3. District-Led Textile Transformation Initiative - Economy

The Ministry of Textiles has unveiled the District-Led Textiles Transformation (DLTT) initiative, a strategic initiative designed to catalyze inclusive and sustainable growth across India's textile landscape

District-Led Textile Transformation (DLTT) Initiative

Background and Rationale

India's textile sector has historically developed in regional clusters driven by -

1. Availability of raw materials
2. Traditional skills and artisanal heritage
3. Local entrepreneurship

However, policy interventions remained largely sector-centric and uniform, leading to -

1. Uneven regional growth
2. Over-concentration of manufacturing in a few states
3. Limited district-level value addition

The DLTT initiative, spearheaded by the Ministry of Textiles, seeks to reorient textile policy around districts as economic units, aligning with -

1. Aspirational Districts Programme
2. Make in India
3. Atmanirbhar Bharat
4. Export-led growth strategy

Core Objective of DLTT

Transform 100 high-potential districts into Global Export Champions. Develop 100 Aspirational Districts into self-sufficient textile hubs. Adopt a district-level, sector-specific, data-driven approach instead of a one-size-fits-all model. Ensure Purvodaya convergence by prioritising eastern and north-eastern India, addressing historical industrial backwardness.

Data-Driven District Selection Framework

All districts were assessed using a quantitative scoring methodology based on three key parameters -

Export Performance

1. Existing export volumes
2. Product diversity
3. Export readiness of firms

MSME Ecosystem

1. Density of textile MSMEs
2. Cluster maturity
3. Access to finance and infrastructure

Workforce Presence

1. Skilled and semi-skilled labour availability
2. Traditional artisan base
3. Female workforce participation

Two-Pronged District Categorisation Strategy

Champion Districts – *Scale and Sophistication*

Target districts with established textile capacity and export potential. Focus shifts from creation to upgradation and global integration.

Key interventions include -

1. Upgrading existing Common Facility Centres (CFCs) into Mega CFCs.
2. Adoption of Industry 4.0 technologies such as -
    1. Automation
    2. Digital design and sampling
    3. Smart inventory and quality control
3. Facilitating direct export market linkages -
    1. Buyer–seller meets
    2. International exhibitions
    3. Long-term sourcing contracts

Expected outcome -

1. Higher export value
2. Movement up the global value chain
3. Transition from contract manufacturing to value-added exports

Aspirational Districts – *Foundation and Formalisation*

Focus on districts with latent potential but weak industrial ecosystems. Emphasis on ecosystem creation from the ground up. Key interventions include -

1. Basic skilling and certification aligned with industry needs.
2. Establishment of Raw Material Banks to ensure input security.
3. Promotion of micro-enterprises through -
    1. Self-Help Groups (SHGs)
    2. Cooperatives
    3. Producer companies

Formalisation measures -

1. Registration of enterprises
2. Digital payments and GST onboarding
3. Linkage with formal credit systems

Expected outcome -

1. Inclusive industrialisation
2. Women-led and artisan-driven growth
3. Employment generation in backward regions

Significance of the DLTT Initiative

Decentralised Industrial Development

Shifts industrial policy from state-centric to district-centric planning.

Ensures -

1. Better utilisation of local resources
2. Reduced regional imbalances
3. Context-specific policy interventions

Export Competitiveness

Enables districts with proven capacity to -

1. Scale production
2. Upgrade technology
3. Integrate directly with global value chains

Strengthens India's positioning as a reliable, diversified textile sourcing destination.

MSME and Informal Sector Formalisation

Focus on MSMEs and artisans helps -

1. Improve access to institutional finance
2. Encourage technology adoption
3. Enhance compliance and quality standards

Supply Chain Resilience

Creation of multiple district-level hubs -

1. Reduces over-dependence on a few manufacturing clusters
2. Improves shock resilience (pandemics, trade disruptions)
3. Supports just-in-time and near-shoring strategies

Overview of India's Textile Sector

Contribution to Economy

Contributes approximately -

1. 2.3% of GDP
2. 13% of industrial production
3. 12% of total exports

Global Position

Accounts for 4% of global textile and apparel trade. 6th largest exporter of Textiles and Apparel globally. Textile & Apparel (including handicrafts) constituted 8.21% of India's total exports in 2023-24.

Raw Material Strength

One of the largest producers of -

1. Cotton
2. Jute

2nd largest producer of silk globally. Accounts for 95% of the world's hand-woven fabric, highlighting India's artisanal strength.

Employment Generation

2nd largest employer after agriculture. Provides -

1. Direct employment to 45 million people
2. Livelihood support to 100 million people in allied sectors

High female workforce participation enhances social inclusion.

Major Textile States

1. Andhra Pradesh
2. Telangana
3. Haryana
4. Jharkhand
5. Gujarat

Complementary Government Initiatives

PM MITRA Parks Scheme

PM Mega Integrated Textile Regions and Apparel Parks Scheme

Development of 7 mega integrated textile parks in - Tamil Nadu, Telangana, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Uttar Pradesh

Provides - Plug-and-play infrastructure, Integrated value chain from fibre to finished goods

Foreign Direct Investment (FDI)

Japanese and other foreign investments support -

1. "Make in India for the World"
2. "China-plus-one" manufacturing diversification

Production Linked Incentive (PLI) Scheme

Focus on -

1. Man-Made Fibre (MMF) apparel
2. MMF fabrics
3. Technical textiles

Aims to -

1. Achieve size and scale
2. Enhance global competitiveness

Export Promotion Councils (EPCs) - 11 EPCs cover the entire value chain -

1. Fibre
2. Yarn
3. Fabric
4. Apparel
5. Handlooms, handicrafts, carpets

Challenges in India's Textile Sector

Structural Challenges - Highly fragmented industry dominated by small and informal units. Limited capacity for scaling and technology adoption.

Productivity and Skill Issues - Low labour productivity.

Skill gaps due to -

1. Outdated production techniques
2. Weak industry–academia linkages

Logistics and Trade Barriers - High logistics and transaction costs. Delays in customs clearance affecting export timelines.

Financial Constraints - Limited access to affordable credit for MSMEs and handloom units. High cost of compliance and technology upgradation.

Way Ahead

Value Addition and Branding

Shift from low-value contract manufacturing to -

1. Own-label production
2. Design-led exports
3. Geographical Indication (GI)-based branding

Institutionalised Monitoring

Regular impact assessment based on -

1. Export growth
2. Employment creation
3. Degree of formalisation

Course correction using real-time data analytics.

Digital Enablement

Use of digital platforms for -

1. Tracking district-level production
2. Monitoring skilling outcomes
3. Mapping exports and market linkages

Integration with national digital public infrastructure.

Concluding Insight

DLTT represents a structural shift in India's industrial policy, combining -

1. Decentralisation
2. Export orientation
3. MSME empowerment

If effectively implemented, it can transform textiles into a district-driven engine of inclusive growth, employment, and global competitiveness.

Source - https -//www.pib.gov.in/PressReleasePage.aspx?PRID=2212663&reg=3&lang=1