

TEXTILE SECTOR IN INDIA: NATIONAL

NEWS: Textile sector is emerging as strength of the country: Modi

WHAT'S IN THE NEWS?

Prime Minister Modi highlighted the rise of India's textile sector, noting over 3,000 textile start-ups and the global promotion of handloom, coinciding with the 10th National Handloom Day. Despite its significant GDP and employment contribution, the sector faces challenges like outdated machinery, infrastructure gaps, and global competition.

Context

- Prime Minister Narendra Modi, in his *Mann Ki Baat* address, highlighted the growing strength of the **textile sector** in India.
- He noted the **10th anniversary of National Handloom Day** and acknowledged the **rise of over 3,000 textile start-ups** that are globalizing India's handloom identity.

Overview of India's Textile Industry

- **Economic Contribution:**
 - Accounts for **2.3% of India's GDP**.
 - Contributes **13% to industrial production**.
 - Constitutes **12% of total exports**.
- **Export Profile (2023–24):**
 - Total textile exports: **US\$ 34.4 billion**.
 - **Apparel:** 42% of export share.
 - **Raw/semi-finished materials:** 34%.
 - **Finished non-apparel goods:** 30%.
- **Employment Generation:**
 - **Second largest employer after agriculture**.
 - Employs over **45 million people directly**.
 - **80% of the industry** operates within **MSME clusters**.
- **Global Ranking & Growth Outlook:**
 - India ranks **5th globally** in textile markets.
 - Government targets **15–20% growth** in the next five years.

Key Challenges Faced by the Textile Sector

- **Structural Fragmentation:**
 - The sector is **largely unorganised and decentralised**, particularly in powerloom and handloom segments.
- **Technological Backwardness:**
 - Many units use **outdated machinery**, resulting in:
 - **Low productivity**
 - **Poor-quality output**
 - **High operational costs**
 - This makes India less competitive than peers like **Bangladesh and China**.
- **Infrastructure Deficits:**
 - Inadequate logistics support.
 - **Electricity shortages and high power tariffs** affect production efficiency.
- **Environmental Sustainability Issues:**
 - Textile processing is **water- and chemical-intensive**.
 - **Non-compliance with pollution norms** leads to:
 - Factory closures
 - Export restrictions due to international green standards.
- **Stiff Global Competition:**
 - Competes with **low-cost producers** such as Bangladesh, Vietnam, and China.
 - **High production and compliance costs** reduce India's edge in global exports.
- **Export Instability:**
 - Affected by:
 - **Global demand fluctuations**
 - **Trade barriers**
 - **Evolving consumer preferences**
 - **Lack of Free Trade Agreements (FTAs)** with major markets like the EU hinders export expansion.

Government Initiatives to Strengthen the Textile Sector

- **Make in India Initiative:**
 - Boosted textile manufacturing through:
 - **Policy incentives**
 - **Infrastructure development**
 - **Ease of doing business reforms**
- **PLI Scheme for Textiles:**
 - Incentivizes large-scale production in:
 - **Man-made fibres (MMF)**
 - **Technical textiles**
 - Offers financial support to eligible manufacturers.
- **PM MITRA Parks (Mega Integrated Textile Region and Apparel):**
 - Objective: Build **world-class infrastructure** for the full textile value chain.
 - Activities covered: **Spinning, weaving, dyeing, processing, garmenting, machinery.**
 - **7 Parks Established** in:
 - Gujarat
 - Maharashtra
 - Madhya Pradesh
 - Tamil Nadu
 - Karnataka
 - Uttar Pradesh
 - Telangana
- **Amended Technology Upgradation Fund Scheme (ATUFS):**
 - Provides **capital subsidies** for modernization and technology adoption in textile units.
- **Samarth Scheme (Skill Training in Textile Sector):**
 - Implements **skill development programs** in collaboration with the Ministry of Skill Development.
 - Targets **employment generation** and **upskilling** of textile workers.

- **Textile Cluster Development Scheme (TCDS):**
 - Develops **integrated textile clusters** by:
 - Improving operational viability
 - Enhancing linkages and common facilities
 - Promoting entrepreneurship in small textile units
- **National Technical Textiles Mission (NTTM):**
 - Focus Areas:
 - **Research and innovation**
 - **Market development**
 - **Education and skill-building**
 - **Export promotion**
 - Vision: Position India as a **global hub for technical textiles**.

Budgetary Allocation for 2025–26

- **₹5,272 crore** allocated to the **Ministry of Textiles** in the Union Budget.
- This represents a **19% increase** over the previous year's budget estimates.

Conclusion

- The **Make in India initiative** has successfully laid the foundation for a **globally competitive textile sector**.
- With continued reforms, investment in infrastructure, technology upgrades, and skilling, **India is well-positioned to emerge as a global textile leader**, bolstering economic growth and employment.

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