



Decadal Outlook for Textile Industry

“Threads of Transformation for Textile Industry”

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Published by :

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Shri Eknath Shinde
Hon'ble Chief Minister
Maharashtra



एकनाथ संभाजी शिंदे

मुख्यमंत्री
महाराष्ट्र



सत्यमेव जयते

मंत्रालय
मुंबई ४०० ०३२
27 OCT 2023

MESSAGE

Maharashtra has traditionally been one of the largest contributors to the apparel and textiles segment in India, and the State aims to maintain its leadership position. Maharashtra is today the second largest cotton producer in India and the third largest exporter in textiles and apparels. More than 10% of the total textile and apparel production of the country happens in Maharashtra and nearly 11% of the total workforce in this segment is in Maharashtra. Maharashtra is also the home to some of the finest colleges and institutions focused on imparting education in this field including IIT Bombay, VJTI Mumbai, DKTE Ichalkaranji and NIFT amongst others. Multiple national level center of excellences (COEs) are in Maharashtra including SASMIRA, BTRA amongst others. Therefore, Maharashtra is truly well placed to attract investment and the best talent in this space.

Government of Maharashtra has always supported the industry in the State through forward looking and progressive policies including the State Industrial Policy, the new Textiles Policy and various policies and programs supporting Skill Development, start-ups and MSMEs. These, along with the policies of Government of India including the PLI scheme, setting up of Textiles Park under the PM MITRA program provides the right environment and platform for companies to invest in the State. Our focus on sustainability, women led development and all-round growth in every region is the hallmark of this Government.

This report prepared by Department of Textiles, Government of Maharashtra and CII along with their knowledge partner would be an important tool for potential investors invest in Maharashtra. The report provides insights into the new Textiles Policy 2023-28 and helps benchmark the same against peers. I firmly believe that this report, along with the new Textiles Policy of the State would help investors make up their mind regarding investing in the State.

(Eknath Sambhaji Shinde)



Shri Devendra Fadnavis
Hon'ble Deputy Chief Minister
Maharashtra



Devendra Fadnavis
Deputy Chief Minister
Maharashtra



Mantralaya
Mumbai 400 032

Date: 30th October, 2023

MESSAGE

Maharashtra is one of the largest contributors to the apparel and textile industry in India and the State aims to maintain and further strengthen its leadership position with the launch of the recent new Textile Policy 2023-28. Textiles contributes to about 4% of the current GDP of the country, with a potential to being about 7-8% of the GDP by the end of this decade. Maharashtra is working in sync with the vision of our Hon. Prime Minister to promote Make in India and realize the dream of an Atmanirbhar Bharat.

I welcome this joint publication of the Textiles Dept., Govt. of Maharashtra and CII to proactively do a deep dive into the industry and bring out the opportunities that exist in this sector for investment. This publication rightly highlights the potential of this sector in the country and in the State of Maharashtra and brings out the benefits of investing here. While there are challenges being faced by the sector, apart from competition from other countries in Asia, the report delves on the steps being taken by the State and the measures in the policy that aim to overcome the challenges.

I sincerely hope that the report will be useful to every investor looking at investing in this sector and would like to thank Textiles Department and CII for coming out with this report.

(Devendra Fadnavis)



Shri Ajit Pawar
Hon'ble Deputy Chief Minister
Maharashtra



**DEPUTY CHIEF MINISTER
MAHARASHTRA STATE**

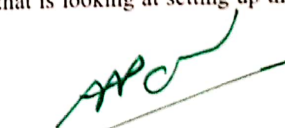
Date :- 25 October, 2023

MESSAGE

Textiles and Maharashtra share a unique bond. The growth of the Textiles industry has been ubiquitous to the economic and social growth of the State. Over a period of time, the region became a hub for textiles in the sub-continent as towns such as Yeola and Paithan flourished as important centers for textiles. As the State began to be known and globally recognized for silk and cotton, fabrics such as the Paithani sarees and Himroo shawls have become synonymous with the rich cultural heritage of the State. In the later days, the cotton mills flourished across the State and especially in Mumbai and the city was then known as the 'Manchester of India'.

The Government of Maharashtra is committed to continuing to support the textiles industry in the State and help Maharashtra retain and strengthen its leadership position. A separate department of Textiles is in place and is aimed at supporting the industry in its journey of investing in the State. While there are existing textile manufacturing hubs in Solapur, Ichalkaranji, Malegaon, we believe that multiple newer clusters will emerge across the State with the help of the new Textiles Policy of the State Government. This is in sync with the vision of this Government to usher development and progress across all parts of the State. The policy also provides the right impetus to research, technology, innovation and skilling, all of which are critical components for the success of the industry. The policy has rightly reflected on the need for sustainability and greening of the sector, which makes our approach unique.

I congratulate the department of Textiles and the CII along with its strategic partner for the publication of this report. I firmly believe that every investor would find this report insightful and helpful while planning for their investment. As a State, we remain firmly committed to support every industry that is looking at setting up their plants and manufacturing set-up in Maharashtra.


(Ajit Pawar)



Shri Chandrakant (Dada) Patil
Hon'ble Textile Minister
Maharashtra



स्वतंत्र्याचा अप्रति महात्म्य



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Message

The Government of Maharashtra has launched the new Textiles Policy 2023-28 with the aim of securing Rs 25,000 crore of investment and creating 5 lakh jobs in the sector. The policy brings in the right focus on supporting the industry, as well as looking at sustainability. Newer, yet critical areas such as Technical Textiles has been given due importance in the policy. The policy also aims to bring in equitable growth with focus on women led development. The State, through its policies and programs, aims to work in tandem with the vision laid out by our Hon. Prime Minister to make India a developed nation by 2047.

With the need to deliberate and deep dive into the policy and look at it with critical and comparative lens, CII has partnered with Government of Maharashtra to publish this report. The report is a critical component in outreach and would be a helpful tool for investors to get answers related to their queries around investment potential and avenues. The Government would remain committed towards this sector, and would look forward to working with industry associations like CII to help further promote the industry globally.

C. B. Patil
(Chandrakant(Dada) Patil)
Minister



Shri Uday Samant
Hon'ble Minister Industries
Maharashtra



UDAY SAMANT



**MINISTER
INDUSTRIES
MAHARASHTRA STATE**

Date: 25/10/2023

Message from Shri Uday Samant, Hon. Minister for Industries, Govt. of Maharashtra

Maharashtra is the most industrialized and progressive state in India. Maharashtra has the highest GSDP in India and accounts for ~13% of the country's GDP. The GSDP of Maharashtra is nearly 50% more than its nearest peer. Maharashtra is a leader in various segments such as automobiles, pharmaceuticals, textiles and other areas of manufacturing. The State also has a leadership position in the services sector too.

The State Industrial Policy, along with sector specific policies such as the Textiles Policy 2023-28, has supported investment and innovation in the State. Our endeavor is to ensure that the Textiles segment continues to thrive and grow in the State, and all efforts to enable the same will be provided by the Government with the right intent.

The publication of this report jointly by Government of Maharashtra and CII marks an important landmark in promoting the textiles industry in the State. Investors would definitely benefit from this report as it clearly articulates the benefits of investing in the State and lists out the support provided by the State Government. I take this opportunity to thank Textiles Department, CII and their knowledge partner for this report.


(Uday Samant)



Dr. Harshdeep Kamble IAS
Principal Secretary, Industries
Industry, Energy, Labour and Mining Department
Government of Maharashtra



Dr. Harshdeep Kamble, I.A.S.
Principal Secretary (Industries)

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**Message from Dr. Harshdeep Kamble, Principal Secretary - Industries, Govt. of
Maharashtra**

Maharashtra is leader in manufacturing and services and contributes 14% of the GDP of India. It has one of the most investor friendly business climate with enabling policies and support for the Industry. The reforms enacted by the State Government in promoting Ease of Doing Business played a stellar role in the country improving its ranking significantly over the years. The Single Window System, along with a robust grievance redressal mechanism aims at hand-holding the investor across the whole investment journey in the State.

Apart from the Industrial Policy, the State has also launched the new Textiles Policy 2023-28 with the objective of promoting the textiles segment. The Textiles Policy, coupled with other enabling policies such as the Industrial Policy, would benefit the industry tremendously. This report prepared by CII, in consultation and collaboration with Textile Department, Government of Maharashtra, is a prudent step in taking forward the policy outreach. The initiative "TEXFUTURE" by Textile Department is highly appreciable and I am confident that through this many textile units would set up their businesses in Magnetic Maharashtra.


(Dr. Harshdeep Kamble)



Shri Virendra Singh IAS
Secretary, Textiles
Co-operation Marketing and Textiles Department
Government of Maharashtra



Virendra Singh, IAS
Secretary (Textiles)

Co-operation, Marketing & Textiles Dept.
Mantralaya, Mumbai 400 032.

Dated : 30th October, 2023.

MESSAGE

Textiles department plays a pivotal role in both the social and economic development of the State. Through the new Textiles Policy 2023-28, we are looking at the development of the industry in an equitable fashion. The Policy has the right ingredients for inclusive and sustainable growth, thus benefiting all sub-segments of the industry and ushering in development across all regions of the State. The policy also looks at promoting Technical Textiles, which is expected to grow ten-fold over the next few years in the country.

Apart from the policy, the department is also focusing on reforms, simplifying its processes and systems to drive ease of doing business and utilizing technology at every step. All of this is with the aim of making it more and more investor and stakeholder-friendly.

To take the message of the Textiles Policy to every part of the world, the Department of Textiles has partnered with CII for the publication of this report. The report looks at the overall industry scenario and the opportunities that exist. It gives a clear and unambiguous insight into the realm of investment in the State, for which the State Government would continue to remain committed to extend all help and support. I sincerely hope that potential investors find this report useful and helpful while making their investment decisions.

(Virendra Singh)



Dr Praveer Sinha
Chairman – CII Western Region and
Chief Executive Officer & Managing Director
The Tata Power Company Ltd



Dr Praveer Sinha
Chairman – CII Western Region and
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MESSAGE FROM CII

The textile industry holds a unique and indispensable position in India's industrial ecosystem. The textile sector in India is marked by a significant prevalence of micro, small, and medium-sized enterprises (MSMEs), largely attributable to government policies initiated during the early years of India's independence. In the past decade, Indian consumers have developed both the desire and the means to keep pace with the rapid changes in the fashion industry, driven by heightened global connectivity and the impact of social media. Furthermore, the advent of digital media has empowered local, small-scale businesses to reach a wider audience without the need for intermediaries, leading to the proliferation of numerous MSMEs in the industry.

As the sector grows, partnerships with government agencies, associations, trade bodies, etc will play a crucial role in the textile sector in offering a multitude of benefits that contribute to the industry's success and sustainability.

The Confederation of Indian Industry (CII) has been playing a pivotal role of an advocate for the textile industry, fostering communication between industry representatives and the government to shape policies conducive to growth. CII collaborates on skill development programs, technology adoption, and sustainability practices in the sector, enhancing efficiency and competitiveness. CII's partnership with the government aims to address challenges, create opportunities, and ensure the sustainable growth of Maharashtra's textile industry, yielding economic development and job creation.

The textile industry holds a unique and indispensable position in India's industrial ecosystem. It is the 2nd largest employer providing direct employment to 45 Mn people and 100 Mn people in allied industries. In India, the textile sector is marked by a significant prevalence of micro, small, and medium-sized enterprises (MSMEs), largely attributable to government policies initiated during the early years of India's independence. In the past decade, Indian consumers have developed both the desire and the means to keep pace with the rapid changes in the fashion industry, driven by heightened global connectivity and the impact of social media. Furthermore, the advent of digital media has empowered local, small-scale businesses to reach a wider audience without the need for intermediaries, leading to the proliferation of MSMEs in the industry.

India, the fifth largest economy globally has a share of just about 5% of the international trade in textiles and apparel. Clearly, the Indian textile industry has a vast potential waiting to be explored, which demands an integrated approach simultaneously focusing on greater value addition, enhanced competitiveness and sustainable industry practices. This will not only boost employment generation but also add to national output. CII is committed to support the textile industry in furthering this journey towards growth and excellence.

Dr Praveer Sinha
Chairman, CII Western Region and
Chief Executive Officer & Managing Director
The Tata Power Company Ltd



Shri Devroop Dhar
Co-Founder and Managing Director,
Primus Partners



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MESSAGE

The textile industry is playing a pivotal role in global trade, employing millions of individuals worldwide. The government has introduced various schemes and incentives aimed at promoting the textile sector, such as the Amended Technology Upgradation Fund Scheme (ATUFS), Production-Linked Incentive (PLI) Scheme for man-made fibers and technical textiles, National Technical Textile Mission, PM MITRA scheme. These initiatives have not only provided financial assistance but also encouraged investments in modern technology and infrastructure, thereby improving the sector's overall competitiveness.

Maharashtra has given significant thrust to Technological advancements in its recently released "Integrated and Sustainable Textile Policy" and the State Government has come up with "MAHA Technology Upgradation Fund Scheme" (Maha-TUFS).

Technology will be a driving force for innovation and will have a significant impact on the textile sector by improving efficiency, sustainability, and product quality. Today, technology has transformed the way textiles are bought and sold. E-commerce platforms and online marketplaces such as ONDC have made it easier for consumers and businesses to source textiles nationally. Furthermore, the incorporation of technology into textiles has resulted in the emergence of smart clothing and wearable devices, which have been increasingly embraced in both domestic and global markets.

We look forward that investors will extensively refer to this report in conjunction with the State's recently introduced Textiles Policy to gain valuable insights and opportunities in the sector.

Regards,

Devroop Dhar
Co-Founder and Managing Director
Primus Partners



Bengaluru | Chandigarh | Delhi | Kolkata | Mumbai
www.primuspartners.in



EXECUTIVE SUMMARY

The global textile industry is on the brink of significant transformation, marked by dynamic shifts in consumer preferences, sustainability imperatives, and technological innovations. To unlock the full potential of this sector and to overcome the various challenges it faces, it is imperative that the central and state governments collaborate closely and introduce policies and initiatives to promote and support the textile sector. The Government of India has come up with policies such as Production-Linked Incentive (PLI) Scheme, Silk Samagra-2, Scheme for Integrated Textile Parks (SITP), PM Mega Integrated Textile Regions and Apparel (PM MITRA) etc emphasizing on technology adoption, infrastructure development, skill enhancement, and environmental sustainability. These policies are designed to enhance competitiveness, create employment opportunities, boost exports, and drive sustainable growth in the textile industry. Similarly, the Textiles Department, Government of Maharashtra has recently released its "Integrated and Sustainable Textile Policy 2023-28" in line with the 5F vision of the Government of India- Farm to Fiber to Factory to Fashion to Foreign. The policy aims to strengthen the

existing textile infrastructure and promote sustainability and technological advancements to the entire textile value chain in the State. Additionally, it aims to promote skill development, women empowerment and provides additional support to backward classes, minorities, and ex-servicemen providing significant thrust to creating employment opportunities in the State. In this report, we present a comprehensive sector outlook in three sections. The initial segment provides a backdrop for the sector, encompassing the industrial perspective, notable trends, and governmental endeavours. The subsequent segment delves into the challenges that the Indian textile sector must confront to maintain its global competitiveness and sustainability. The concluding segment offers valuable insights and practical guidance intended to assist industry leaders, policymakers, and stakeholders in maneuvering through the forthcoming challenges and opportunities. As we navigate the challenges and opportunities within this industry, to make India a global textile leader, we hope that this thought leadership piece serves as a valuable resource and a catalyst for forward-thinking strategies that will shape the future of the textile sector.





SECTION 1

SECTOR BACKGROUND

“The textile sector weaves more than just fabric; it knits the pathways to economic growth through sustainable innovation”



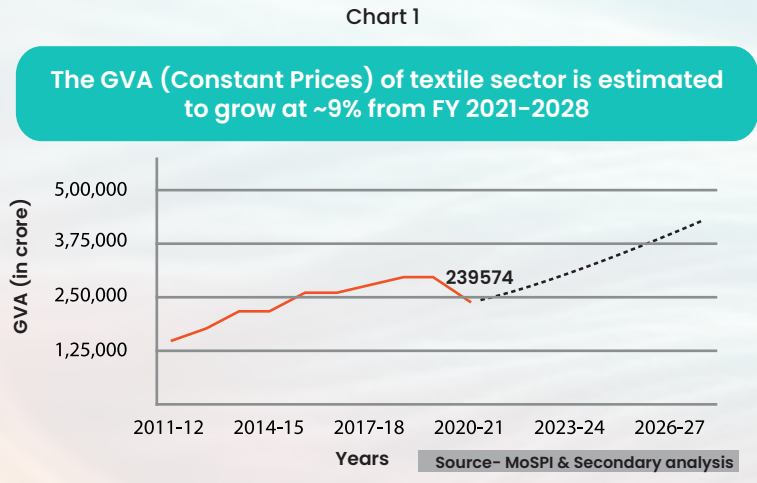

1.1 INDUSTRY AT A GLANCE

The Indian textile industry showcases a vibrant tapestry of tradition and modernity, offering a diverse range of fabrics and garments. The industry is going to see rapid growth and would continue to be one of the largest employment generator in the country

1. The Textile industry is a key contributor to country's growth aiming to reach \$250 billion by 2030



Contributes **2.3%** to National GDP*

7% to industrial output in terms of value**

2. The Textile industry is one of the largest source of employment generation

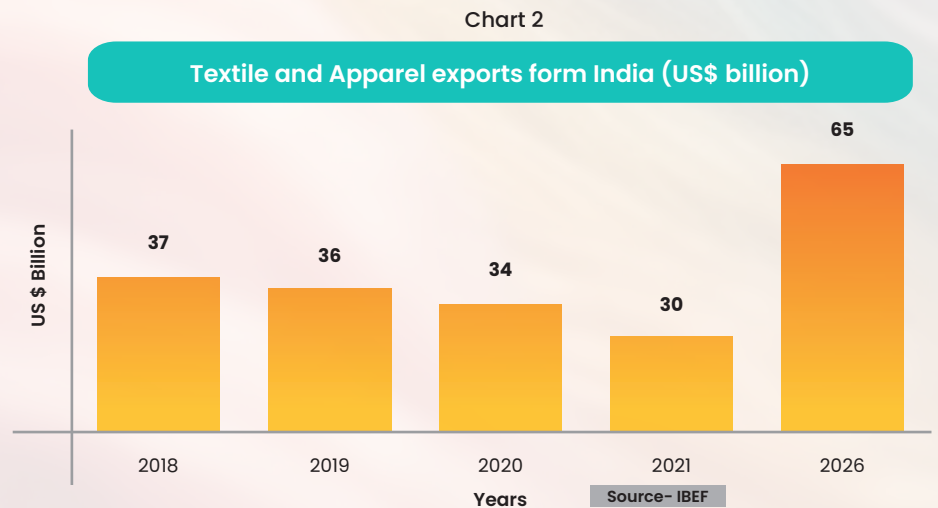


Employing more than 100mn people (textile and its allied sectors)

3. The growing presence of Indian Textile and Apparel in the global market



The Textile and Apparel exports from India are expected to grow up to US \$ 65bn by FY 2026***



* Textile Industry in India: Insights into the Garment & Apparel... (investindia.gov.in)
 ** Textile Industry in India: Insights into the Garment & Apparel... (investindia.gov.in)
 *** Textile Global Market Report 2023 - The Business Research Company



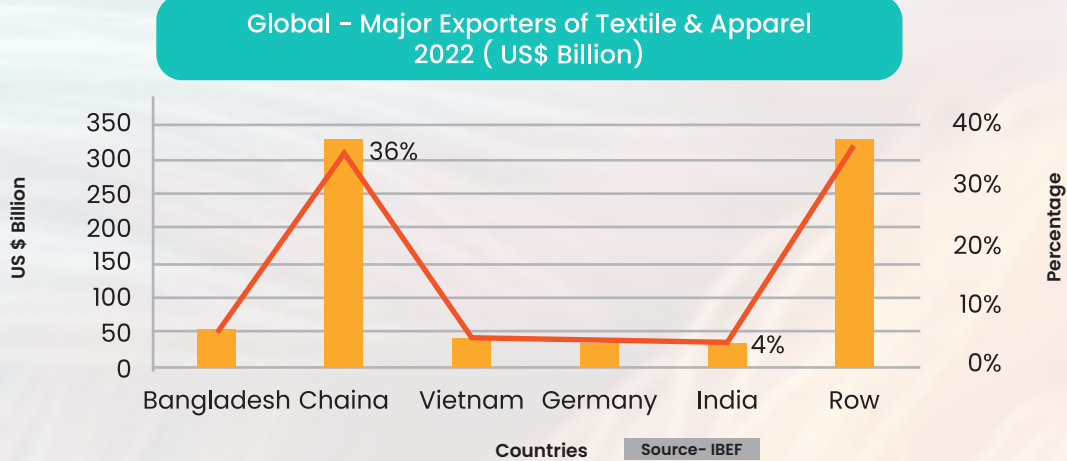
1.1 INDUSTRY AT A GLANCE

4. The country is poised to grow significantly in textile sector and expand in various categories

India features among top 5 global exporters in several categories including **natural fibre, MMF, spun yarn, filament yarn, woven fabric and home textiles**

USA is the top export destination accounting for 27% share, followed by EU (18%), Bangladesh (12%) and UAE (6%)*

Chart 3



5. India continues to hold a competitive edge in terms of textile sector raw materials



Largest producer, consumer and exporter of cotton in the World.



Largest producer of jute in the world.



Second-largest producer of silk in the world with the production of 34,903 MTs.



Second-largest producer of manmade fibres.

* PIB: Press Information Bureau (pib.gov.in)



1.2 TRENDS DRIVING TEXTILE INDUSTRY

Trends shaping the future of the Textile Industry reflect the industry’s response to evolving consumer preferences, technological advancements and sustainability imperatives.

1. Textile industry holds immense potential and its contribution to GDP is expected to be more than double from 2.3% to nearly 5% by 2030

The central and state governments have taken various initiatives for providing thrust to the sector with various schemes such as **PM MITRA, PLI, SAMARTH**.

Establishing seven **large-scale textile parks** throughout India is a strategic step that will not only generate additional job opportunities but also fortify industrial growth.

2. Textile will continue to be a significant employment generator in the country

States are coming up with their policies targeting increasing employment in this sector. Maharashtra in its recently launched “Integrated and Sustainable Textile Policy 2023-28” targets generation of half a million jobs



Various GoI policies are targeting more employment such as PLI Scheme (7.5 lakh), PM MITRA (3 lakh)

The Indian Textile sector employs approx. 45 million people directly and another 60 million through allied sectors.

3. As a sub-sector , technical textile will play a crucial role in the overall growth of the sector*

5th Largest Market in the World (USD 22Bn in 2021-22)

Penetration of Technical Textiles in India (2021-22) 10% as compared to 30-70% Globally

8-10% Growth Rate in FY 2018-21 and expected to grow @ 15% in FY2021-30

Increasing usage of technical textiles across flagship schemes of GoI in various sectors such as railways, defence, water resources, Agriculture & Farmers’ Welfare

Sector holds huge potential for skilled workforce and in providing jobs

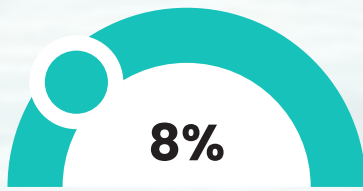
* Report- India 2047 – Vision and strategic roadmap for technical textiles



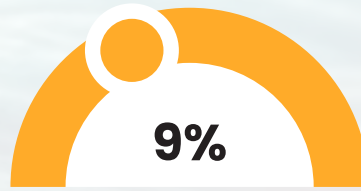
1.2 TRENDS DRIVING TEXTILE INDUSTRY

4. Sustainability and circularity will move from “good to have” to “must have” on the board agenda for the industry Sustainability and Circularity in Textile, Apparel and Fashion (TAF) *

- Textile Utility (Times an item is used before it is discarded) has decreased by approx. 36% in 15 years leading to more waste.
- Global fiber production has almost doubled in the last 20 years and is expected to boom to 149 million tonnes by 2030 with less than 1% from recycled textiles (2021).
- Every year the industry is responsible for -



Greenhouse gases



Microplastic pollution



Increase in water usage (FY 2030)



5. MSMEs will continue to be a large part of the industry and its modernization will drive the growth of the industry: MSMEs in India are pivotal in job creation and providing employment opportunities.

5th largest T&A exporter, the industry enjoys a 4% share of the \$840 billion global markets.

T&A exports growing at a promising CAGR of 11% and is expected to cross \$100 bn in the next 5 years. **

Promoting the growth of MSMEs in the textiles and apparel sector to enhance exports has the potential to generate an additional 7.5 to 10 million jobs

6. Digital transformation and technology led Textile 4.0 will bring in efficiency and productivity improvement: Unleashing Productivity and Efficiency

Producers are leveraging technological advancements to facilitate operational efficiency and catering to the evolving consumer demand for textile products

The usage of smart textiles has been growing steadily in various sectors including but not limited to mining, defence and aerospace.

* Report on Sustainability and Circularity in the Textile Value Chain, UNEP

** How textile MSMEs in India are creating jobs and employment opportunities, decodes expert | Zee Business (zeebiz.com)



1.2 TRENDS DRIVING TEXTILE INDUSTRY

7. Women led enterprises will be at the core of development of the industry : Fostering Women's Empowerment in the Formal Textile Industry*

Globally women spend nearly 40% more per year on apparel than men.

Women account for 85% of graduating students from top fashion schools

Only 14% of the top 50 major fashion brands are spearheaded by women. (ILO)

More than 27 million women employed in the Textile Industry in India, with majority in unorganised sectors like handlooms, handicrafts, and sericulture. **

Opportunity for women in emerging sectors like technical textiles and government initiatives such as the Production Linked Incentive Scheme that are poised to generate additional employment opportunities.



8. Export orientation and focus on quality will be a key differentiator: India poised to grow significantly in textile sector

India features among top 5 global exporters in several categories including natural fibre, MMF spun yarn, filament yarn, woven fabric and home textiles.

The country possesses immense potential in increasing exports for other technical textile segments such as Geotech, Meditech and Mobiltech.

In this highly competitive global market, quality certification & standardisation will serve as hallmark of trust, reliability & consumer satisfaction

* Report- A Gender Gap: Why do men still rule the (Fashion) world?: A Gender Gap: Why Do Men Still Rule the (Fashion) World? | NOT JUST A LABEL
** How textile MSMEs in India are creating jobs and employment opportunities, decodes expert | Zee Business (zeebiz.com)



1.3 GOVERNMENT SUPPORT TO STRENGTHEN THE TEXTILE SECTOR

(A) CENTRAL GOVERNMENT SCHEMES

The central government has introduced several schemes and initiatives to stimulate investments and strengthen the textile sector

Production Linked Incentive (PLI) Scheme

- To promote the domestic production of Man-Made Fiber (MMF) apparel, MMF fabrics, and products of technical textiles.
- Aimed at attracting fresh investments of approximately ₹19,000 crore by creating 60-70 globally competitive players and nearly 7.5 lakh new employment opportunities.



PM-Mega Integrated Textiles and Apparel Park (PM-MITRA)

- Aimed at establishing comprehensive, modern industrial infrastructure covering the entire textile value chain, from spinning to garmenting, processing, and machinery manufacturing.
- The parks aim to achieve operational scale, reduce logistics costs, attract investment, create jobs, and boost exports.



SAMARTH - Scheme for Capacity Building in the Textiles Sector

- Aimed to address the skilled manpower requirement across the textile sector.
- The scheme offers skill development and training programs tailored to the textile and apparel industry in order to bridge the gap between industry demands for skilled workers.





1.3 GOVERNMENT SUPPORT TO STRENGTHEN THE TEXTILE SECTOR

Scheme for Integrated Textile Parks (SITP)

- Focuses on the establishment of large-scale textile parks that cover the entire value chain of the textile industry, from raw material processing to the production of finished textile and apparel products.
- Providing plug-and-play facilities, reducing the initial setup and operational hassles for businesses



Silk Samagra-2

- Scheme designed to support the development of the silk industry in India
- The scheme consists of various components and sub-components.
- The programme synergizes the efforts of State Governments and other implementing agencies to improve the quality, productivity and production of raw silk, besides generating employment opportunities in rural areas.



National Handloom Development Programme (NHDP)

- Approach for integrated and holistic development of handlooms and welfare of handloom weavers. Scheme to support weavers including Self Help Groups for raw material, design inputs, technology up-gradation, marketing support through exhibitions, creating permanent infrastructure in the form of Urban Haats, marketing complexes etc.



National Technical Textile Mission

- Aimed at promoting and supporting the technical textile sector in the country. The mission focuses on research, development, and innovation in technical textiles, with the goal of enhancing the domestic industry's competitiveness at a global scale.










1.3 GOVERNMENT SUPPORT TO STRENGTHEN THE TEXTILE SECTOR

(B) STATE TEXTILE POLICY : MAHARASHTRA

Several state governments have implemented supportive policies to boost the textile industry. Maharashtra recently launched their Textile policy.

Contours of Maharashtra’s Integrated and Sustainable Textile Policy

KEY CONTOURS	PROVISION IN THE POLICY
Processing capacity of raw material 	<ul style="list-style-type: none"> • Increase cotton processing from 30-80% in the next 5 years • PPP Mode for increasing the processing capacity of wool • Establishment of Grainage centres for sericulture
Environment and Sustainability 	<ul style="list-style-type: none"> • Capital subsidy for setting up Recycling plants • Capital subsidy for setting up Effluent Treatment Plants (ETP), Zero Liquid Discharge (ZLD) and Common Steam Generation Plant • Fiscal incentives for installation of solar plants
Sunrise sector- Technical textiles 	<ul style="list-style-type: none"> • Fiscal incentives for setting up of technical textiles units • Fiscal and infrastructural support for setting up of 6 technical textile parks • Dedicated fund for the promotion of research and development in technical textiles • Launching of Maharashtra Technical Textile Mission
Skill Development and Capacity Building 	<ul style="list-style-type: none"> • Training program under Skill Development Program through Weaver Seva Kendra or Technical Training Institute • MoUs to be signed with prominent institutes and associations such as IIT Bombay, VJTI, SASMIRA, BTRA etc • Fiscal support for the establishment of new training centers with state-of-the-art facilities • Research and Development
Social Inclusion 	<ul style="list-style-type: none"> • Additional fiscal incentives for women/ SC/ ST/ Minority groups • Additional 10% capital subsidy for women led technical textile parks • Festival allowance @INR 15,000 for female weavers in traditional textile sector • Setting up decentralized garmenting units for providing job opportunities for women



SECTION 2

CHALLENGES

*“Challenges in the textile sector
are threads of opportunity
waiting to be woven into
success.”*



WEAVING OPPORTUNITIES THROUGH CHALLENGES WILL BE ESSENTIAL FOR THE INDIAN TEXTILE SECTOR TO REMAIN GLOBALLY COMPETITIVE AND SUSTAINABLE

The Central and State Government has taken various initiatives for growth of the textile sector. Nevertheless, we believe that there are several critical challenges that require attention to foster the expansion of this sector.



Supply Chain Disruptions and Resilience

The textile sector is dominated by MSME sector that is highly fragmented. This fragmentation results in a lack of coordination and cohesion throughout the supply chain, making it difficult to optimize processes and resources.

a significant hurdle in the form of outdated technology. This challenge is particularly pronounced among small-scale enterprises, where access to cutting-edge technology remains limited. In an era characterized by rapid technological advancements, staying competitive in the global market necessitates embracing modern tools and methodologies. The failure to reach international standards due to technological limitations and lack of research and development places the Indian textile industry at a disadvantage in the highly competitive landscape. To maintain its prominence and flourish in the global textile market, there is a pressing need for combined efforts to modernize the industry, fostering innovation and elevating production capabilities to meet the evolving demands of the international market.



Targeted and Quality training programs for the textile sector

The Textile sector is highly fragmented and only about 5% of it constitutes the organised apparel industry. The unorganised sector depends on traditional methods of production since there are financial challenges for the upgradation of technology and acquisition of formal education in the innovative processes in the sector. Almost 70% of the workers in the unorganised sector have little to no education and only the skills passed on to them through the generations. Additionally, there is insufficient availability of short-term training courses for textile workers leading to shrinking employment opportunities.



Lesser awareness on sunrise sectors such as Technical textile

There is a lack of awareness and understanding about the diverse applications of technical textiles among both industry players and consumers. Moreover, the industry struggles with inadequate research and development infrastructure and investments, hindering innovation and the development of cutting-edge products. Adequate research and skill development programs are needed in this sector.



Infrastructure gaps arising from overreliance on labor-intensive technologies

The Indian textile industry has been slow to embrace technological revolution in the industry. Heavy reliance on manual labor has resulted in suboptimal production due to non-utilization of the latest technologies: compounded by the fact that more than 90% of the weaving industry in India operates within the unorganized sector there are various infrastructure challenges that have emerged. There is an urgent requirement for a technological overhaul in the sector to optimize production and fully unlock the export potential of this industry.



Insufficient emphasis on quality testing throughout the entire value chain

The lack of adequate emphasis on quality testing throughout the entire value chain in the Indian textile industry poses a significant hurdle. Quality assurance is a crucial aspect of the textile sector, ensuring that products meet international standards and consumer expectations. However, the industry faces challenges in consistently maintaining quality standards from the sourcing of raw materials to the final product. For ensuring 'Brand Image' of Indian textiles, it is imperative that the textile sector in India places a stronger focus on quality testing and assurance at every stage of production and distribution.



Insufficient Focus on Technological Advancements and Ongoing Research and Development

The Indian textile industry, while renowned for its rich tradition and diverse offerings, encounters



SECTION 3

RECOMMENDATIONS

“Let’s stitch together a sustainable and prosperous tomorrow for the textile industry”



RECOMMENDATIONS FOR FOSTERING GROWTH IN THE TEXTILE SECTOR

1. Establishment of a Focused Skill Development Ecosystem for Textile Sector

There is limited access to quality skills in various sub-sectors and emerging fields in textiles such as technical textiles. While numerous initiatives and programs are implemented by government agencies, non-governmental organizations, private enterprises, cooperative societies, and others to support skilled workers in the textile industry, it is imperative to reassess skill development strategies in a targeted manner. This reevaluation is essential not only to remain competitive in the global market but also to fulfill the nation's sustainability commitments.

Recommendations

- We propose a three-part strategic roadmap that is closely aligned with both central and state governments to establish a robust ecosystem for skill development in the state

Establish a structured institutional framework



- Ministry of Skill Development & Entrepreneurship (MSDE)
- National Skill Development Corporation
- State Skill Missions
- Sector Skill Councils

Bridging gaps with institutions



- Weaver Seva Kendra
- Technical Training Institutes
- Associations/ Institutes of excellence
- Mainstream & Vocational education
- Private sector

Develop technological infrastructure



- Training Centers
- Develop Textile Centre of Excellence with Facilities for testing, Incubation Centre etc
- Common Skill Development Management System for States

Create an Enabling Environment and encourage research and Development

Developing short- and medium-term Diploma, UG and PG programs
 Industry-oriented learning beyond core textile skills e.g. Marketing, Sales, Entrepreneurship
 Handholding and placement support
 Improve competitiveness in the industry
 Generate skilled workforce, increasing employment



“Empowering India’s future in the textiles industry requires nurturing a robust skill development ecosystem focused on reskilling and upskilling towards a future-ready workforce. I believe that cross-stakeholder partnerships between Government, Academia, and Industry are essential to close skill and employment gaps, making strides towards a brighter, more resilient future.”



Dr. Sachin Kore
 Director,
 Veermata Jijabai Technological Institute



Maharashtra's Policy Offerings

Infrastructure



- Provide assistance to upgrade existing skill centres
- Setting up new textile training centres.
- Creation of Centre of Excellence in collaboration with the industry

Skill Development and Training

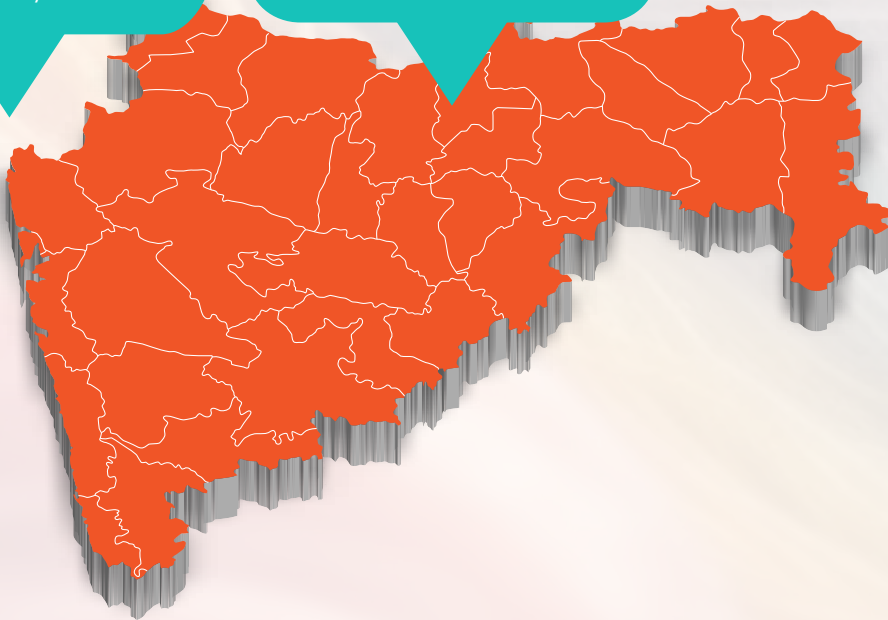


- Conducting training programs through Weaver Seva Kendra in the handloom clusters
- Short term courses/ vocational training programs by the Skills, Employment, Entrepreneurship and Innovation Department, Govt of Maharashtra
- MoU's with prominent Associations/ Training Institutes/ Institutes of Excellence - D.K.T.E. Society's Textile and Engineering Institute, SASMIRA, BTRA, IIT Bombay, VJTI

Research and Development



- Promote research and development in the technical textile sector, with financial assistance from the state.





2. Embracing circularity and emphasising use of Renewable resources

The textile sector is known for its resource-intensive processes, significant water consumption, and the release of harmful chemicals and greenhouse gases. *

- Globally, **92 million tons of textile waste** is generated per year with 134 million tons per year expected by the end of 2030
- Fibers make almost **98% of finished clothing**.
- The **73% of fibers used in clothing ends up either in landfill or an incinerator** with only 12% recycled

Recommendations



Materials

- Scaling up fibre-to-fibre recycling
- Research and development to ensure innovation around 'industrial symbiosis'



"Pine Kazi, a Kenyan social business converts pineapple waste that would otherwise have been thrown into landfill or burned into shoes and bags."



Production

- Usage of energy-efficient machinery
- Environment-friendly interventions such as Effluent treatment plants, Zero liquid discharge, solar plants etc.

"Hirdaramani Group has achieved net zero for GHG emissions from energy across its manufacturing in Sri Lanka and has launched rooftop solar projects in Sri Lanka and Vietnam."



Usage and after usage

- Usage of rental and resale shops
- Making brands responsible for reuse and recycling
- Establishing recycling plants

"Rewoven, South African company, uses a mechanical recycling process to create 100% recycled fabric from 60% pre-consumer textile waste and 40% plastic waste."



Environmental Management System (EMS) for companies-

- Tool for managing the impact for an organization's activities on environment
- Minimising environmental liabilities, reducing waste, adhering to international standards and building brand image.



" Like any other Industry, Indian Textile is also taking the sustainability journey forward & in some aspect even leading, at the same time the challenges are Decarbonization, Fossil fuel, Water, Waste & end to end traceability and for developing countries the challenges are multi- fold. Expectations from suppliers to comply to 2025 EU legislations on recycling, is likely to push more decisive action than has been done till now. India being important part of global textile value chain, compliance to local limits & regulations are not enough. At Grasim, we focus on all 3 pillars of ESG and has deep commitments in each pillar & It's Grasim's core values and culture that provide the foundation of our commitment to integrate sustainability into our business strategy. In Environment, We are aiming to achieve 70% -80% power sourcing from Renewable sources by 2030, installed Zero Liquid discharge (ZLD) across textile manufacturing units, reduced water consumption by >50% from its baseline 2015 "



Mr. ManMohan Singh
Group Executive President (Chief Marketing Officer)
Grasim Industries

*Report on Sustainability and Circularity in the Textile Value Chain, UNEP



Maharashtra's Policy Offerings

Efforts made in Promotion of Green and Sustainable Production

- Support for Effluent Treatment Plants (ETP) and Common Effluent Treatment Plant- 50% capital subsidy or INR 5 crore, whichever is less
- Support for Zero Liquid Discharge (ZLD)- 50% capital subsidy up to max of INR 10 crore
- Support for Solar Plants up to a maximum of 4MW capacity

Setting up of 12 Recycling Projects across the State

- Capital subsidy of 50% or INR 2 crore, whichever is less





3. Technical Textiles to spearhead Textile Industries Growth and Development

With their diverse applications across industries, technical textiles will play a pivotal role in transforming India's manufacturing landscape

- The rising global demand for technical textiles in various industries and the expansion of new applications.
- India has been witnessing robust growth in its trade of technical textile products and is a net exporter with exports growing from USD2.21 billion in 2020-21 to USD2.85 billion in 2021- 22, registering a growth rate of 28.4 per cent (YoY) *

Recommendations



Infrastructure-

- Promotion of cluster or park-based model for the growth of technical textile sector
- Establish demonstration centers and kiosks showcasing the applications of technical textiles.



Research and Development and Innovation

- Establishment of incubation centers to provide support for startups.
- Adopting and popularising international quality management systems and standards e.g. ISO, ASTM, TQM



Targeted skill development programs

- Global partnerships for the development of curriculum, short to long-term courses across the value chain
- Partnerships with Textiles Research Associations (TRAs) for sector-specific dedicated courses



Testing and Quality standardizations

- Development and implementation of standards for technical textile products

“ The technical textile sector plays a crucial role within India's textile ecosystem, with the Indian market being the world's fifth-largest, and it has consistently grown at a rate of 8-10% annually over the past five years. The Central Government has played an active role in the industry with initiatives such as PLI Scheme, National Technical Textile Mission etc. Collaborations between central and state authorities are essential to nurture a thriving ecosystem for the technical textile sector, fostering innovation, growth, and sustainability in this critical industry. To achieve a growth rate of 15-20 percent in the next five years, it is imperative for states to execute central government initiatives and establish a supportive ecosystem with infrastructure provisions and financial incentives for the technical textile sector ”



Mr. Kanishk Maheshwari
Co-Founder and Managing Director,
Primus Partners

* Business Standard- India's technical textile exports grew 28.4% in 2021-22: Govt to Lok Sabha (business-standard.com)



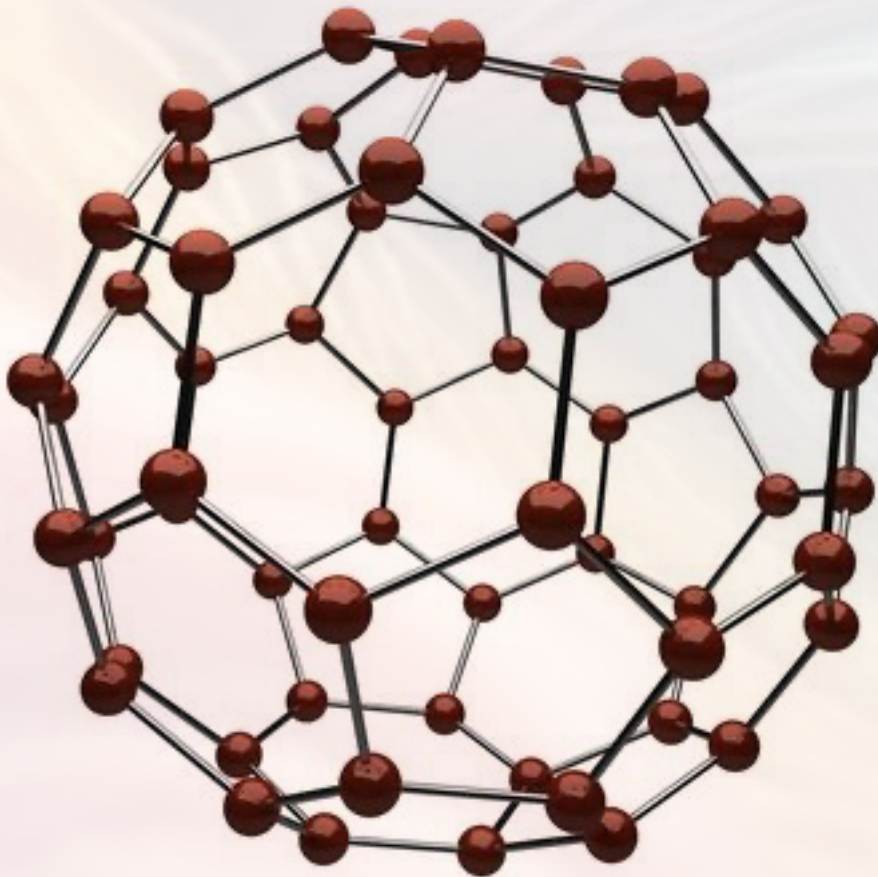
Maharashtra's Policy Offerings

Technical Textiles

- Fiscal incentives for setting up of technical textiles units
- Fiscal and infrastructural support for setting up of **6 technical textile parks**
- Dedicated fund for the promotion of research and development
- Launching of **Maharashtra Technical Textile Mission** on the lines of National Technical Textile Mission
- MoUs with Textile Research Association and Institute of excellence for providing sector specific training

Technical Textile Park will provide a complete ecosystem for the technical sector to thrive

- Different sub-sectors of the technical textile sector at one place
- In situ Skill Development Centre
- Common Facility Centres
- Common Infrastructure (CETP, ZLD, Solar plants)
- Common Facilities (Testing lab, creche facility, display centre)





4. Use of digital technology, timely technology upgradation for efficiency enhancement and automated effluent monitoring systems , reliable digital database for quality enhancement, traceability matrix for recycled goods

- About 50% to 60% of the textile machinery is imported with high excise duty, leading to high cost of purchasing machinery.*
- The adoption of Industry 4.0 in textile manufacturing is relatively low, at approximately 28%, but there is substantial potential for digital transformation to significantly enhance productivity in the textiles industry.
- Supply chains that are untraceable or lack transparency make it easier for counterfeit products to infiltrate, a longstanding concern in the textile and clothing industry.

Recommendations



A supply chain traceability framework based on blockchain along the 5-F pathway.



Investment in machine manufacturing and technology upgradation is essential to realize economies of scale- Need to provide incentives for establishing Machine manufacturing operations in India



Digital marketing and branding of traditional textiles would be crucial to drive growth for weavers and artisans, as well as promoting authentic products.



Equitable access to e-Marketplace would be essential through platforms such as ONDC



Digital supply chain management and Industry 4.0 would bring in efficiency, economies of scale and quality in product manufacturing

“ India’s textile industry is set for the next phase of unlocking growth through digital market access. A democratic digital commerce can enable India’s textiles to integrate with Indian and global value chains on their own terms, and empower India’s weavers and artisans to rise in an Atmanirbhar Vocal for Local Bharat “



Shri T Koshy

Managing Director & Chief Executive Officer
Open Network for Digital Commerce (ONDC)

* Report on Textile Value Chain (2022)



Maharashtra's Policy Offerings

Technology Upgradation and Digital Interventions

- Support for research and development in machinery manufacturing
- Maha - Technology Upgradation Fund Scheme (Maha - TUF)
- Providing E-marketplace for textile goods
- Process automation and data driven growth monitoring





Government of Maharashtra

About Textiles Department

The Department of Textile, Government of Maharashtra comes under the aegis of Cooperation, Marketing, and Textile Department and is responsible for the development and promotion of the textile industry in the State. The Department plays a significant role in implementing schemes and programs that have helped improve the quality of textile products in Maharashtra and create employment opportunities in the industry. The Department is committed to further developing the textile industry in Maharashtra with a strong presence of both traditional and modern textile sub-sectors and aims to make the state a global hub for textiles.

The Department is assisted by its field offices, namely the Commissionerate of Textiles and the Directorate of Sericulture located in Nagpur. There are three Corporations namely Maharashtra State Textiles Corporation, Maharashtra State Powerloom Corporation, and Maharashtra State Handloom Corporation that play an important role in the development of the textile industry in Maharashtra. Additionally, Maharashtra State Co-operative Textile Federation Ltd was established to act as a connect between the Department and industry.

The textile industry is a major driver of economic growth in Maharashtra, and it is expected to continue to grow in the coming years. The state government is committed to support the growth of the industry and has put in place several policy initiatives to help its beneficiaries remain competitive in the global market.

Vision

To develop, regulate and promote an integrated, sustainable, and advanced Textiles sector in Maharashtra, progressively realizing the 5F vision of the Government of India – Farm to Fiber to Factory to Fashion to Foreign.

Mission

To leverage and advance the current position of Maharashtra towards becoming a leading national and global player in the Textiles and Apparel sectors.

Department of Textiles, Government of Maharashtra,

Room 315, 3rd floor, Annex bldg,
Mantralaya, Mumbai-400 032.



About Primus Partners

Primus Partners is a management consultancy and solutions focused firm that aims to navigate through the many opportunities that exist in the country. In a short period of time, Primus has established itself as a fast growing and premier Consulting firm with marquee projects and clients, including assignments abroad.

The firm has grown significantly and presently employs more than 200 professionals across its 6 offices in India working on 130+ consulting assignments. The leadership team at Primus brings over 200 person-years of experience across sectors to develop and implement winning strategies for India and clients in Public and Private Sector.

Quality has been a focus right from start and the firm has been assessed at CMMi Level 3. Similarly, the firm also has 4 ISO Certifications, thus reaffirming its commitment to quality, information security and environmental norms. People centric policies and development form the core of the firm and Primus has been certified as Great Place to Work for 3 years in a row.

Primus offers unique approaches to its clients to examine futuristic ideas required for the growth of a sector or ecosystem or organisation with key offerings being Public Policy Realisation, Investment Realisation, Impact Realisation, Technology Potential Realisation and Sector Potential Realisation.

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Confederation of Indian Industry

About CII

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society, through advisory and consultative processes.

CII is a non-government, not-for-profit, industry-led and industry-managed organization, with around 9,000 members from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from 286 national and regional sectoral industry bodies.

For more than 125 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialized services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.

Extending its agenda beyond business, CII assists industry to identify and execute corporate citizenship programmes. Partnerships with civil society organizations carry forward corporate initiatives for integrated and inclusive development across diverse domains including affirmative action, livelihoods, diversity management, skill development, empowerment of women, and sustainable development, to name a few.

As India strategizes for the next 25 years to India@100, Indian industry must scale the competitiveness ladder to drive growth. It must also internalize the tenets of sustainability and climate action and accelerate its globalisation journey for leadership in a changing world. The role played by Indian industry will be central to the country's progress and success as a nation. CII, with the Theme for 2023-24 as 'Towards a Competitive and Sustainable India@100: Growth, Inclusiveness, Globalisation, Building Trust' has prioritized 6 action themes that will catalyze the journey of the country towards the vision of India@100.

With 65 offices, including 10 Centres of Excellence, in India, and 8 overseas offices in Australia, Egypt, Germany, Indonesia, Singapore, UAE, UK, and USA, as well as institutional partnerships with 350 counterpart organizations in 133 countries, CII serves as a reference point for Indian industry and the international business community.

Confederation of Indian Industry

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