

India –A Significant Global Textile Destination

By: S. K. Gupta
CEO
Raymond

India –A Significant Global Textile Destination

Current Status

- Already No.2 destination next to China though 1/9th in size
- Much smaller in garments and made-ups where Bangladesh and Pakistan are also dominant players
- Insignificant brand presence barring surrounding countries
- No specific positioning except alternative to China -strong in fabric, yarns and full package sourcing
- Large and growing market for Home- grown and Global brands
- Low cost fabric manufacturing destination for relocating capacities from the West

Country Advantages

- Has many distinct competitive advantages in various segments -
 - ✓ *Self-sufficiency in cotton barring some extra-fine varieties*
 - ✓ *Availability of other important fibres & yarns - formidable range of fibre / dope dyed polyesters / viscose yarns, carpet wool yarns and silks, etc.*
 - ✓ *Strong in-country spinning industry*
 - ✓ *Large and flexible manufacturing base for suiting/trouser, shirting, knits, and home textiles in variety of fibre combinations*

Country Advantages

(contd....)

- ✓ *Large domestic denim and worsted suiting capacities in the organized sector with world class designing and product development capabilities*
- ✓ *Growing technical textiles industry*
- ✓ *Burgeoning production base for garments and made-ups spread across organized and small scale sectors*
- ✓ *Old textile heritage and existence of dominant handloom sector known for hand crafted/hand woven specialties*

Country Advantages

(contd....)

- ✓ *Strong and ever growing home market*
- ✓ *Low labor cost via-a-vis many countries*
- ✓ *Govt's support in terms of TUF, EPCG, STPs, Packing credit at concessional rate and Drawbacks/DEPB and other incentives*
- ✓ *Trained/trainable technical and managerial manpower*
- ✓ *Entrepreneurial drive – many success stories*

Way Forward

- Despite infrastructural constraints including high cost of energy and logistics, industry is poised for quantum growth
- Unlikely to be anywhere close to No.1 in near future despite garmenting in China turning un-competitive
- India to find its own niche building on its inherent strengths

Way Forward

(contd)

- Perhaps to reposition as specialists in certain categories encompassing / embracing other categories in the process
 - ✓ *Like Pakistan – in medium count-dyed and printed home textiles as well as bottom weight fabrics*
 - ✓ *Bangladesh - in low cost garmenting*
 - ✓ *Indonesia - in high quality low cost TR yarns and greige*
 - ✓ *Turkey, Tunisia and Morocco – in high quality cotton fabric and garmenting for quick deliveries to EU*
 - ✓ *Italy - in hi-couture fashion lines- ultimate in fashion*
 - ✓ *Japan - hi-tech best quality specialty fibres and fabrics etc.*
 - ✓ *China - in mass production*

Rising Above Competition

- To focus on high value added products, divorced from traditional mass production
- Build necessary 'aura' projecting India as 'Fashion Capital of Asia' leveraging on designing and flexible / versatile manufacturing capabilities.
- Improving tremendously on service parameters to support this stature
- India then emerges as a 'Global Textile Destination' for Hi-fashion textiles and clothing as manufacturing and designing shifts from historically known centres of the Western World
- Quality leadership coupled with Asian cost structure is surely the right USP for success in times to come.
- Concerted efforts in this direction can, perhaps, pay higher dividends as we move above the cut throat businesses

The Game Changer

- Aggressiveness in building B2C businesses worldwide, establishing brands and retailing - moving away from traditional low margin B2B models
- Corporates to spread wings beyond surrounding countries
- Acquisitions could be another solution to break the ice
- World is waiting as we all for that D-day.