

# Textile Industry in India – A Study

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**Abstract—** *The textile industry is not just about fabrics and fashion. In fact, textiles are at the very heart of our nation's core business activities. This industry, which is deeply rooted in the country's rich history, is the second largest provider of jobs in India, after agriculture. From the beautifully crafted handlooms in local markets to the buzzing machines of big textile mills, this industry brings together a mix of tradition and modernity. This industry is more than just fabricating garments; it's about sustaining households, preserving age-old traditions, and ensuring India's prominent position on the global textile stage. It is expected that by 2030, the Indian textile industry will be worth \$250 billion. The textile sector currently contributes 2.3% to India's GDP and makes up 7% of the country's industrial output. Globally, India holds a 5% share in the textile and apparel market. In the financial year 2022-23, exports from cotton textiles alone were valued at \$11.1 billion, a significant 30% of the total. In this regard, there is need to study the Textile Industry in India. This paper focussed on the exports and imports of Textiles industry, share of exports and Fabric production in India. This paper mainly depended on secondary data and Descriptive research method used to present this paper.*

**Index Terms-** *Textile, Exports and Imports.*

## I. INTRODUCTION

India's textiles sector is one of the oldest industries in the Indian economy, dating back to several centuries. The industry is extremely varied, with hand-spun and hand-woven textiles sectors at one end of the spectrum, with the capital-intensive sophisticated mills sector at the other end. The fundamental strength of the textile industry in India is its strong production base of a wide range of fibre/yarns from natural fibres like cotton, jute, silk, and wool, to synthetic/man-made fibres like polyester, viscose, nylon and acrylic.

The decentralised power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of textiles industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles makes it unique in comparison to other

industries in the country. India's textiles industry has a capacity to produce a wide variety of products suitable for different market segments, both within India and across the world.

The market for Indian textiles and apparel is projected to grow at a 10% CAGR to reach US\$ 350 billion by 2030. Moreover, India is the world's 3rd largest exporter of Textiles and Apparel. India ranks among the top five global exporters in several textile categories, with exports expected to reach US\$ 100 billion. The textiles and apparel industry contributes 2.3% to the country's GDP, 13% to industrial production and 12% to exports. The textile industry in India is predicted to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

### Origin and Significance of Textile Industry in India

The textile industry in India has a long and rich history. The earliest evidence of textile production in India dates back to the Indus Valley Civilization (c. 2500 BCE). Textiles were an important part of the economy of the Indus Valley Civilization, with many houses containing spinning and weaving equipment. The Indian subcontinent was also famous for its fine muslins, which were exported to Roman Egypt and other parts of the world.

During the Mughal period (1526-1857), the textile industry in India flourished under the patronage of the ruling class. Fine muslins and silks were produced in Kashmir, Bengal and other parts of India. The Mughal emperors were great patrons of the textile industry, and encouraged artisans to produce beautiful fabrics.

The British colonisation of India (1757-1947) had a profound impact on the country's textile industry. The industrial revolution led to the introduction of new technologies and machines into India, which greatly increased production levels. However, this also led to a decline in the quality of Indian textiles, as they could not compete with the cheaper and better-quality

British products. After independence, India's textile industry underwent a renaissance, with a focus on producing high-quality fabrics. Today, India is one of the leading producers and exporters of textiles in the world.

The textile industry plays a significant role in the Indian economy, contributing to over 15% of the country's total exports. It is also one of the largest employment generators in India, providing direct and indirect employment to over 35 million people. The sector has witnessed strong growth in recent years, driven by factors such as increased domestic and foreign demand, government initiatives, and improved infrastructure. The industry is expected to continue growing at a healthy pace in the coming years, supported by positive macroeconomic indicators and growing consumer spending.

The industry contributes to the country's GDP and provides employment to millions of people. The sector is also an important source of foreign exchange earnings.

The textile industry plays a vital role in the Indian economy. It is one of the largest employers, providing employment to over 45 million people. The sector contributes around 14% to the country's GDP and is also a major source of foreign exchange earnings.

**Exports and Imports of Textile Industry in India**

The textile industry is an important part of the Make in India initiative as it has a huge potential for growth and job creation. The government has taken several steps to promote the sector, including providing financial assistance and subsidies, setting up special economic zones, and simplifying regulations. The textile industry is critical for India's development as it generates vast amounts of revenue and provides employment to millions of people. The sector holds great potential for further growth and can play a significant role in achieving the government's development goals. In this connection, there is need to study the exports and imports of textile trade in India. The relevant data collected presented in Table – 1.

Table – 1: Exports and Imports of Textile Industry in India

(US\$ Billion)

Trade	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Exports	36.8	37.5	34.2	29.9	44.4	36.7	28.7
Imports	7.0	7.3	8.1	5.8	8	10.48	7.60

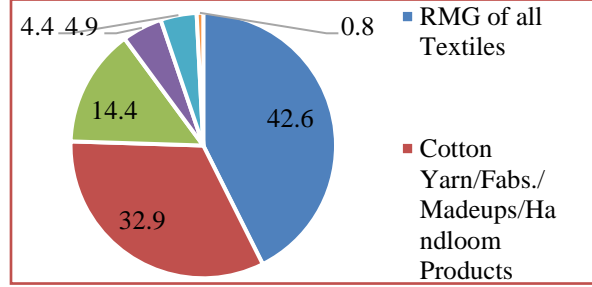
Source: IBEF Reports March, 2024

The data in Table – 1 indicates that the 36.8 US\$ billion exports are recorded in the financial year 2018 and it decreased to 28.7 US\$ billion in the financial year 2024. The highest textile exports (44.4 US \$ billion) are recorded in the financial year 2022. Around 7 US\$ billion textile imports are recorded in the financial year 2018 and it is increased to 7.60 US billion in the financial year 2024. The lowest textile imports are recorded in the financial year 2021. Textile exports and imports fluctuating but this industry playing an important role in Indian growth.

**Share of India's Textile Exports**

The industry employs millions of workers, and generates significant export earnings for the country. The cotton textile industry has been an important source of employment for centuries, and continues to be so today. In addition to providing employment, the cotton textile industry also contributes to the economy through exports. Ready Made Garment (RMG) of all Textiles, Cotton Yarn/Fabs./Made-ups/Handloom Products, Manmade Yarn/Fabs./Made-ups, Handicrafts excel. Handicrafts excel Hand-made Carpet and Jute Manufacturing including Floor covering are exporting from the India. In this regard, there is need to study the share of India's Textile Exports. The relevant data collected and presented in Graph – 1.

Graph – 1: Share of India’s Textile Exports (in Percentage)



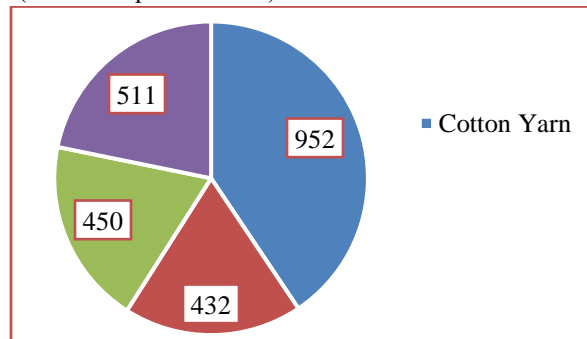
Source: IBEF Reports March, 2024

The data in Graph – 1 reveals that the 42.6 percent of Ready-Made Garment are exporting from the India in the financial year 2024. Around 32 percent of cotton garments, 14.4 percent of Manmade garments, 4.9 percent of Handicrafts, 4.4 Jute manufacturing are exporting from the Indian in the financial year 2024. The cotton textile industry is an important part of India's economy and heritage. It provides employment for millions of workers and contributes significantly to the country's export earnings. The industry produces high quality products that are prized around the world for their durability, comfort and style.

#### Fabric Production in India

India is one of the largest producers of fabrics. It produces natural fibers like cotton, silk, and wool, as well as synthetic fibers like polyester and nylon. India is also one of the largest producers of handloom fabrics. These fabrics are made on traditional looms and are prized their unique designs and patterns. In this connection, there is need to study the fabric production in India. Graph – 2 presents the share of fabric production in India.

Graph 2: - Fabric -wise Production in India (Million Square Meters)



Source: IBEF Reports March, 2024

The data in Graph –2 indicates that cotton yarn production is recorded the 952 million square meters, Blended production is 432 million square meters, Man-made filament yarn production is 450 million square meters and Man-made fibre production is 511 million square meters recorded in the financial year 2024. The highest production is recorded Cotton Yarn and it followed man-made fibre. This because of Indian agriculture people mostly prefer to cultivate cotton. The cotton textile industry in India is one of the oldest and most important industries in the country, and it plays a vital role in the economy.

#### SUMMARY

India is one of the largest producers of cotton and jute in the world. India is also the 2nd largest producer of silk in the world and 95% of the world’s hand-woven fabric comes from India. The domestic apparel & textile industry in India contributes approx. 2.3 % to the country’s GDP, 13% to industrial production and 12% to exports. India has a 4% share of the global trade in textiles and apparel.

The Indian textile industry is one of the largest in the world, with a massive raw material and textile manufacturing base. The industry is divided into two major categories, the organised sector and the unorganised sector. The organised sector includes large-scale textile mills and garment manufacturers, while the unorganised sector includes small-scale cottage industries, khadi and village industries, power looms, handlooms, and hand-knitting. The sector manufactures a wide range of products, including cotton, polyester, and synthetic fabrics, yarns, threads, and garments. India is well-positioned to maintain its leadership in the textile industry with a robust industrial base that consists of a resilient supply chain extending from weaving to garment and processing and a wealth of raw materials. To realise the true potential of the industry and create more employment opportunities for the Indian workforce, it is essential to tap into the elements and forces that have been fuelling its tremendous expansion.

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