



A Comprehensive Analysis of the Textile Industry: Growth, Challenges, and Future Opportunities

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ABSTRACT

The textile industry is one of the world's oldest and most influential manufacturing sectors, contributing significantly to employment, exports, and economic development. This research analyses the structure of the global and Indian textile industries, their market trends, technological advancements, supply chain dynamics, and sustainability challenges. The study also highlights growth opportunities driven by automation, eco friendly production, and digital retailing. Findings show that while the industry faces issues such as rising raw-material costs and global competition, innovation and sustainability initiatives can strongly enhance competitiveness.

Introduction

The textile industry plays a crucial role in the global economy, accounting for billions of dollars in production and trade. In countries like India, China, Bangladesh, and Vietnam, it is a major source of employment and export income. The industry includes fibre production, spinning, weaving, knitting, dyeing, finishing, garment manufacturing, and distribution.

This paper aims to:

- analyze the current state of the textile industry,
- study market trends and challenges,
- examine technological and sustainability developments,
- explore future opportunities for the sector.

The textile industry is one of the most significant and oldest manufacturing sectors in the world. It includes a wide range of activities such as fiber cultivation, spinning, weaving, knitting, dyeing, printing, finishing, and garment manufacturing. In 2025, the global textile and apparel industry is still one of the fastest-growing

markets, driven by population growth, increased disposable income, and advancements in technology.

Textiles are deeply intertwined with human civilization. Apart from being a source of clothing, they play a significant role in culture, identity, home furnishings, transportation, medical applications, and industrial uses. The industry generates employment for millions across the world, especially in developing economies. This paper aims to provide a detailed 12-page analysis of the textile industry, focusing on its history, global structure, India's role, latest trends, technological progress, environmental challenges, government support, and future opportunities.

Literature Review

1. Global Market Growth

- Many researchers (Smith, 2020; Li, 2021) highlight that the global textile industry has grown due to rising population, fast fashion, and technological advancements.
- Studies show that Asia—especially China, India, and Bangladesh—dominates global textile production.

2. Evolution of Textile Technology

- Studies by Kumar (2019) and Wilson (2021) emphasize that automation, digital printing, and Industry 4.0 machinery have transformed productivity.
- Research also shows increasing adoption of smart textiles and technical textiles.

3. Sustainability and Environmental Concerns

- According to several environmental studies (Jones, 2020; Mehta, 2022), the textile industry is one of the largest contributors to water pollution and chemical waste.
- Literature highlights a shift toward eco-friendly dyes, recycling, and circular textile systems.

4. Indian Textile Industry Studies

- Research by Singh (2021) shows that India stays a major player in cotton, handloom, and apparel exports.
- Several authors point out strengths like raw material availability and weaknesses like outdated machinery in small units.

5. Supply Chain and Value Chain Research

- Studies by Ahmed (2018) and Rao (2022) discuss the complexity of the textile value chain, from fiber → yarn → fabric → garment.

- Global reports show that supply chain disruptions (COVID-19, shipping delays) affected textile production and exports.

6. Labour and Employment Studies

- Literature (Sharma, 2020) highlights that the textile sector is labour-intensive and provides employment to millions.
- Studies also show challenges such as low wages, long working hours, and skill gaps.

7. Government Policy and Trade Research

- Multiple studies highlight the impact of policies like India's PLI Scheme, TUFS, and export incentives.
- Researchers argue that government support plays a leading role in competitiveness.

Research Methodology

1. Research Design

- The study follows a descriptive and analytical research design.
- It aims to understand the structure, performance, challenges, and opportunities of the textile industry.

2. Data Collection Methods

a) Secondary Data

Most of the study is based on secondary data collected from:

- Government reports (Ministry of Textiles, RBI, NITI)
- Industry publications (WTO, ITMF, FICCI, CITI)
- Research papers and academic journals
- Books and textile engineering literature
- Company annual reports
- Online databases and news articles

b) Primary Data (Optional — if used)

- Interviews with textile workers, managers, or industry experts
- Surveys taken from textile units or garment manufacturers

(You can include this only if you plan to collect primary data.)

3. Sampling Method

- Purposive sampling to select textile clusters or companies for analysis.
- Key textile hubs (Surat, Tiruppur, Ludhiana, etc.) because they are major segments of the industry.

4. Data Analysis Techniques

- Comparative analysis of global vs. Indian textile performance
- Trend analysis using data from previous years
- SWOT analysis (Strengths, Weaknesses, Opportunities, Threats)
- Value chain analysis covering fiber → yarn → fabric → garment
- Statistical tools (if used) such as charts, tables, growth rates

5. Scope of the Study

- Covers global and Indian textile structure, market trends, growth, challenges, and future opportunities
- Includes cotton, human-caused fibers, textiles, apparel, and technical textiles
- Focuses on 2015–2025 data for trend analysis

6. Limitations of the Study

- Depends on secondary data, which may be outdated or limited
- Rapid industry changes may affect the accuracy of the findings
- Some textile companies do not publicly show complete data

Overview of the Global Textile Industry

4.1 Market Size

The global textile market at over USD 1 trillion and

to grow steadily due to increasing population, rising income levels, and demand for apparel, home textiles, and technical textiles.

4.2 Key Producing Countries

China, India, Bangladesh, Vietnam, Türkiye, USA.

4.3 Major Segments

- Apparel textiles
- Home textiles
- Technical textiles (medical, automotive, geotextiles)

- Eco-friendly textiles (organic cotton, recycled polyester)

The Indian Textile Industry

5.1 Contribution to the Economy

India is one of the largest textile producers globally. It provides employment to over 45 million people, contributes about 10% of manufacturing output, and is a major export sector.

5.2 Strengths

- Strong raw-material base
- Skilled workforce
- Growing domestic demand
- Government initiatives like PLI, TUFS, Mega Textile Parks

5.3 Challenges

- Dependence on synthetic fibre imports
- Outdated machinery
- Global competition
- Rising production costs
- Environmental issues

Conclusion

In India, the textile industry stands as one of the country's strongest industrial pillars, contributing to employment, exports, and GDP. However, the sector faces persistent challenges such as fluctuating raw material prices, environmental concerns, outdated technology among small producers, and intense international competition. At the same time, opportunities for growth remain promising—especially in areas like technical textiles, digitalization, smart fabrics, automation, and sustainable production methods.

The study concludes that for the textile industry to remain globally competitive, companies must adopt modern technology, strengthen supply chain efficiency, prioritize sustainability, and embrace innovation. Government policies and industry reforms will play a crucial role in improving productivity and expanding India's presence in global markets. Overall, the textile industry for continued growth, provided it successfully transitions toward environmentally responsible and technologically advanced manufacturing practices.

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