

# India Textile Industry Seen Tripling

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**NEW DELHI** — The Indian textile and apparel industry is expected to increase three times in size by the year 2020, from \$70 billion to \$220 billion, according to a report by consultants KSA Technopak.

Looking at the next 10 years, this figure for the domestic segment will drive a significant change in the amount of investment and business in the textile arena, which will be more organized, have a fast-growing share in smaller cities, and cater to a larger population.

India's export share of world trade has the potential to almost double, from 4.5 percent to 8 percent by 2020.

Part of the change is being reflected in the shift toward smaller cities, which will continue in coming years. "It is important for the industry to identify and create new megaclusters — Madurai, Mundra, Ambala and Mangalore — as having tremendous potential for manufacturing," said Arvind Singhal, chairman of KSA Technopak.

Men's wear represents the majority of the apparel market, at 43 percent, but the women's wear market is growing faster, at 12 percent annual growth. Girls' wear is increasing at 11 percent, boys' wear at 10 percent and men's wear at 9 percent. Due to the high growth, women's wear is expected to account for 43 percent of the market in 2020, up from the present 37 percent.

Meanwhile, textile exporters in India have reported a 20 percent growth in export orders in the last few months. The floods in Pakistan have led to higher demand, while neighboring Bangladesh is expected to double wages of workers in the apparel industry by November. The appreciation of the yuan makes outsourcing from China more expensive as well.

These changes have been reflected in the Indian market. "The textile business has stabilized in international markets," said Arvind Mills chief financial officer Jayesh Shah, and the company expects to see more stability and growth in India in the coming months.

The Indian economy has been showing signs of growth in the past three months, increasing at a 9 percent rate in the second quarter of the financial year. Estimates for growth in coming years are also positive. "On a conservative side, we can hope for an average annual GDP growth of 8.75 percent from now till 2015," said Rajesh Shukla, chief statistician of the National Council of Applied Economic Research. This would affect the global textile and apparel trade, which is recovering from the recession, and which is expected to reach \$1 trillion by 2020 from the current \$510 billion.