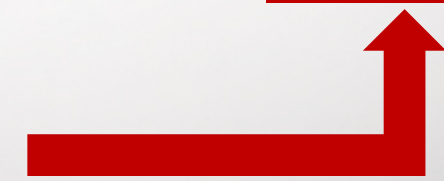
Hence ...Opportunity For India To Reach **US\$ 80 Billion** Exports By 2020



Growing world trade 1990 - 2020

US\$ billion	1990	2000	2005	2008	2009	2015	2020
World GDP	23,000	32,000	45,400	61,000	57,000	82,000	111,027
World Trade	4,338	7,902	12,752	19,344	15,341	24,600	33,308
World T&A Trade	213	353	486	612	510	800	1,000
China T&A Exports	16	52	104	175	157	236	350
India T&A Exports	4.6	11.4	15	21	23	45	80
India's Share In Global T&A Trade	2.1%	3.2%	3.1%	3.4%	4.5%	5.6%	8.0%

Potential For India To Almost **Double** Global Export Share.....





Further, Going Forward....Indian Economy Has A Very Positive Outlook



Indian Economy Is Expected To Touch \$ 3.1 Trillion In The Next 10 Years

GDP \$ Trillion	2000	2010	2020
USA	10.8	15.7	18.0
China	1.3	5.6	13.2
Japan	5.2	5.5	6.4
Germany	2.1	3.6	4.3
France	1.5	2.9	3.3
UK	1.6	2.4	2.8
Italy	1.2	2.3	2.5
Brazil	0.7	1.9	3.1
India	0.5	1.4	3.1
Russia	0.3	1.7	2.7

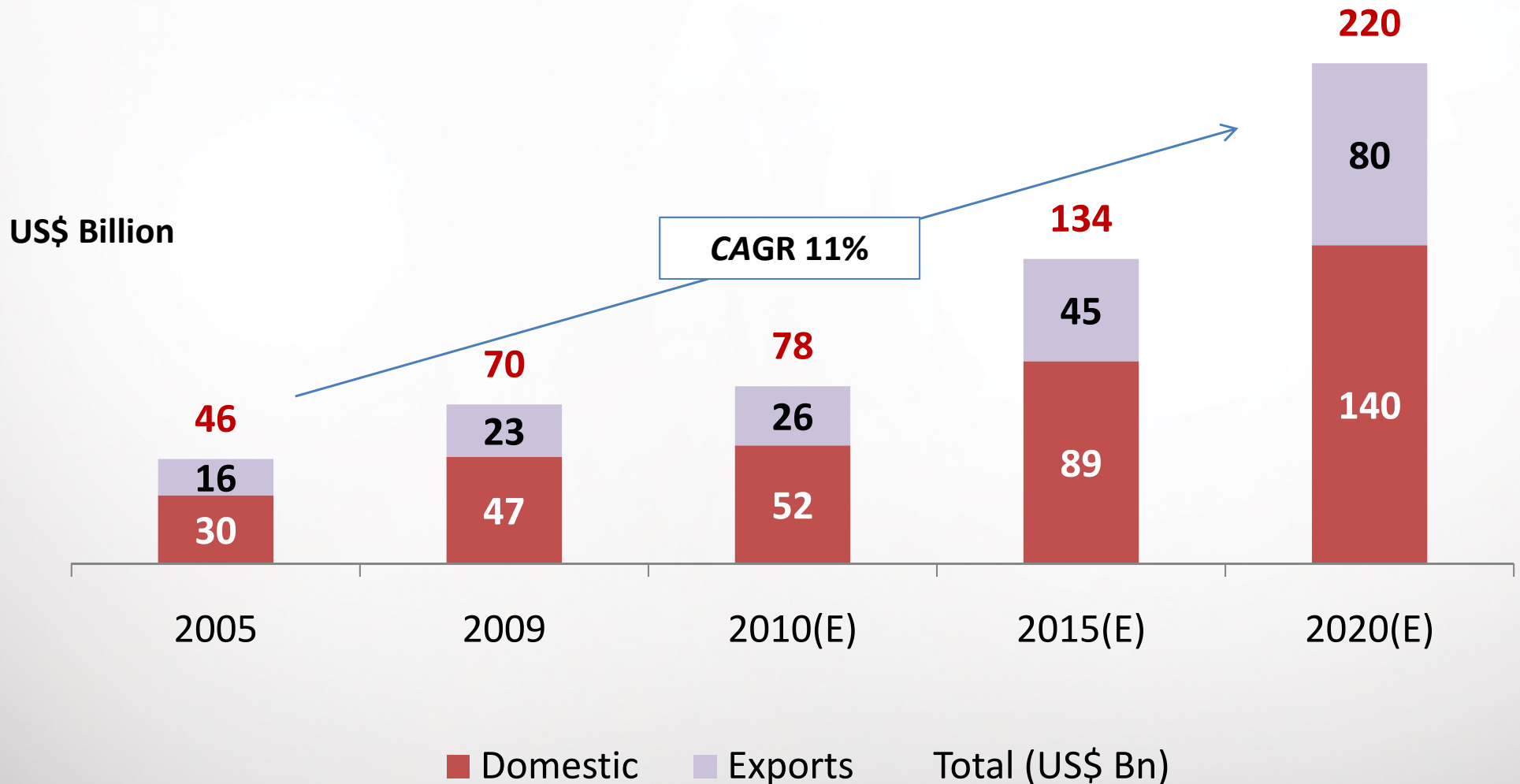
 In the last 10 years India has added **\$ 930 billion** to its economy and will add almost double of that **(about \$ 1700 Billion)** in the next 10 years

 The Indian economy in 2020 is poised to become bigger than the current size of countries like France, UK or Italy

Textile And Apparel Industry Will Grow Substantially Too ...



India's **US\$ 70 Billion** Textile and Apparel industry has the potential to grow @ 11% CAGR to reach **US\$ 220 Billion** by 2020



*All numbers are rounded off

Milestone Years In Indian Textile Industry



Exceptional entrepreneurs who put India on the global textile map

1869

- Shri Jamshedji Tata : Started his first venture by acquiring a bankrupt oil mill in Chinchpokli converted it into a cotton mill and renamed it to Alexandra Mill

1900-1960's

- Shri GD Birla, Lala Shriram (DCM), Shri Mafatlal Gaganbhai (Mafatlal), Shri Piramal Chaturbhuj (Morarjee), Singhanias (JK/Raymond), Wadia – Bombay Dyeing, others

1970's

- Shri Dhirubhai Ambani (Reliance Industries)

1980's

- Shri S.P Oswal (Vardhman), others

1990's

- Shri Sanjay Lalbhai (Arvind), others

2000's

- Jiwarajka family, others e.g. SKNL, BRFL, Welspun, Abhishek – each already or poised to soon become a billion US\$ integrated textile business

The Next Disruption

Beyond Factor Driven Industry



(Before 2005)

FACTOR DRIVEN

- Raw Material Availability
- Labor availability
- Government policy influence

(2005-2015)

EFFICIENCY DRIVEN

- Vertical / Virtual Integration
- Manufacturing excellence
- Supply Chain Efficiency
- Diversity in product mix

(2015 onwards)

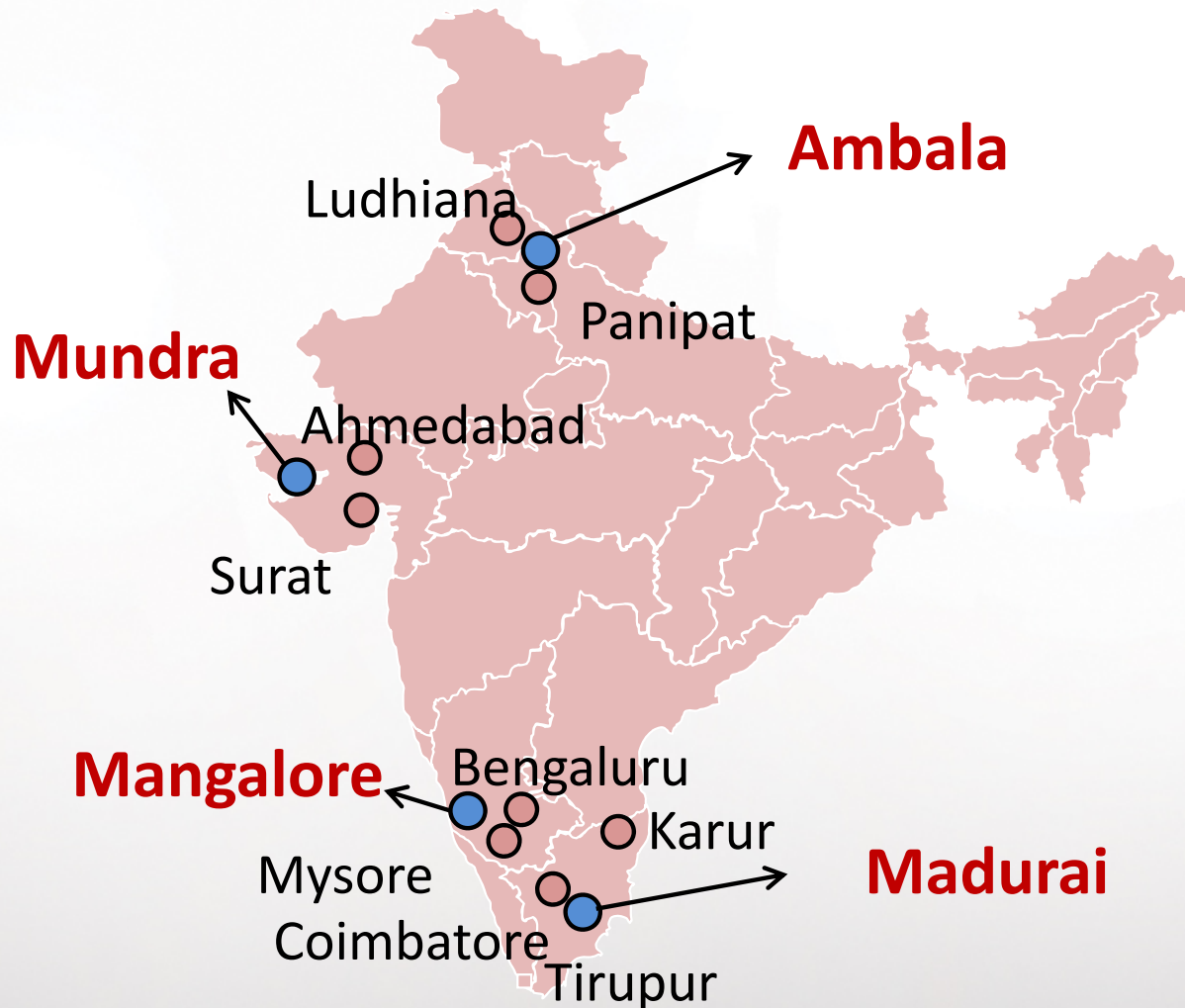
INNOVATION DRIVEN

- Product
- Design / Brand
- Channels
- Business Processes

Create New Mega Clusters



Developing the Next “Amritsars & Ahmedabads & Bangalores and Tirupurs and Ludhianas and Panipats”



Re-Invent The Entire Industry



- Think even more bold and more global
- Collaborative / aggressive entrepreneurship
- Think strategic / Think scale (merge / acquire / divest)
- Attract the best management and operational talent
- Rebrand the entire industry / companies / products

Thought Leadership



- Assume leadership roles in Apex Industry bodies like CII, FICCI, Prime Minister's Industry Leaders Council and others
- Make a strong presence at “thought leadership” platforms such as WEF, India Today Conclave, HT Leadership Conclave etc. in India and outside India
- Make strong efforts to become an employer and a partner of desire

Conclusion



- External & internal factors strongly in India's favor
- Regulatory and capital environment supportive
- A host of new bold entrepreneurial leadership already available to provide inspiration to many others
- Indeed, this new decade may well be best ever for the Indian Textile and Apparel industry



Thank you !