Textiles

Sector Profile
India Scenario
Overview

The Indian textile industry is the 2nd largest manufacturer and exporter in the world

- Textiles industry contributes 2% to India’s GDP
- Textiles industry contributes 7% to India’s industry output in terms of value
- One of the largest employment generators with 45 million people employed directly and another 60 million people employed in allied sectors including large number of women and rural population
- Textiles industry received FDI inflow worth $2816 million (INR 15,985 crore) from April 2000 to December 2017

Source: Annual Report 2017-18, Ministry of Textiles, Govt. of India; DIPP
India exported Textiles & Clothing (including Handicrafts) worth $39.67 billion (INR 257,816 crore) in 2016-17

Major export destinations, EU-28 and USA, accounted for 47% of the total textile & apparel exports from India

India accounts for 5% share in the global trade of Textile & apparels

2nd largest exporter of cotton in the world, exporting mainly to Bangladesh, China, Vietnam, Pakistan & Indonesia

2nd largest producer of silk in the world, after China, with 30,348 MTs of silk production in 2016-17

Largest producer of raw jute & jute goods in the world, accounting for 50% of world’s production

Source: Annual Report 2017-18, Ministry of Textiles, Govt. of India
1 USD = 65 INR
Strong presence across the value chain

**Farm**
- Largest producer (35%) of cotton in India
- Largest producer of man-made fibre in India with ~50% share
- A strong base with more than 1100 ginning units
- More than 4 million spindles

**Fibre**
- Largest producer of synthetic fabric in India with ~40% share
- Largest producer of denim in India and the third largest in the world
- Contributes to 50% of India's art silk fabric production
- 30% of India's total woven fabric production

**Fabric**
- Largest producer of synthetic fabric in India with ~40% share
- Largest producer of denim in India and the third largest in the world
- Contributes to 50% of India's art silk fabric production
- 30% of India's total woven fabric production

**Fashion**
- Over 25% of India's technical textiles output
- Significant presence in Garments & apparels, made-ups, embroidery work

**Foreign**
- Accounts for 12% of textile & apparel exports of India
- Largest exporter (60%) of cotton in India

*Source: Industries Commissionerate, GoG, Annual Survey of Industries, Gujarat Socio-Economic Review, Industry Reports*
Textile infrastructure offered by Gujarat

14 Textiles Parks offering plug and play infrastructure
3 Textile SEZs developed in Ahmedabad with investment of ~INR 5 billion
Ahmedabad Apparel Park (SEZ) and 5 upcoming SEZs for textiles & apparels
2 composite centers in Ahmedabad & Surat
One CoE will be developed by NTC*
28 Industrial Training Institutes (ITI) provides courses on textiles and garments
Home to leading institutions such as ATIRA, MANTRA, NIFT & NID

Presence of 27 clusters including 18 MSME clusters in the state

Textile units in Gujarat involved in Ginning, Spinning, Weaving/knitting, Processing, Embroidery & zari work, screen printing, etc.

108,000+

Cotton producing clusters spread across 12 districts

Garmenting, ginning, weaving, knitting, spinning & processing clusters spread across 11 districts
### GIDC Sanand Industrial Estate – Investment Zone for Textile Units

#### Textile companies in Sanand
- Modern Terry Towels Ltd
- Jalaram Polymers
- CIL Nova Petrochemicals Ltd
- Ascent Yarns Pvt Ltd
- Modern Denim Ltd

<table>
<thead>
<tr>
<th>District</th>
<th>Ahmedabad</th>
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<tbody>
<tr>
<td>Industrial Estate</td>
<td>Sanand</td>
</tr>
<tr>
<td>Area</td>
<td>2056 Ha</td>
</tr>
<tr>
<td>Price (USD/Sq. Mtr.)</td>
<td>58.15*</td>
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#### Focus Sectors
- Textiles
- Engineering
- Automobiles & Ancillary
- Plastics
- Electronics & Semiconductors

<table>
<thead>
<tr>
<th>Major Cities/Urban Centres</th>
<th>Sanand</th>
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<tr>
<td>Ahmedabad (in km)</td>
<td>35</td>
</tr>
<tr>
<td>Vadodara (in Km)</td>
<td>130</td>
</tr>
<tr>
<td>Surat (in Km)</td>
<td>275</td>
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<tr>
<td>Mumbai (in Km)</td>
<td>570</td>
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*Indicative prices, subject to change. Rates differ as per the location of industrial estate*
Khoraj Industrial Estate – Investment Zone for Textile Units

Overview

**Proposed Land Use:** Industrial, Residential, Commercial, Recreational

<table>
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<tr>
<th>Proposed facilities at Khoraj</th>
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<tr>
<td>• An ecosystem of core manufacturing, allied industries, supporting facilities including testing labs, warehousing, logistic support etc.</td>
</tr>
<tr>
<td>• Best-in class infrastructure – Excellent roads, including dedicated power, continuous water supply, and seamless communication</td>
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<tr>
<td>• Capacity building through training institutes and incubation centre</td>
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<tr>
<th>International &amp; Domestic Airport</th>
<th>Nearest Major Port</th>
<th>Nearest Railway Junction</th>
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<tr>
<td>Ahmedabad</td>
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</tr>
<tr>
<td>65 KM</td>
<td>265 KM</td>
<td>46 KM</td>
<td>45 KM</td>
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International & Domestic Airport: Ahmedabad
Nearest Major Port: Kandla/JNPT/Pipavav
Nearest Railway Junction: Ahmedabad
Nearest Major City: Ahmedabad
Textiles from Gujarat are exported to about 20 international destinations

- Major exported textile products are Meditech textiles, Readymade garments, Yarns & Denims
Gujarat Garments & Apparel Policy 2017

- **Interest subsidy**
  - 5% per annum for 5 years up to $1.15 million per year

- **Power Tariff subsidy**
  - Rs. 1 per unit for five years

- **Payroll Assistance**
  - For new apparel units, $61 for females & $49 for males

- **Assistance for dormitories**
  - Up to 50% of project cost with a ceiling of $769,230 per entity

- **Skill development**
  - Assistance of up to 85% of project cost for setting of Training Institutions up to max $461,500
  - Assistance to Training Centers up to 50% of investment up to $30,769 per center
  - Reimbursement of tuition fees to trainees up to 50%

- **Support for establishing Mega Apparel Park**
  - Up to 50% (max $1.5 million) for establishing common infrastructure facilities

- **Plug and Play System for Apparel Manufacturing**
  - GIDC to develop readymade sheds for apparel factories & provide them on long term lease or rental basis with 50% assistance pf project cost

1 USD = 65 INR
Gujarat Textiles Policy 2012

• **Interest subsidy**
  • 7% on new plant & machinery for spinning & garment/made-up units, 6% for technical textiles, and 5% for others

• **Tax reimbursement**
  • 2.5% reimbursement of the aggregate of SGST amount paid through cash ledger against output liability of SGST on sale of eligible products/intermediates

• **Power Tariff subsidy**
  • Rs. 1 per unit for cotton, spinning and weaving units

• **Technology acquisition & up-gradation**
  • Financial assistance of up to 50%; maximum of $ 38,460 per process/product

• **Assistance to Apparel Training Institutions and Trainees**
  • Assistance up to 85% of project cost for setting of Training Institutions up to max $ 461,538
  • Assistance to Training Centers up to 50% of investment up to $ 30,769 per center
  • Assistance of 50% of total fees up to $ 107 per trainee for training of minimum 15 days

• **Support to Industries / Industries Association for Textile & Apparel Park**
  • Up to 50% (max $ 1.5 million, $ 4.6 million for spinning park) for establishing common infra

• **Energy & Water conservation**
  • 50% cost of energy/water audit Environmental Compliance by a recognized institution up to $ 769
  • 20% of cost of equipment subject to maximum $ 30,769 in each case separately

Government of Gujarat Resolution No. GST-102017-2218-Ch dated 07/07/2018 (Industries & Mines Department)
1 USD = 65 INR
Policy driven approach has yielded investments more than $4 billion invested across textile value chain

- **Ginning (1859 units)**
  - Investments*: $536 mn
  - 5-year CAGR: 92%

- **Spinning (3.5 million working Spindle)**
  - Investments*: $1,285 mn
  - 5-year CAGR: 50%

- **Weaving (74,935 looms^)**
  - Investments*: $1,044 mn
  - 5-year CAGR: 48%

- **Technical Textiles (170 units)**
  - Investments*: $351 mn
  - 5-year CAGR: 44%

- **Knitting/Garmenting (3211 units)**
  - Investments*: $628 mn
  - 5-year CAGR: 43%

- **Processing (808 Units)**
  - Investments*: $173 mn
  - 5-year CAGR: 11%

Source: Industries Commissionerate, GoG

Note: *Investments from 2012 to 2017  ^These are advanced looms (airjet, waterjet, etc.). Overall, there are around 500,000 power looms
Presence of international and national players across the value chain

**Key International Players**
Ahlstrom, Hygienics Corporation, TenCate Geosynthetics

**Key National Players**
Arvind mills, Welspun, Raymond, Mafatlal, Digjam, Alok industries, Garden silk mills, Aditya Birla Group

*Note: These are advanced looms (airjet, waterjet, etc.). Overall, there are around 500,000 power looms.*
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<td>Industries Commissionerate</td>
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Thank you