

# Insights Unwrapped

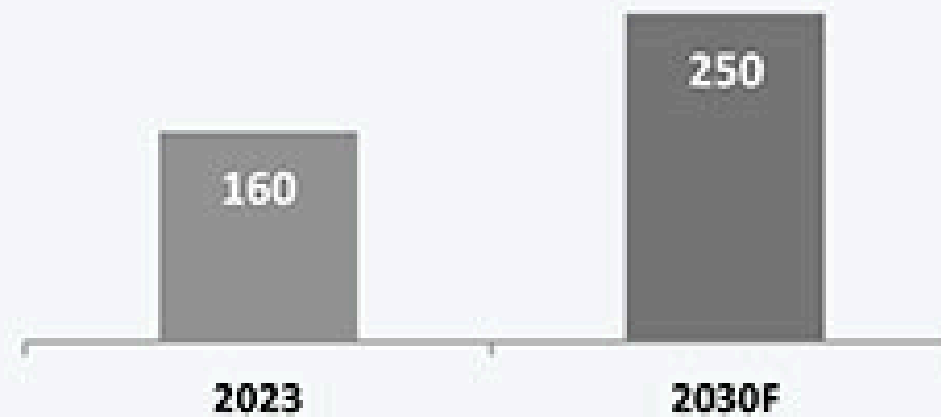
*Organized Apparel Market on a Buying Spree*

# Indian Textile and Apparel - Key Statistics



## MARKET SIZE

Textiles and Apparel Industry (US\$ billion)



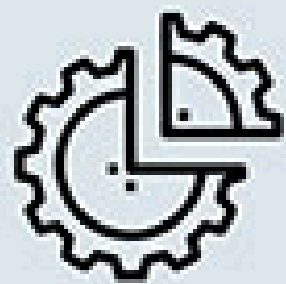
Key Facts as of FY24



Contributes 2.3% to India's GDP

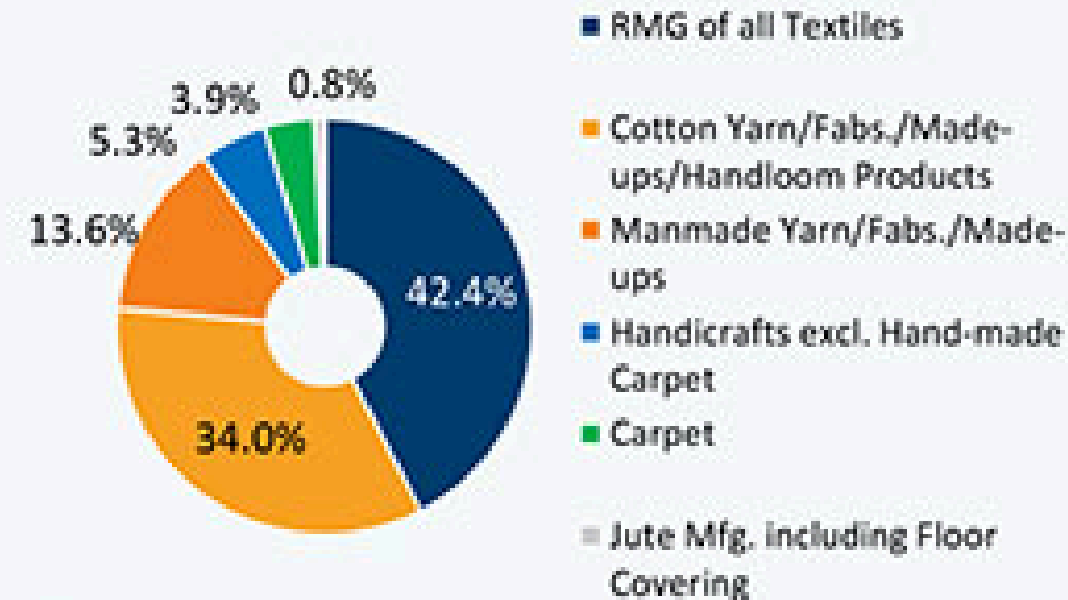
Employs over 45 million people

Contributes 10.5% to India's export earnings

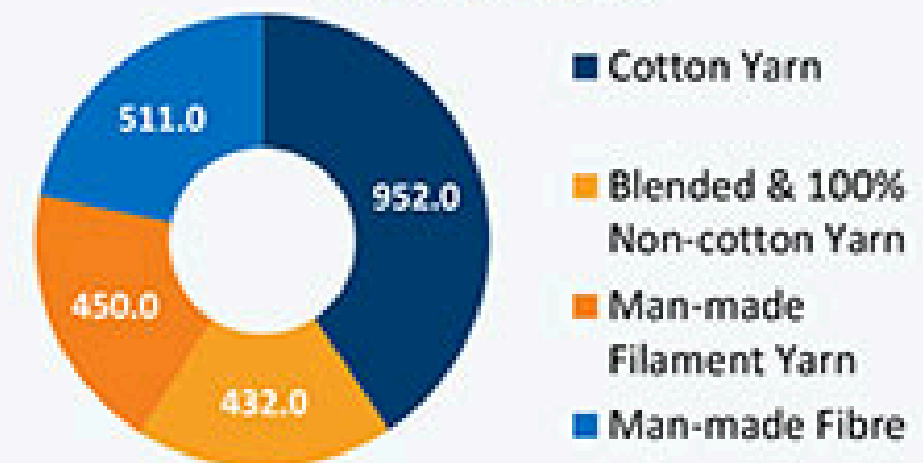


## SECTOR COMPOSITION

Share of India's textile exports FY24

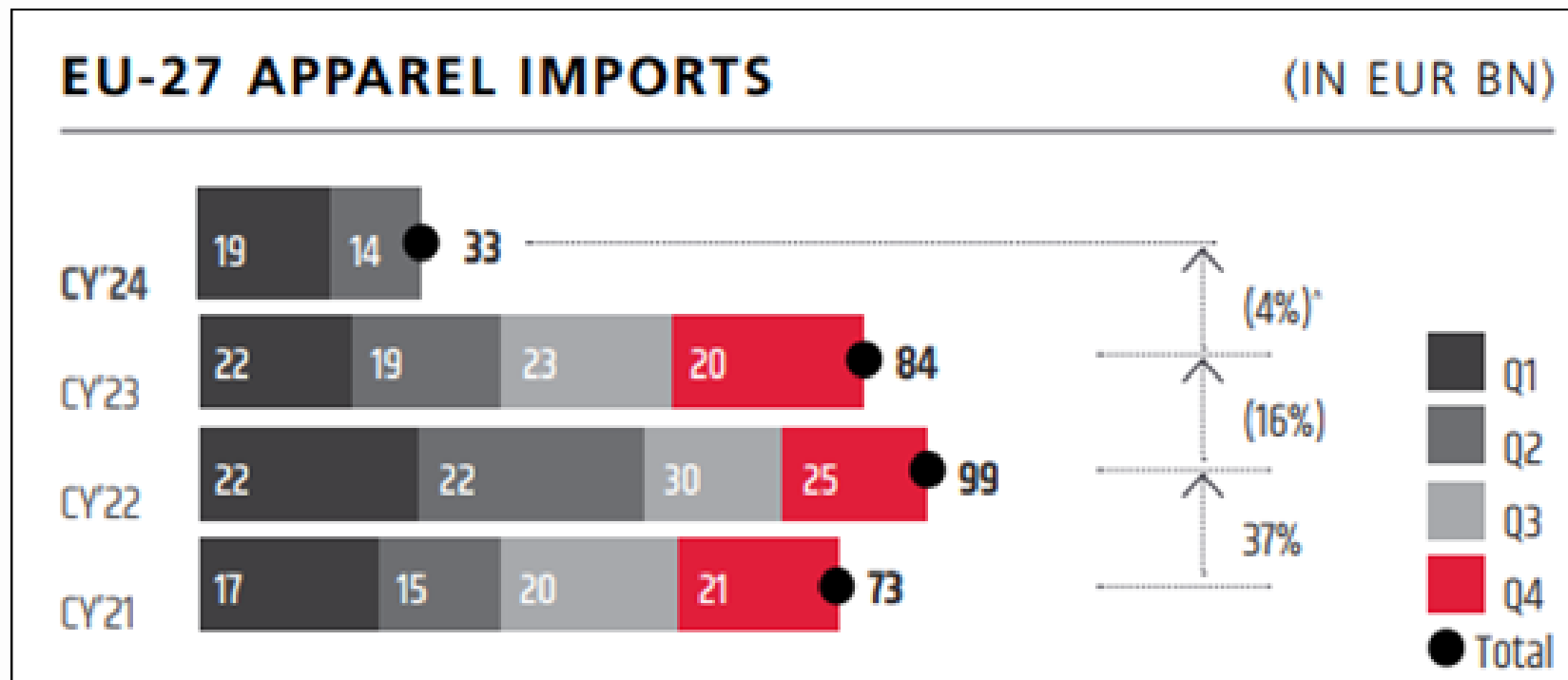
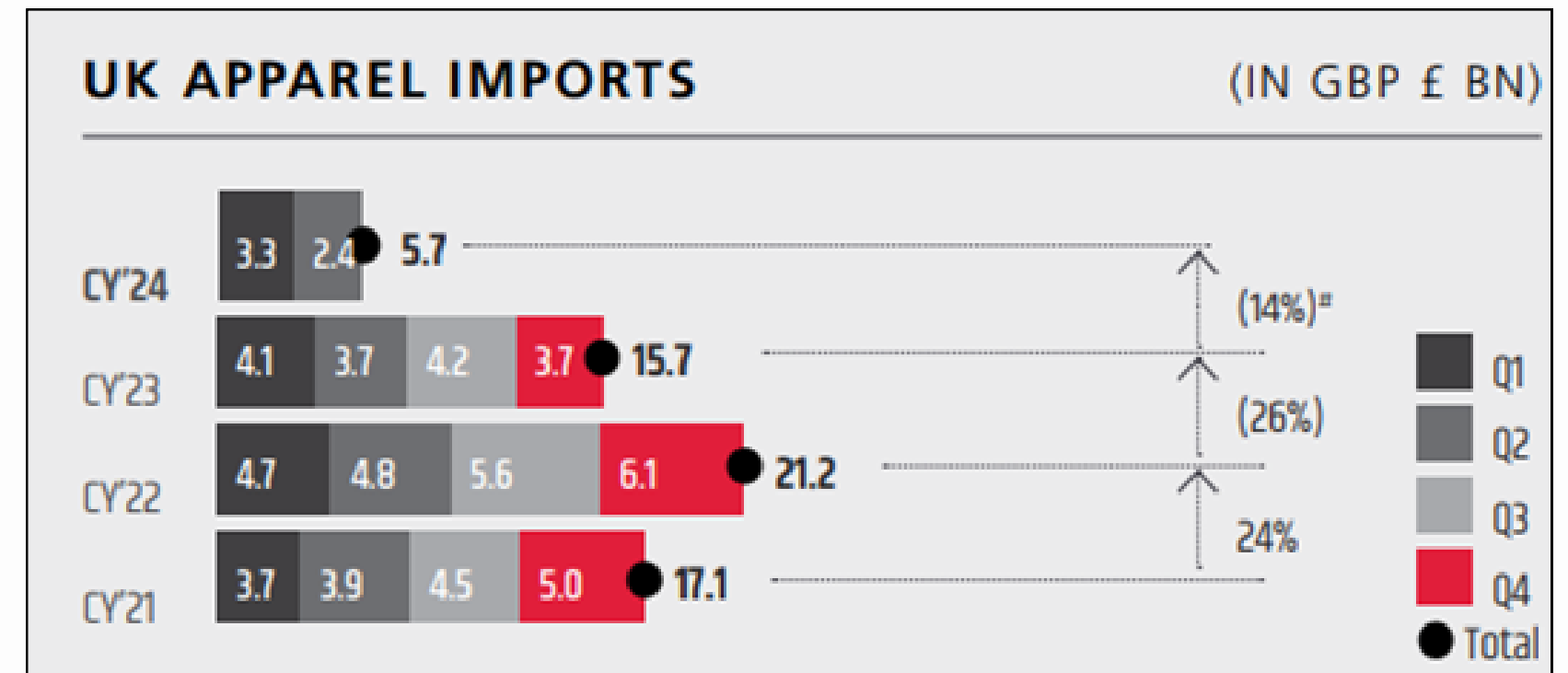
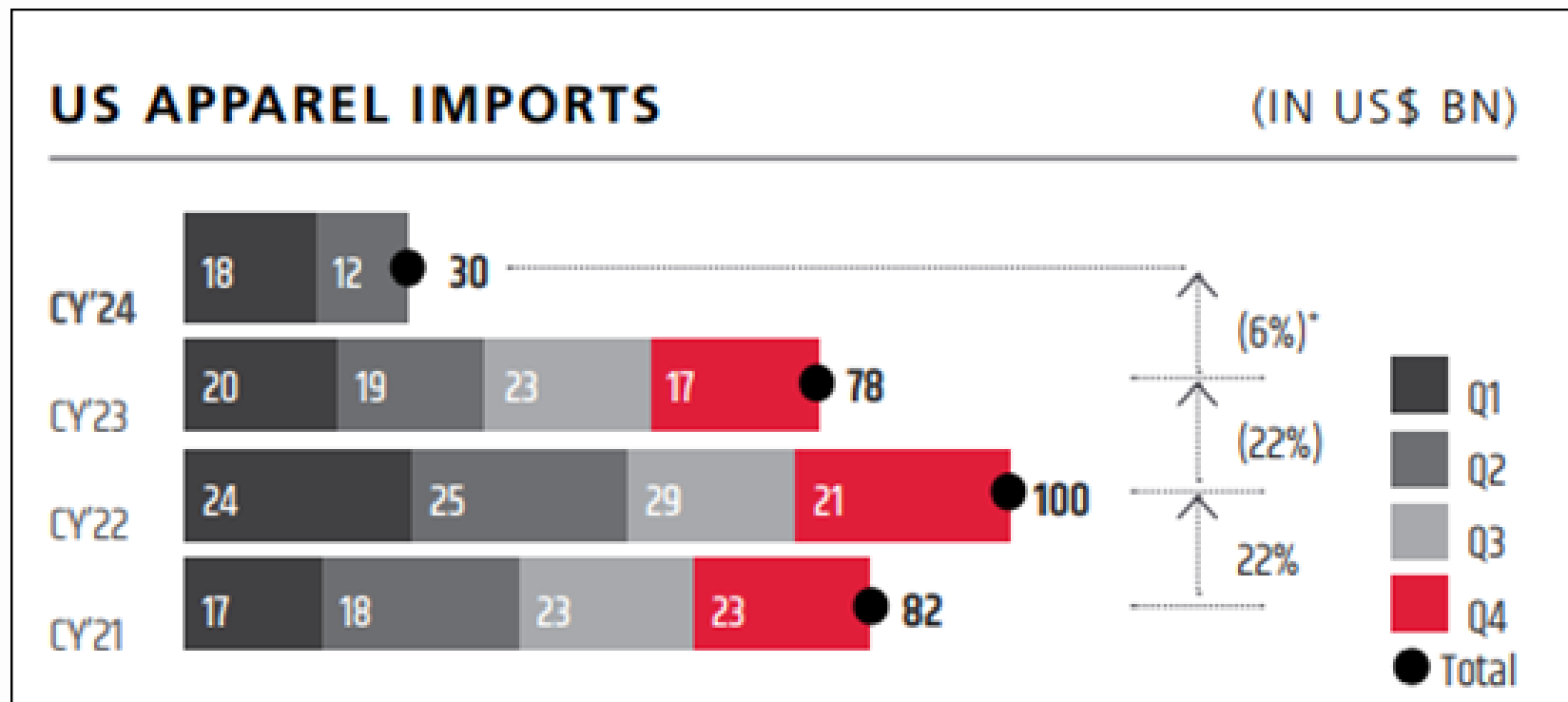


Fabric Production in FY24\* (million square meter)



Note: \* Until April-June 2023-24

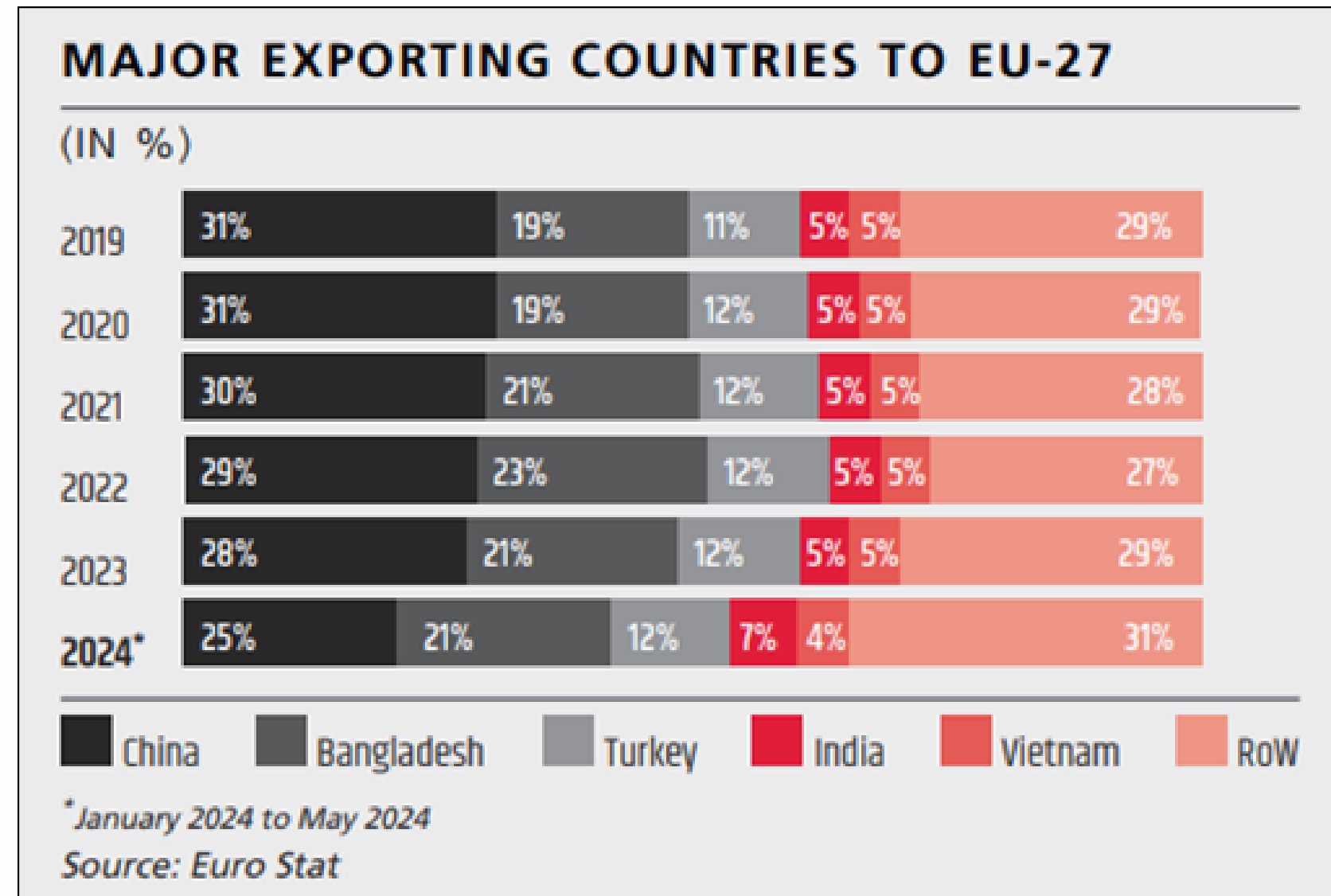
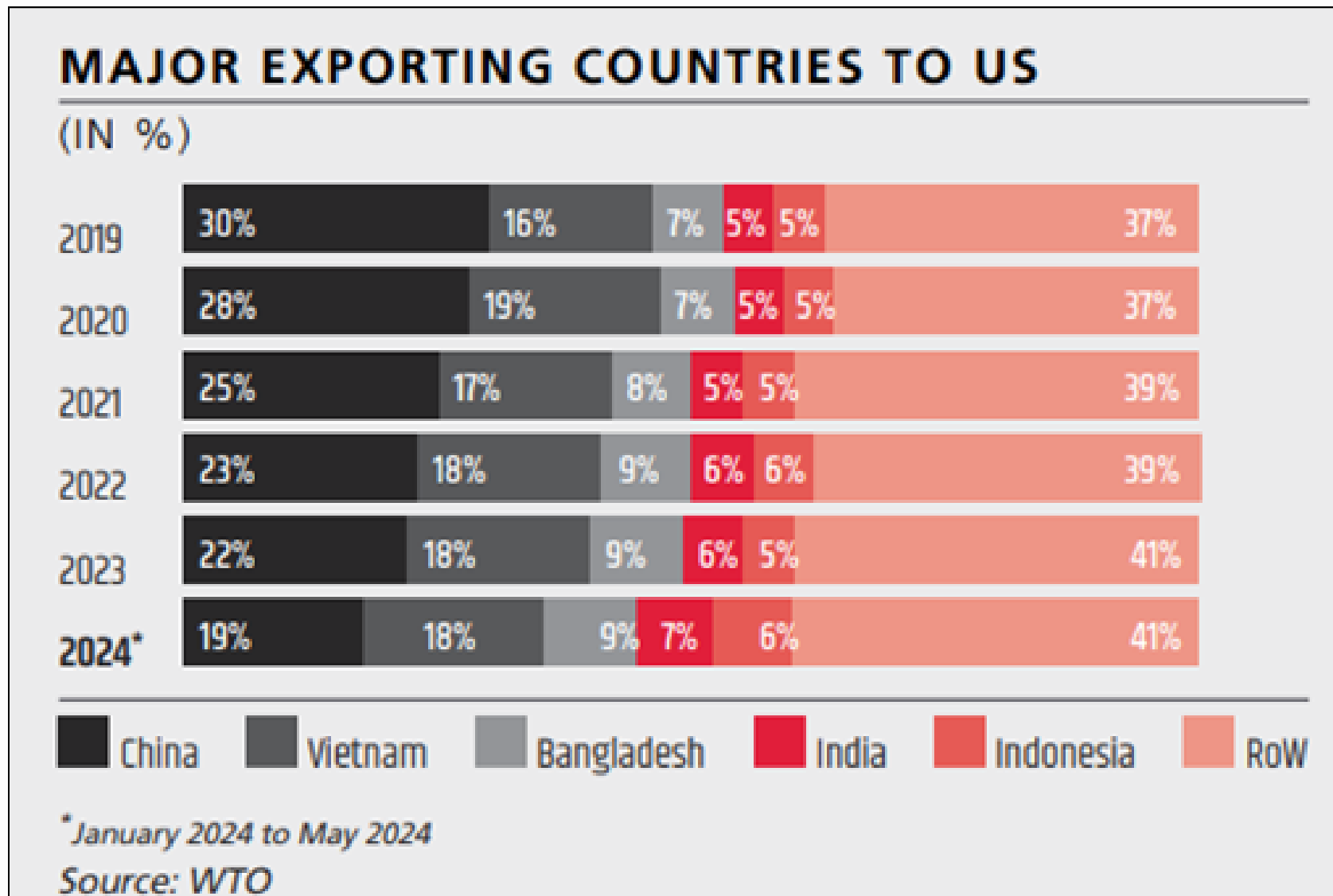
# Apparel Imports Signal Recovery.



**US and EU Import Declines are Stabilizing, but UK Apparel Imports Continue to Fall:**  
The de-growth in US and EU imports has started to moderate, though the UK's apparel imports remain on a downward trend.

Source: Otexa, Eurostat, Office of National Statistics, Gokaldas AR24

# India's Market Share Sees Limited Growth



Source: Gokaldas AR24

**Despite the growing China+1 narrative, India's share in the global textile market remains around 5-7%, primarily due to trade tariffs, though a slight increase is evident this year**

# Trade Diplomacy- Will we be able to Compete Globally?

## IMPORT DUTY STRUCTURE

IMPORTING COUNTRY	EXPORTING COUNTRY					
	CHINA	BANGLADESH	VIETNAM	ETHIOPIA	KENYA	INDIA
US	11-28%	11-28%	11-28%	11-28%	0%	11-28%
EU	12%	0%	0%	0%	0%	12%
JAPAN	9%	0%	0%	0%	9%	0%
UK	12%	0%	0%	0%	0%	12%
CANADA	18%	0%	0%	0%	18%	18%

## FACTOR COSTS

COST ELEMENTS	EXPORTING COUNTRY					
	CHINA	BANGLADESH	VIETNAM	ETHIOPIA	KENYA	INDIA
Cost of labour (US \$ per month)	514	139	300	110	150	180
Labour skills	High	High	High	Low-Medium	Low-Medium	High
Cost of electricity (US\$/KWh) (US \$ per month)	9-15	9	8	2-5	16-18	7-12
Lead Time (days)	30-45	50-70	35-50	60-90	60-90	40-60
Textile integration	High	Medium	Medium	Low	Low	High (Cotton)

*Although India remains competitive in cotton fabric production, higher labor costs and unfavorable trade agreements make its garment manufacturing more expensive.*

*Meanwhile, Vietnam has become the preferred sourcing destination for U.S. buyers, and Bangladesh has solidified its foothold in the EU market.*



# With Whom is India Negotiating FTAs?



India is negotiating free trade agreements (FTAs) with several countries to boost its textile exports, including- the European Union (EU), the United Kingdom, Australia, UAE, Canada and Israel.

# Government Likely to Extend PLI Scheme to Garment Manufacturing

The government approved an INR 10,000 crore PLI scheme for the textiles sector

June 26, 2024

Textiles Minister Giriraj Singh emphasised the need for the industry to aim for US\$50 billion in exports

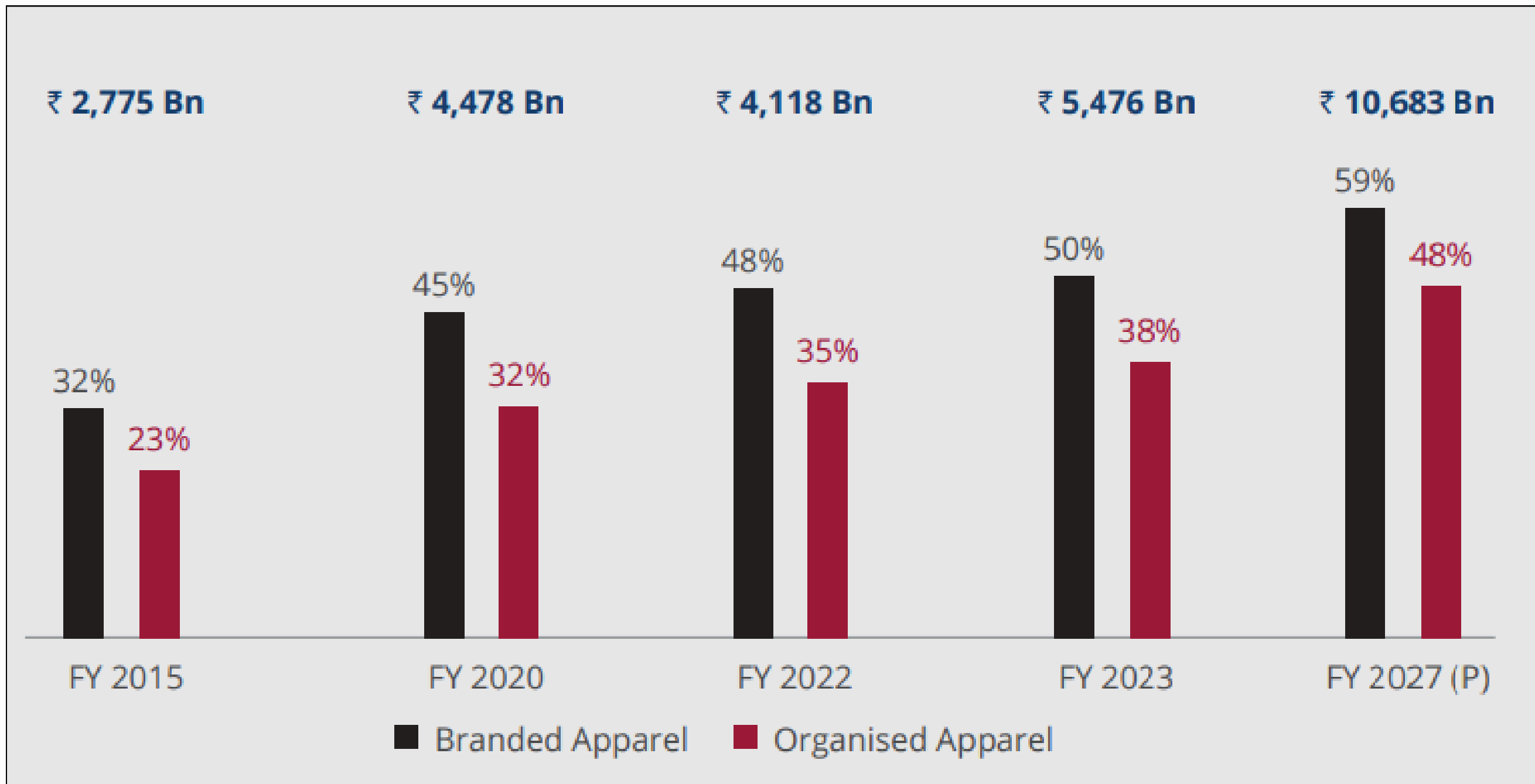
The ministry is developing a roadmap to surpass China in the textiles sector

The current PLI scheme, approved in 2021, is worth INR 10,683 crore and spans five years.

The scheme may soon extend to cover the garments sector as well

Source: <https://indbiz.gov.in/government-to-extend-textile-pli-scheme-to-garments-sector/>

# Surge in Branded and Organized Apparel

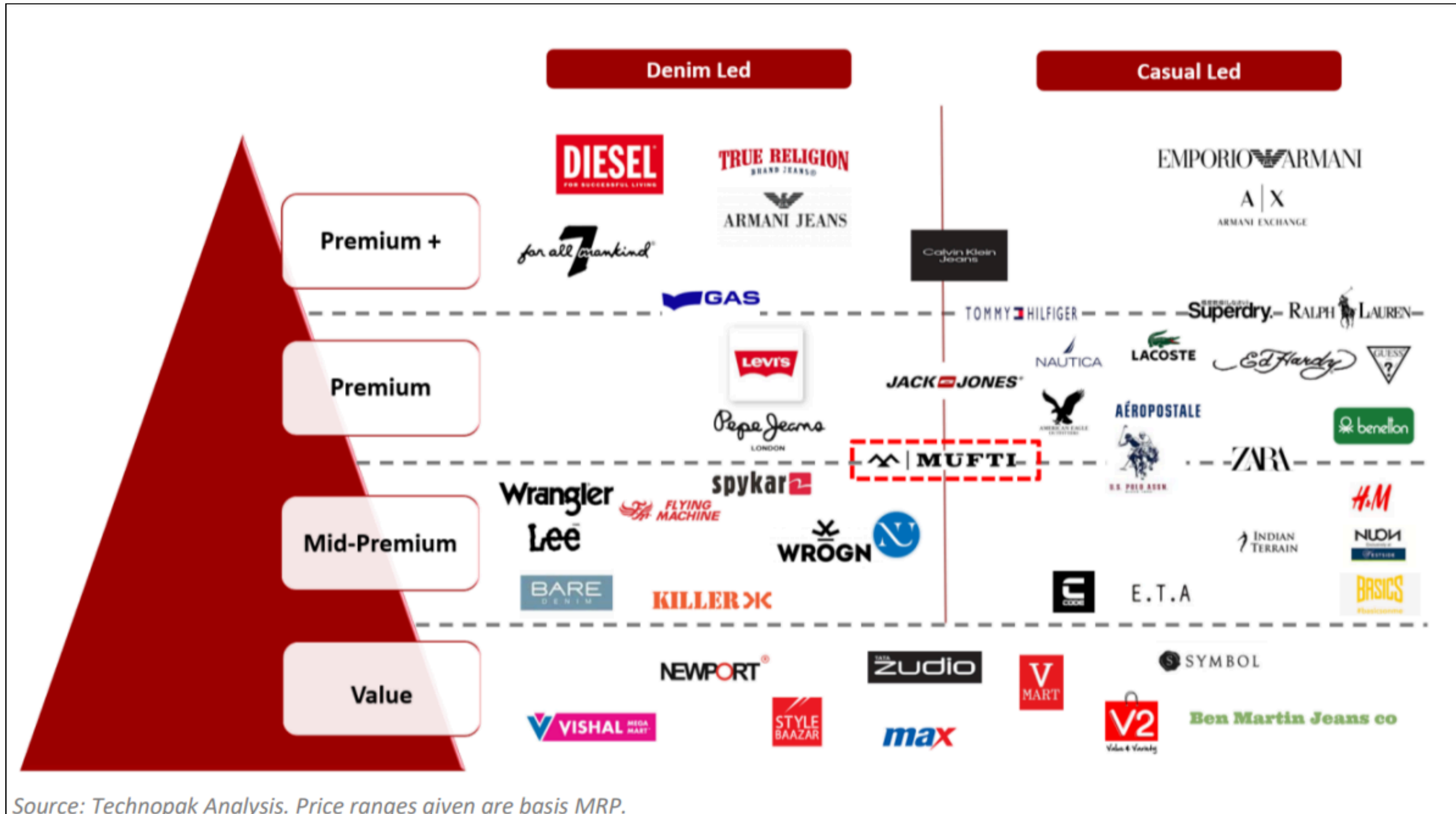


*Between FY 2023 and FY 2027, the total Indian apparel market is expected to grow at a CAGR of 18.0%. However, branded apparel and organized retail are projected to grow faster, at 26.1% and 28.9% CAGR respectively, outpacing overall market growth.*

Source: Technopak analysis, Arvind Fashion Ltd. Annual Report 2024



# More Brands in Mid-Premium Segment and above



Source: Technopak Analysis. Price ranges given are basis MRP.

# DISCLAIMER

This report has been prepared by Research Analyst and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice.

Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment.

The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. Research Analyst is not obliged to update this report for such changes. Research Analyst has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject Research Analyst or its affiliates to any registration or licensing requirement within such jurisdiction. If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with Research Analyst.

Research Analyst do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report.

**TRUDENCE CAPITAL ADVISORS PRIVATE LIMITED**

**Trade Name:** TRUDENCE CAPITAL

**Registration No.:** INH000015747 **CIN:** U73200MH2024PTC417356

**Registered office Address:** FLT NO 63 1 F CTS NO. 168, KALPATARU, AURA BLDG, LBS MARG OPP R CITY MALL, MUMBAI, MAHARASHTRA, 400086

**Contact No:** 8224900841 **Email Id:** nitin@iiinsight.com

**Compliance Officer:** Nitin Mangal **Contact No:** 8224900841 **Email Id:** nitin@iiinsight.com

**Grievance Officer:** Nitin Mangal **Contact No:** 8224900841

**Email ID:** nitin@iiinsight.com

**Standard warning**

“Investment in securities market are subject to market risks. Read all the related documents carefully before investing.”

**Disclaimers**

“Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors”