

# TEXTILE EXPORT PERFORMANCE AND FDI IN TEXTILE SECTOR

Dr.G.Chandrasekaran & Ramya .C

1. Assistant Professor of International Business, P.G and Research Department of Commerce  
Chikkanna Government Arts College, Tirupur – 641602, Tamil Nadu, India.
2. Research Scholar Department of Commerce, Chikkanna Government Arts College, Tirupur  
641602, Tamilnadu, India.

## Abstract

This article represents the contribution towards industry output ,employment and exports growth in FDI. It is one of the largest source of employment generation in the country . It explain the gradual growth in FDI in textile sectorIts steady increase overall performance and plentiful reasonably-priced professional manpower, there are massive possibilities each for home and foreign traders to invest in fabric region in India.

**Keyword: Textile , FDI ,Global, Apparel**

## Introduction

Indian fabric and garb industry is considered one of the biggest within the international with US\$ 19 billion of export and US\$ 30 billion of home fabric and apparel . The industry has, over time, contributed considerably to countrywide output, employment and exports. At gift, industry accounts for approximately 14% of our overall business production and contributes to nearly 15% of total exports It gives direct employment to approximately 35 million human beings and every other 56 million are engaged in allied activities, The Industry has a ability to attain a size of US\$ 85 billion by means of 2010. With its consistent increase performance and plentiful reasonably-priced skilled manpower, there are vast possibilities both for home and overseas investors to make investments in textile region in India.

## Objective

1. To study about global textile and India's top textile & apparel trade
2. To study about foreign Direct Investment in Textile sector

## REVIEW OF LITERATURE

This paper is based on descriptive type, and the collected information taken from many websites related to textile sector

### 1. Prabakaran, S. G. P., & Kumar, M. A. (2020)

This article reveals In the early years, the cotton fabric enterprise has decided in the cotton-developing belt of Rajasthan, Maharashtra, and Gujarat. The growth of fabric merchandise has measured in terms of manufacturing, exports, and imports. For the examine, the linear forecast version is using for the

subsequent 5 year duration performance of the textile change. The research focuses on India's exchange overall performance of textiles in Brazil from 2014 to 15 to 2018-19. Trade performance helped that of forecast model equation amount and price of export and import of textiles, and results show that a few products are more aggressive in different products.

## 2. Dr Sugandha Chhibber 2020

This paper studies the Indian textile industry is one in all the biggest within the world after China with a huge raw material and textiles manufacturing base. This area has played a pioneered function in increase and enlistment of United States. This sector has generated employment for greater than forty five million humans, and similarly this contributed 15 % share to the US of as export. It contributed seven consistent with cent to the GDP of India and employs greater than 45 million human beings in 2018-19. Apparel constituted for round three-fourth of the whole fabric and garment market in India. Indian home fabric and garment marketplace become US\$ a hundred billion in 2018-19, that is predicted to develop to US\$ 220 billion through 2025 at a CAGR of 12%. This quarter is likewise taking adequate measures for the improvement of export oriented products, attracting new investments each home and foreign

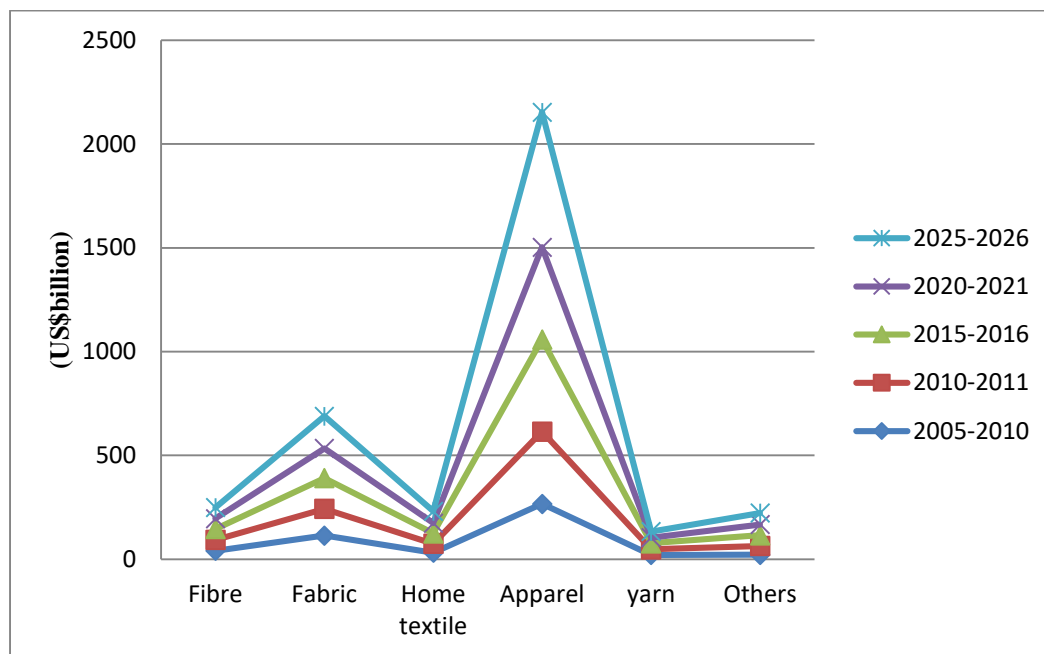
### Global Textile and Apparel Trade

Global apparel consumption is expected to reach USD 2.6 trillion by 2025-26 from USD 1.8 trillion in 2017-18. The industry is experiencing structural changes wherein market share is moving from earlier dominated developed countries like USA, European Union (EU) to destinations like China, South Asia including India, Bangladesh and Vietnam. These developed countries are currently facing challenges on consumption side due to ongoing slowdown in economic growth in the regions while on the other hand, countries such as China, India and other South East Asian countries are experiencing growth

**Table 1: Global Textile and Apparel Trade (USD Billion)**

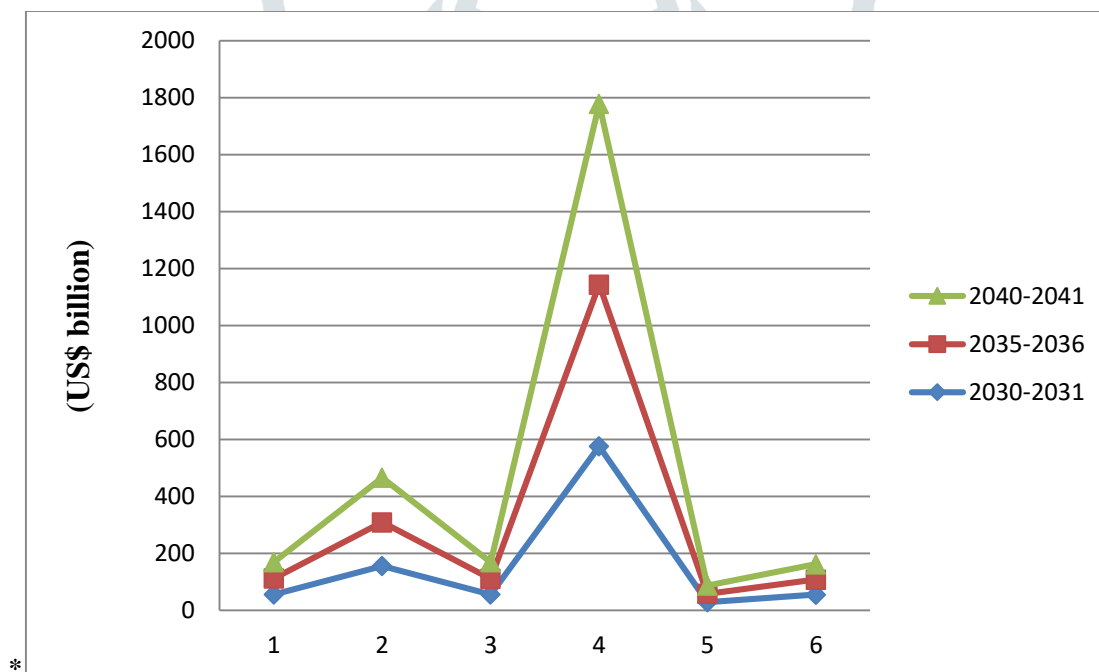
| Year      | Fibre | Fabric | Home textile | Apparel | yarn | Others |
|-----------|-------|--------|--------------|---------|------|--------|
| 2005-2010 | 41    | 114    | 32           | 267     | 21   | 22     |
| 2010-2011 | 52    | 129    | 43           | 348     | 27   | 42     |
| 2015-2016 | 53    | 148    | 50           | 444     | 29   | 52     |
| 2020-2021 | 50    | 143    | 49           | 444     | 27   | 51     |
| 2025-2026 | 53    | 155    | 57           | 650     | 29   | 56     |
| 2030-2031 | 56    | 156    | 56           | 576     | 29   | 55     |
| 2035-2036 | 56    | 153    | 55           | 568     | 29   | 53     |
| 2040-2041 | 57    | 157    | 58           | 634     | 29   | 54     |

**Chart 1: Global Textile and Apparel Trade (USD Billion)**



Data Source: Ministry of Textiles & Wazir Analysis Estimated

**Chart2: Global Textile and Apparel Trade (USD Billion)**



## Indian Exports Overview

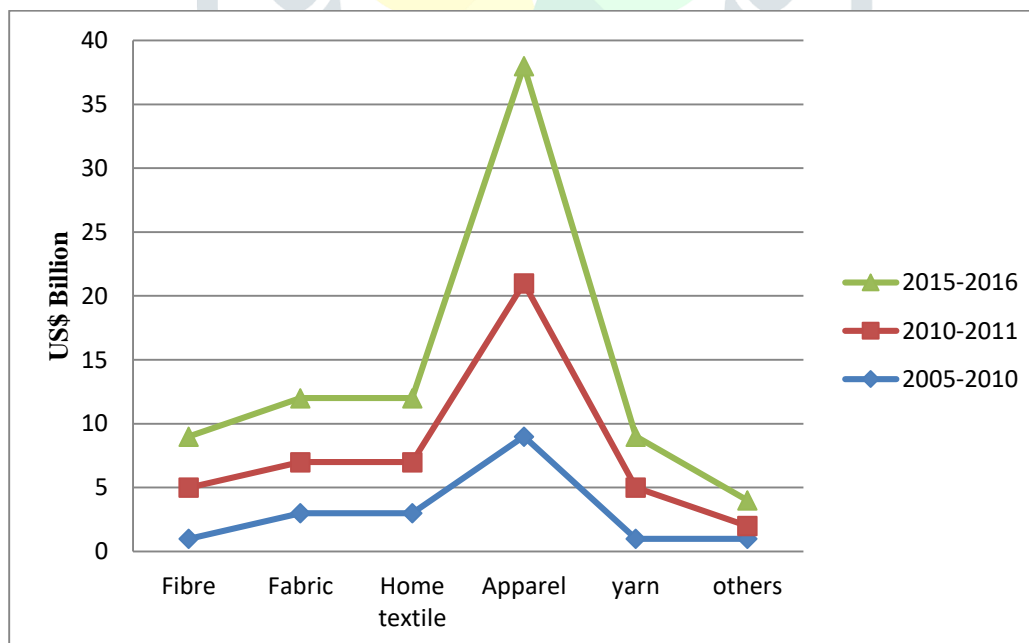
Indian textile industry has inherent linkage with agriculture and with the culture and traditions of the country making for its versatile spread of products appropriate for both domestic and the export markets. The textile industry contributes to 7% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. The textile industry is one of the largest sources of employment generation in the country with over 45 million people employed directly, and another 6 crore people in allied sectors, including a large number of women and rural population. The sector has perfect alignment with Government's key initiatives of Make in India, Skill India, Women Empowerment and Rural Youth Employment

Indian textile and apparel sector is not only one of the oldest industries in Indian economy, but it is also one of the largest sectors as well in terms of output, employment and foreign exchange earnings via export. While India is the world's second largest producer of textile and apparels, it also provides direct employment to over 45 million people making it the second largest provider of employment after agriculture in India

**Table 2: Indian Textile and Apparel Exports**

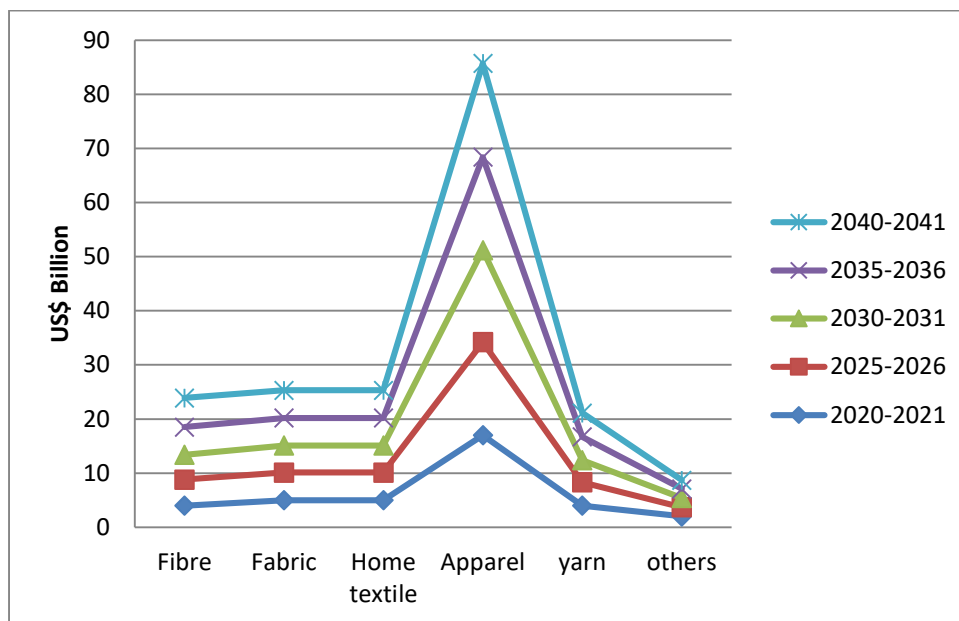
| Year      | Fibre | Fabric | Home textile | Apparel | yarn | others |
|-----------|-------|--------|--------------|---------|------|--------|
| 2005-2010 | 1     | 3      | 3            | 9       | 1    | 1      |
| 2010-2011 | 4     | 4      | 4            | 12      | 4    | 1      |
| 2015-2016 | 4     | 5      | 5            | 17      | 4    | 2      |
| 2020-2021 | 4     | 5      | 5            | 17      | 4    | 2      |
| 2025-2026 | 4.8   | 5.1    | 5.1          | 17.2    | 4.3  | 1.7    |
| 2030-2031 | 4.6   | 5.0    | 5.0          | 17.0    | 4.1  | 1.7    |
| 2035-2036 | 5.1   | 5.1    | 5.1          | 17.2    | 4.3  | 1.7    |
| 2040-2041 | 5.4   | 5.1    | 5.1          | 17.3    | 4.4  | 1.6    |

**Chart 3: Indian Textile and Apparel Exports**



Data Source: Ministry of Textiles & Wazir Analysis Estimated

**Chart 4: Indian Textile and Apparel Exports**



India's textile and garment exports are anticipated at US\$ 39 billion inside the monetary year 2018-19. The exports have grown at a 6% CAGR since the year 2005-06. India's fabric and clothing exports are anticipated to extend to US\$80 billion by means of the year 2025, developing at a CAGR of 10%. Apparel is the largest exported category with a share of 46% within the textile and garment exports

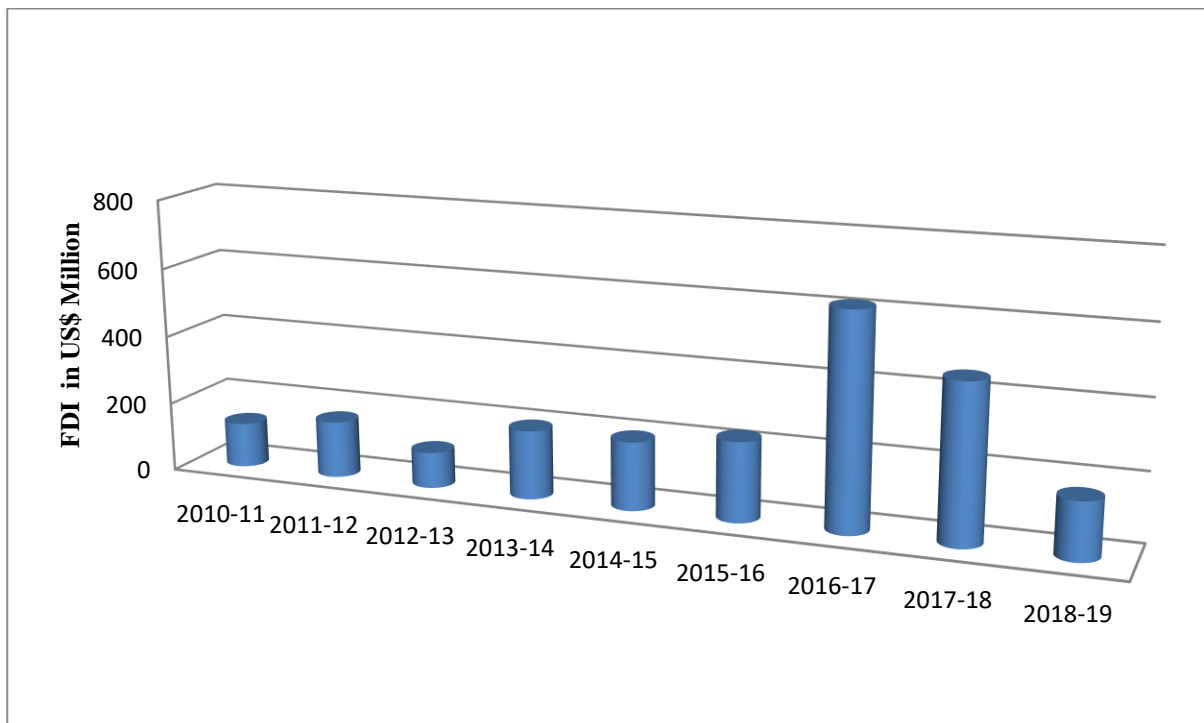
### Foreign Direct Investment in Textile Sector

**Table 3: Foreign Direct Investment in Textile Sector**

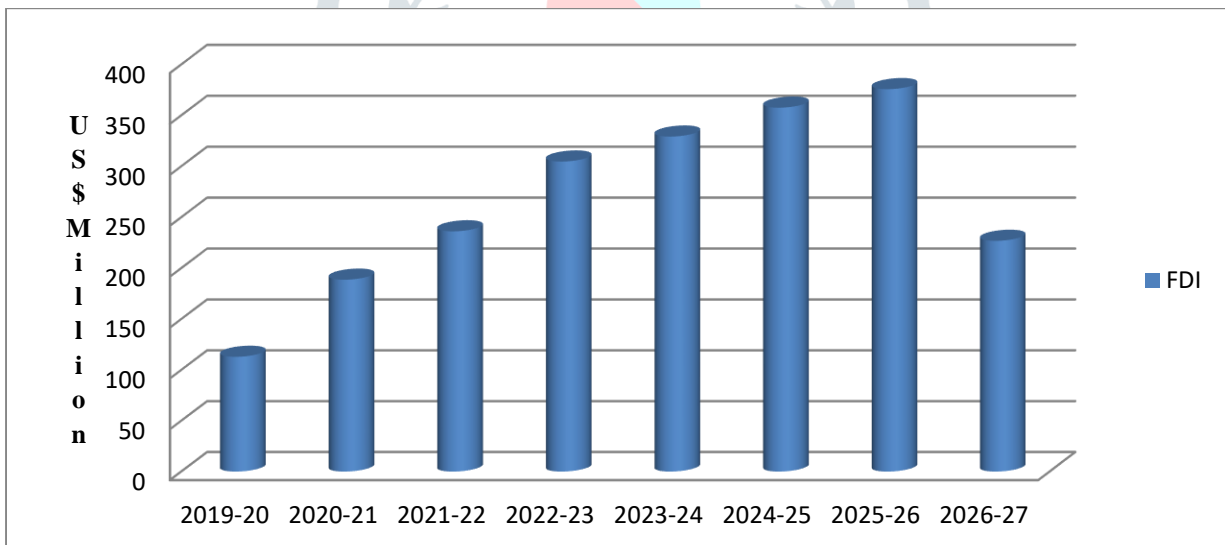
| YEAR    | FDI in Textile | YEAR    | FDI in Textile |
|---------|----------------|---------|----------------|
| 2010-11 | 129.65         | 2018-19 | 166.45         |
| 2011-12 | 164.19         | 2019-20 | 112.93         |
| 2012-13 | 103.89         | 2020-21 | 188.67         |
| 2013-14 | 198.86         | 2021-22 | 236.17         |
| 2014-15 | 197.42         | 2022-23 | 304.71         |
| 2015-16 | 230.13         | 2023-24 | 329.20         |
| 2016-17 | 618.95         | 2024-25 | 357.57         |
| 2017-18 | 454.45         | 2025-26 | 375.78         |
|         |                | 2026-27 | 226.84         |

Source: DIPP

**Chart 5: Foreign Direct Investment in Textile Sector**



**Chart 6: Foreign Direct Investment in Textile Sector**



India has most liberal and transparent policies in Foreign Direct Investment (FDI) amongst emerging countries. India is a promising destination for FDI in the textile sector. 100% FDI is allowed in the textile sector under the automatic route. FDI in sectors to the extent permitted under automatic route does not require any prior approval either by the Government of India or Reserve Bank of India (RBI).

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at USD \$39.2 billion in FY18 and are expected to increase to USD \$82 billion by 2021 from USD \$31.65 billion in FY19. Abundant availability of raw materials such as cotton, wool, silk, jute and manmade fibres has led India to be one of the world's largest producers of

textiles and garments. The country has become an attractive destination for FDI in the Indian textile industry thanks to foreign direct investment policy in textiles. The Indian domestic textile and apparel industry contributes 2% to India's GDP, 14% of industrial production, 27% of the country's foreign exchange inflows and constitutes 13% of country's export earnings. Exports in the Textiles & garments industry are expected to reach \$300 billion by 2024

### Conclusion

The textile industry has recorded remarkable development during last five years ,the market trend is growing at very high ,the Indian textile sector will become a strong compotator in global trade India have future will become a biggest compotator in would marketing The usual normal overall performance of the fabric enterprise in India is exceptional at some stage in the have a look at duration The Indian fabric able to create hundreds of lots of jobs

### Reference

1. Prabakaran, S. G. P., & Kumar, M. A. (2020). India ' s Trade Performance of Textiles in Brazil, (60), 1063–1070.
2. Dr Sugandha Chhibber 2020 ISSN (electronic): 2620-6269/ ISSN (printed): 2615-4021

### Website:

1. Google Scholar
2. [www.texmin.nic.in](http://www.texmin.nic.in)
3. [www.tea-india.org](http://www.tea-india.org)
4. Statista 2020