

Quote by Kanishk Maheshwari, Co-Founder & Managing Director, Primus Partners

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Union Budget 2026–27: A Reform-Led Blueprint for India's Textile Industry



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Article Content:

Textiles Positioned as a Strategic Growth Engine

- The Union Budget 2026–27 places the Indian textile and apparel industry firmly at the center of the country's manufacturing growth, employment generation, and export competitiveness agenda.
- With a reform-led and forward-looking approach, the budget recognizes textiles as a strategic, employment-intensive sector, capable of driving inclusive growth while strengthening India's global manufacturing footprint.
- The announcement of an integrated program for textiles, with clearly defined subcomponents, reflects a comprehensive policy framework addressing the entire textile value chain, from fibre security and manufacturing to skilling, sustainability and global market access.

Commenting on the overall direction, Rajeev Gupta, Joint Managing Director, RSWM Limited, said the Budget presents a decisive and reform-led roadmap, firmly positioning the textile sector within India's strategy to scale manufacturing, reduce import dependence, and generate employment.

National Fibre Scheme Strengthens Self-Reliance

- One of the key highlights of the budget is the National Fibre Scheme, aimed at strengthening self-reliance in textiles across natural fibers, man-made fibers, and new-age fibers.
- The scheme is expected to reduce exposure to global supply chain disruptions and enhance long-term resilience for domestic manufacturers.
- Improved domestic fiber availability is also likely to support innovation, cost stability, and consistency in quality across the textile supply chain.

Elaborating further, Mr. Gupta noted that the National Fibre Scheme would play a crucial role in mitigating supply-chain vulnerabilities and global disruptions while strengthening India's fibre

security and long-term competitiveness.

Cluster Modernisation and Employment Generation

- The Textile Expansion and Employment Scheme seeks to accelerate the modernization of textile clusters, particularly in MSME-led regions.
- Investments in technology upgradation, testing and certification infrastructure, and productivity enhancement are expected to improve quality, compliance, and efficiency.
- The scheme is also expected to promote formal employment, boost manufacturing output, and reinforce India's standing as a reliable global sourcing destination.

According to Mr. Gupta, these interventions will modernize traditional clusters through technology upgrades and testing infrastructure, directly enhancing productivity, quality, and formal employment, especially in MSME-dominated textile regions.

Infrastructure, Skills and Global Integration

- The budget continues its strong emphasis on modernized textile infrastructure and skill upgradation, recognizing them as critical enablers of long-term growth.
- Programs such as Samarth 2.0, Tex-Eco initiatives, mega textile parks, and a sharper focus on technical textiles underline the government's intent to move the sector up the value-added manufacturing curve.
- These initiatives are expected to strengthen global value chain integration, improve compliance standards, and attract long-term capital.

From a policy and investment perspective, Kanishk Maheshwari, Co-Founder and Managing Director, Primus Partners, said the textile sector has been in the major spotlight, particularly due to the focus on modernized infrastructure and skill upgradation. He added that this strategic emphasis is likely to provide a significant boost to foreign direct investment (FDI) and link indigenous textile units more closely to global textile value chains.

Handloom, Handicraft and Inclusive Growth

- The consolidation of handloom and handicraft schemes, along with the Mahatma Gandhi Gram Swaraj Initiative, reinforces the budget's commitment to inclusive and rural-led growth.
- These measures focus on strengthening artisans and weavers through improved market access, branding, and structured skilling programs.
- By recognizing textiles as a sector where heritage, livelihoods, and economic growth converge, the budget creates pathways for traditional segments to scale sustainably.

Sharing perspectives from the heritage segment, Darshan Dudhoria, CEO, Indian Silk House Agencies, described the budget as thoughtful and forward-looking, reaffirming textiles as a strategic, employment-intensive sector that honors India's craft legacy while enabling scale with purpose.

Boost for MSMEs and Tier-2 & Tier-3 Cities

- Continued public capital expenditure and infrastructure development in Tier-2 and Tier-3 cities are expected to unlock new growth avenues for textile MSMEs and artisan enterprises.
- Improved connectivity, access to finance, skilling, and testing infrastructure will help strengthen integrated textile value chains spanning fiber, design, manufacturing, and retail.
- For Indian Silk House Agencies, this direction enables deeper engagement with over 15,000 artisans, revitalization of traditional clusters, and stronger retail linkages.

Mr. Dudhoria noted that the emphasis on technology upgradation, certification infrastructure, and

global linkages aligns closely with the objective of building craft-led Indian textile brands rooted in trust, quality, and contemporary relevance.

Laying the Foundation for Long-Term Competitiveness

- Taken together, the Union Budget 2026–27 lays a durable foundation for private investment, resilient rural livelihoods, and globally competitive Indian textile brands.
- By balancing modernization with heritage and scale with inclusivity, the budget signals a clear intent to future-proof the textile industry.
- With effective implementation, these measures can significantly strengthen India's position as a sustainable, resilient, and globally competitive textile manufacturing hub.

Conclusion

Overall, the Union Budget 2026–27 signals a clear and confident commitment to strengthening India's textile and apparel industry through reform, resilience, and inclusivity. By aligning fibre security, cluster modernisation, skill development, and handloom support with long-term competitiveness, the budget lays the groundwork for sustainable growth and a stronger global positioning for Indian textiles.