



IN THE LIMELIGHT: INDIAN TEXTILES

As the Indian textile industry continues to grow by leaps and bounds, there are several challenges and threats that need to be addressed in order to foster industry development. **Bindu Gopal Rao** analyses.

Indian textiles and garments have a story of unique craftsmanship and global demand in the market. Fabrics like silk, cotton, chiffon, georgette and even denim from India are profoundly admired abroad in a very big way, and with the upsurge in Indian design talent, Indian apparel has found success in the fashion centres of the world.

SECTORAL CHANGES

The apparel industry has seen the emergence of a plethora of global trends. People have been adapting to new clothing styles. Many global clothing brands have ventured to India and that has contributed a lot to the fashion industry here. Also, it has been seen that there is a slow shift from brands and Western clothes to Indian designers because of the change in the income pattern. Puneet and Yatin Jain, Directors, ODHNI, say, "The textile and apparel industry has remained one of the largest employers in India, providing bread and butter to over a million of people, especially women belonging to rural areas. The digital revolution, e-commerce bandwagon, and favourable policies like ease of doing business in India continue to ignite the growth of start-ups in the industry, especially in the



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apparel manufacturing and retailing segment.”

As per CARE Ratings, Indian shoppers spent around ₹5,408 billion on buying clothes in 2018; that indicates the rise in disposable income of consumers. According to the March edition of the Indian Textiles Industry Report, the domestic textile industry in India will reach an estimated US\$250 billion by the year 2019 from the current US\$150 billion. In 2019, it is predicted that the growth in private consumption is expected to create a strong domestic demand for textiles. Vikas Gupta, Divisional Chief Executive Officer, ITC Lifestyle Retailing Business Division (ITC LRBD), says, “In 2018, the industry noticed a growing concern about climate change and global warming, which has led to select players in the industry taking a stand by putting into place business practices which produce low-carbon emissions, use renewable energy to reduce greenhouse gas emissions and create garments with 100 per cent natural fibres to provide quality apparel.”

TREND CHECK

The year 2019 definitely seems to be the year when India is all set to be the global fashion hub. Individuals no longer consider apparel as a sturdy item, to be shopped seasonally; instead, they chase the latest trends. E-commerce platforms are now one of the biggest trends in the fashion

industry. More and more brands are moving online, giving their users the convenience of choosing and shopping goods from faraway places which are being delivered at their doorstep. “If we talk about the new trends, then the new age millennial has been observed buying new and trendy products with a fusion touch rather than buying simple clothes, as they are very common and can be seen in anyone’s wardrobe, and also trends come and go,” says Rishabh Oswal, Executive Director, Monte Carlo.

INDUSTRY INSIGHTS

The latest trends highlight mostly on the brand placement. “Celebrity styles are the hot cakes in the market today. Several brands spend 50 per cent of their revenue to retain celebrities to ensure brand establishment because fashion today does not cater to the younger generation only; it goes to almost all ages. In India, 9–10 per cent of a normal person’s income goes into apparel each year. This sets high expectations and competition for local manufacturers. With equally good quality and competitive pricing, China, Sri Lanka, Bangladesh and Vietnam trades have increased in India, giving the locals a tough turf to fight,” opines Prem Suganth V T, Associate Director, Voonik. Sharad Venkta, MD and CEO,

Toonz Retail, says, “Advanced applications of Supply Chain Management (SCM) can be seen in the retail industry, especially in the apparel sector, with the use of cloud tech to track the operations in a wink.”

CHALLENGE FACTOR

The Indian textile industry is greatly fragmented which leads to several small-scale industries. As a result, there is an absence of industry leadership. These smaller firms do not have financial resources to invest in technological upgrades and they are not able to produce economies of scale. “This leads to an inability to establish a world-class competitive player. Hence, this calls for an instant need for investments in infrastructure improvement and process standardisation. Due to poor availability of man-made fibres at competitive prices, India remains far behind despite being the second largest textile exporter in the world,” says Designer Saroj Jalan. Designer Bhavya Bhasin adds, “The apparel industry is going through a very rough time, with stiff competition from some international brands coming into India and offering a very practical and

DUE TO POOR AVAILABILITY OF MAN-MADE FIBRES AT COMPETITIVE PRICES, INDIA REMAINS FAR BEHIND DESPITE BEING THE SECOND LARGEST TEXTILE EXPORTER IN THE WORLD.





reasonable price range. The middle income group of India, which is the biggest buyer of textiles/fabrics, is shifting its loyalties to the ready-to-wear brands which are very affordable and are manufactured keeping in mind the taste and affordability of this segment.”

Counterfeiting is holding back the apparel industry from making significant strides as the counterfeit market continues to thrive at an alarming pace. With each fake product sold as a genuine branded product, thousands of brands are affected. “Apart from dented revenues, big brands also suffer from damaged image and reputation because of the fake product’s poor quality. So, there is a need to obstruct counterfeit players if we are moving towards organised clothing and apparel retail. Also, all brands, be it a start-up or a well-established fashion player, are concerned with costly returns due to sizing and fitting issues. The problem is more disturbing in the e-commerce landscape as there’s no standardised sizing chart in India that all brands follow or that shoppers are aware of. Despite having size measurement charts available online, shoppers are not able to choose a dress that would fit them best,” says Nidhi Yadav, Creative Head and Founder, AKS Clothings.

NUMBER CRUNCHING

India’s garment industry is one of the biggest in the world—a whopping US\$1 trillion business. Fabric-wise, 80 per cent is cotton, 15 per cent is synthetic and mixed, the rest being silk and wool. Out of the entire business, a mammoth 75 per cent is consumed by domestic consumers, while the remaining 25 per cent is set for exports. The apparel industry employs more than six million people directly and indirectly, from fabric manufacturing to sewing/embroidery thread, buttons, buckles, zipper making, etc. “The Indian apparel industry has emerged as one of the world’s fastest growing markets over the past few years and is projected to grow at 15 per cent CAGR till 2022 and become a US\$102 billion market, as per a recent report. Mobile platforms are expected to influence more than two thirds of both apparel and fashion accessory purchases by



2022. The growing penetration of the Internet, social media and e-commerce is now reaching consumers in tier II cities and below, thereby increasing access to brands and products. New operating models such as omnichannel and assisted e-commerce could further fuel growth and adoption of online commerce,” says Tanvi Malik, Co-founder, FabAlley and Indya.

According to expert reports, about 25 per cent of the volume of the garment production goes into export markets, leaving 75 per cent for domestic consumption. “As this specific industry is intensively labour-oriented, especially the activity in production and marketing has now shifted to India and China being leading suppliers as well as markets for garments, it is expected that the robust growth in this segment can be attributed to the rising income levels and job opportunities in the country,” says R P Yadav, Chairman and Managing Director, Genius Consultants Ltd. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism, disposable income, and penetration of organised retail rising and the demographics being favourable, the retail sector has experienced rapid growth in the past decade and has witnessed the entry of several international players. High economic growth has resulted in higher disposable income. ■

