

INDIAN MANMADE FIBRE TEXTILE INDUSTRY

Introduction

Man-made fibres (MMF) are mainly of two types viz., synthetic and cellulosic. Synthetic fibres are produced from crude oil and cellulosic fibres are from wood pulp. The main varieties of synthetic staple fibres are polyester, acrylic and polypropylene. Cellulosic fibre is viscose fibre, modal, etc. Textiles made out of these synthetic and cellulosic fibres are called man-made fibre textiles. However, besides pure man-made fibre textiles, presently the man-made fibre and natural fibre mainly cotton blends are more popular.

Global Scenario

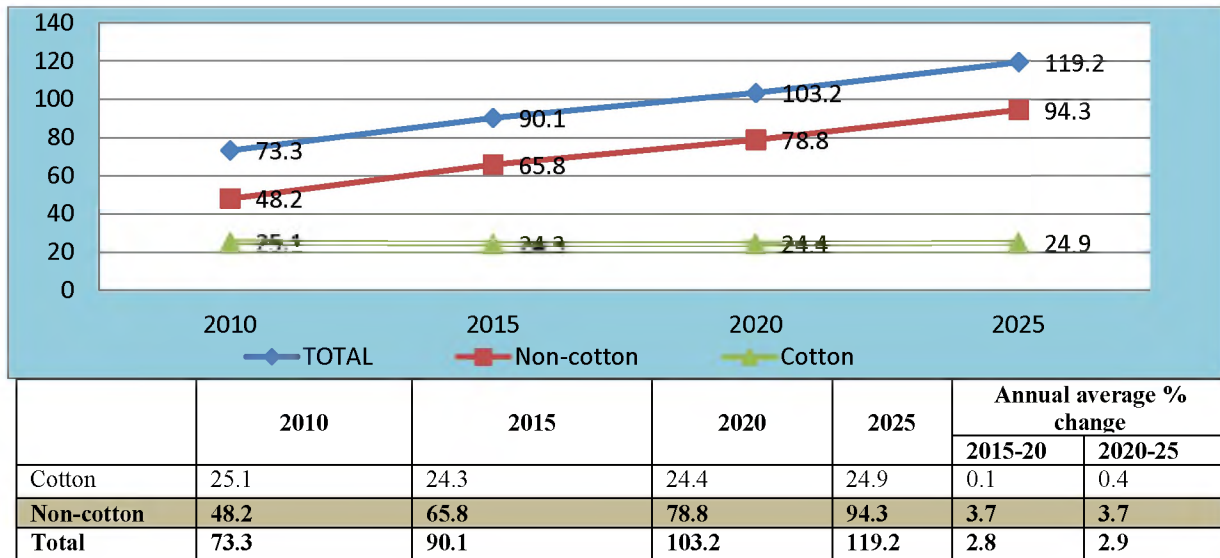
Demand for man-made fibre (MMF) textiles all over the world is increasing as a substitute for cotton amid changes in global fashion trends. Currently MMF dominates global textile fibre consumption with 72: 28 ratio i.e., MMF 72% and 28% is Natural fibre. The share of MMF has been steadily increasing due to the inherent limitations of growth of cotton and other natural fibres.

According to the Textiles Intelligence Report on Forecasts of Regional and Global end-use, demand for man-made fibres is projected to increase by 3.4% in 2017 whereas end-use demand for cotton is projected to increase by only 0.5%. As a result of these trends, the share of man-made fibres in global end-use demand will grow from 72.5% to 73.0% but the share of cotton will fall to 25.7% of which most of the overall growth will take place in developing countries and most of this growth will be in Asia.

Projections for 2025

Global end-use demand for textile fibres is forecast to expand by an average of 2.80% per annum between 2015 and 2025, from 90.10 mn tons to 119.20 mn tons and global end-use demand for man-made fibres is expected to increase by 3.7% in 2025.

Global end-use demand for textile fibres 2010-25 (mn. tons)



Source: International Cotton Advisory Committee (ICAC).

Indian Manmade Fibre Textile Industry

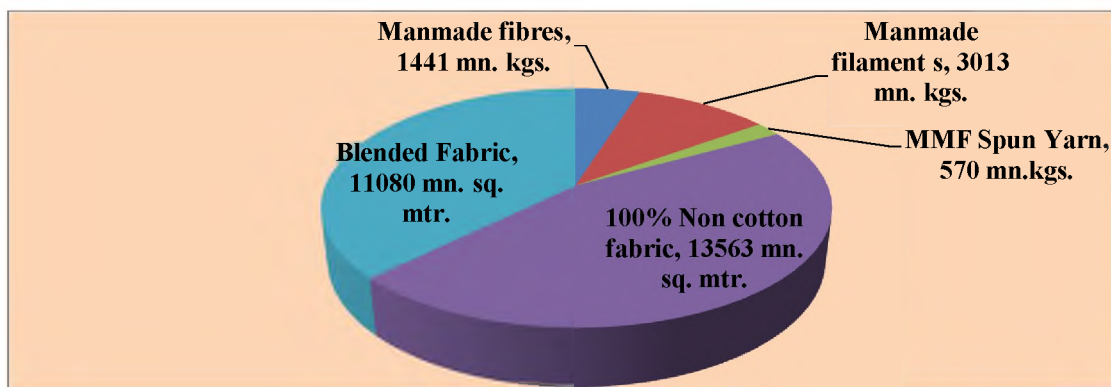
Indian Manmade fibre (MMF) textile industry is vibrant and growing. Today, India produces almost all the types of synthetic fibres, be it polyester, viscose, nylon or acrylic and hence we are at the advantage compared to any other nations across the world. Currently, we are the 2nd largest producer of both polyester and viscose globally. MMF textile industry in India is self reliant across the value chain right from raw materials to the garmenting. Our fabrics are international standard and known for their excellent workmanship, colours, comforts, durability and other technical properties. Due to heavy investments in world-class manufacturing plants, continuous innovation, untiring entrepreneurship, new product mix and strategic market expansion, India is soon going to cloth the entire world and set to take centre stage in the global arena.

Production of Manmade Fibre (MMF) Textiles (Year 2017-18)

India is the second largest producer of man-made fibres (MMF) in the world with presence of large plants having state-of-the art technology. Presently India produces over 1441 million kg of man-made fibres and over 3000 million kg of man-made filaments. Over 23000 million sq. mtr. of fabrics were produced from Man-made fibres and their blends. Most of the Man-made fibres are currently produced in India. India is 2nd largest producer of polyester and viscose in the world. Major varieties are polyester, viscose, acrylic and polypropylene.

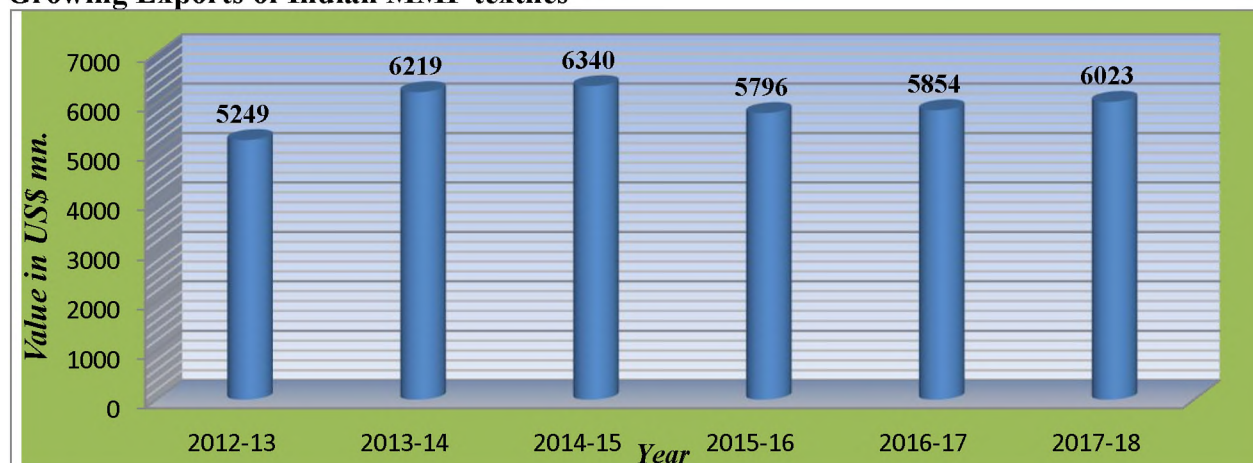
Products	Unit	2017-18*
Manmade fibres	Mn. kg	1441
Manmade filament yarns	Mn. kg	3013
MMF Spun Yarn	Mn. kg	570
100% Non cotton fabric	Mn. sq. mtr.	13563
Blended Fabric	Mn. sq. mtr.	11080

SOURCE: Office of the Textile Commissioner and Industry, * Provisional



Textile Vision of our Government is to achieve US\$ 350 billion by 2024-25. To achieve this textile Vision, our fibre base needs to be doubled. With implied limitations on growing cotton, MMF needs to grow three times from the present 4 billion kg to 12 billion kg in next five years for India to achieve this Vision.

Growing Exports of Indian MMF textiles



SOURCE: DGCI&S

Currently, exports of Indian MMF textiles are around US\$ 6 bn. accounting for around 30% in India's textiles exports which was US\$ 20.03 bn. (in 2017-18). Exports of Indian MMF textiles witnessed consistent growth till 2014-15. However, due to global financial crisis and consequent uncertainties that had prevailed in 2015, exports of man-made fibre textiles from India had also been impacted witnessing a decline of around 9%. Although, the 2015's crisis had greatly accelerated, Indian man-made fibre textiles exports could sustain a positive growth of 1% in 2016-17.

Exports of Indian MMF Textiles in 2017-18

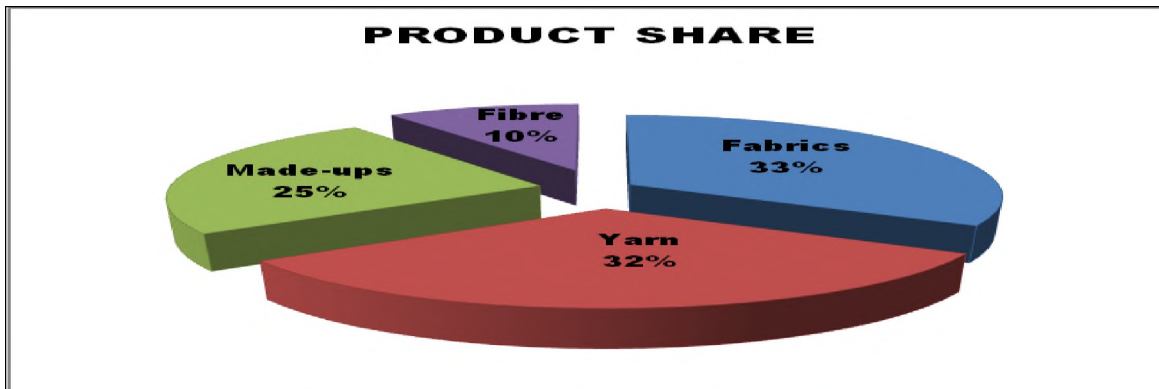
Exports of Indian MMF textiles during 2017-18 were US\$ 6023.98 million against US\$ 5853.49 million during the same period of the previous year showing a growth of nearly 2.91%.

Product	Unit	Quantity (in 000)		% Change 2017-18	In Value USD Mn		% Change 2017-18
		2017-18	2016-17		2017-18	2016-17	
Fabrics	Kgs	79190	70061	13.03	1995.74	2018.67	-1.14
	Sqm	1639626	1648629	-0.55			
Yarn	Kgs.	1003842	1025457	-2.11	1950.81	1796.11	8.61
Made-ups	Kgs.	694774	674890	2.95	1490.62	1441.59	3.40
	Nos.	103856	140507	-26.08			
	Sqm	174	90	92.92			
Fibre	Kgs.	382864	412316	-7.14	586.81	597.12	-1.73
Total					6023.98	5853.49	2.91

SOURCE: DGCI&S

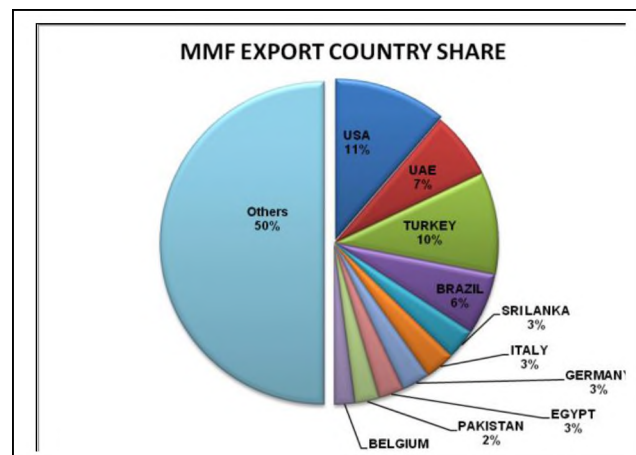
PRODUCT SHARE

During 2017-18, exports of Fabrics dominated in the total exports with 33% share, followed by Yarn 32%, Made-ups 25% and Fibre 10%. Share of the value added segments like fabrics and Made-ups have increased to 58% of total exports.



Leading Markets

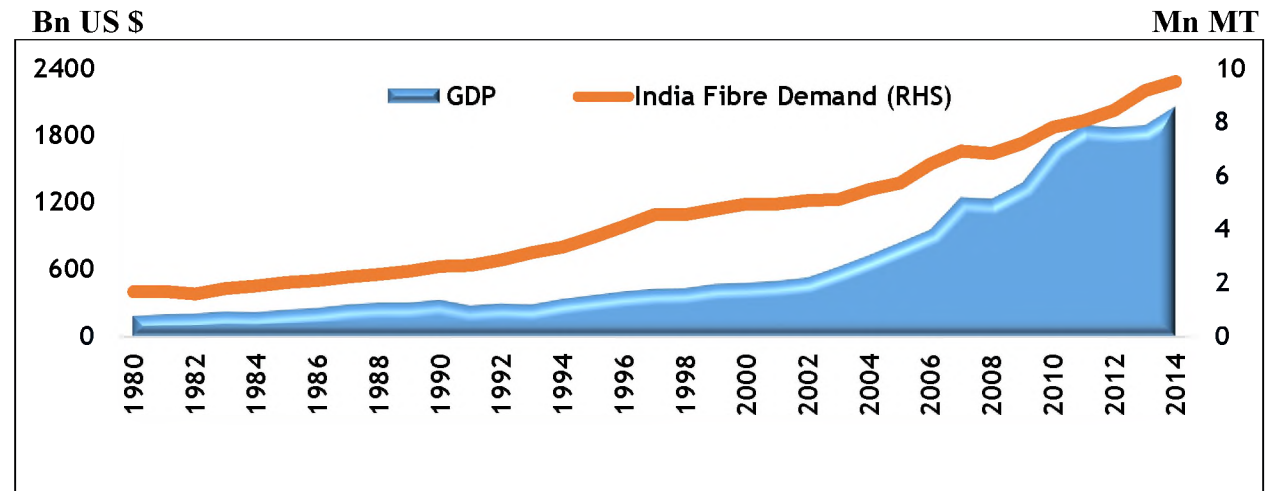
Sl. No.	Country	Value in US\$ mn.
1	USA	627.76
2	Turkey	576.21
3	UAE	377.45
4	Brazil	348.09
5	Sri Lanka	170.45
6	Italy	166.08
7	Germany	156.43
8	Egypt	140.10
9	Pakistan	135.79
10	Belgium	113.12



Exponential Growth Potential

India is the world's fastest growing major economy. World Bank has forecasted India's growth at 7% ahead of China's 6.7 in 2016. By 2030, India is likely to have around 1 billion labour force which would be the largest in the world. The average spending capacity of people in India has been constantly increasing. Consumer spending in India is expected to quadruple to \$4.2 trillion by 2017.

INDIAN FIBRE CONSUMPTION GROWTH



India's textile fibre consumption has been positively linked with its GDP for the past 3 decades. As seen from the above figure, India's textile fibre consumption has been increasing steadily along with the country's GDP growth. Hence, it is certain that India's textile fibre consumption and demand is bound to increase in the coming years.

INDIA'S GROWTH POTENTIAL

Country	All Fibre/Capita (Kg/Capita)	MMF/Capita (Kg/Capita)
North America	36.90	22.50
Australasia	28.60	18.00
South Korea	23.30	16.30
West Europe	23.10	16.20
Taiwan	23.00	17.30
Japan	21.00	13.20
Turkey	14.80	7.60
East Europe	14.10	9.30
China	14.00	12.00
Latin America	8.90	4.90
South Asia	7.10	4.30
India	5.50	3.10
Africa/Middle East	4.70	3.30
World	11.20	7.70

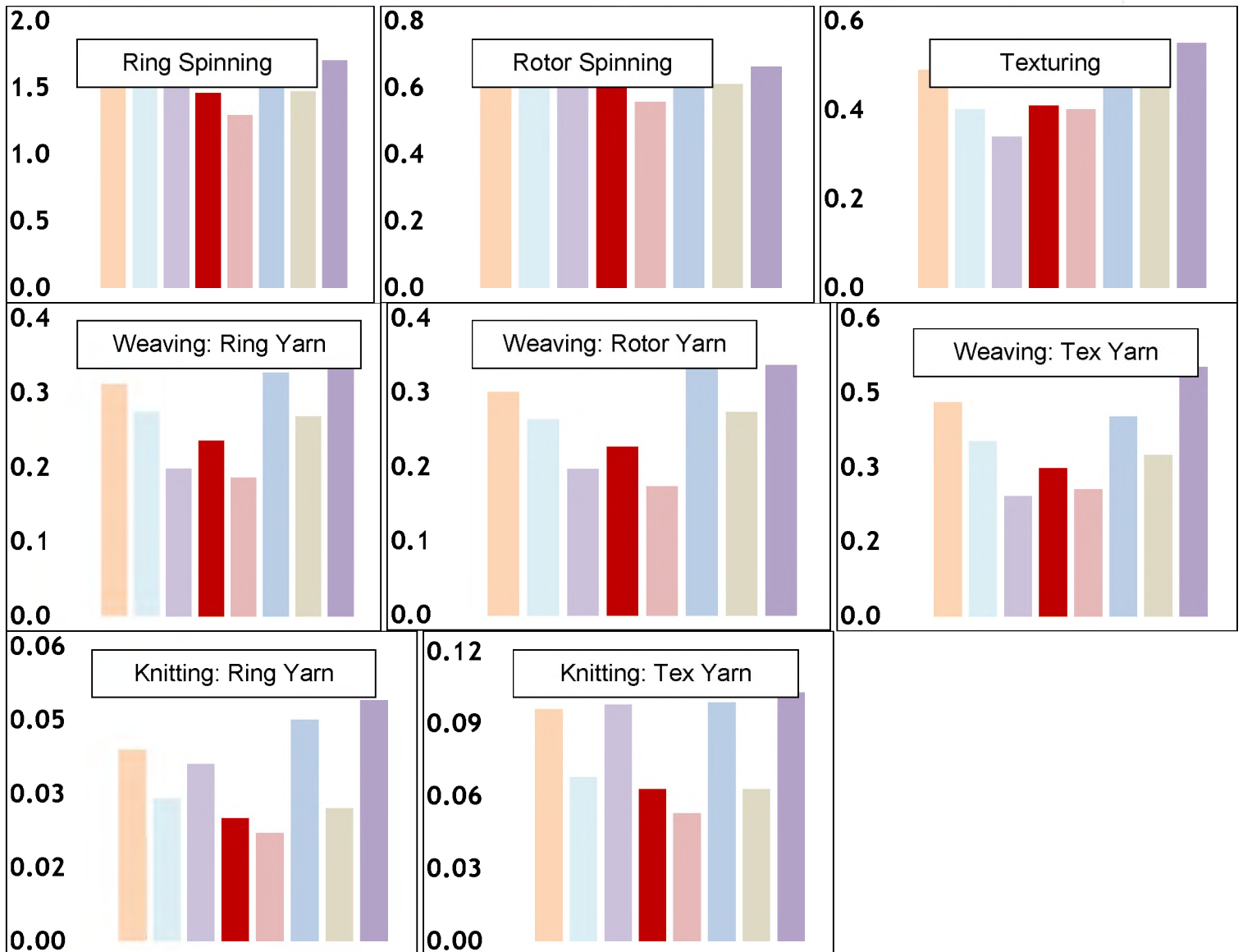
Presently, India's per capita fibre consumption is 5.5 kg / per capita of which MMF consumption per capita is 3.1 kg only which is among the lowest as compared to the world per capita MMF consumption, even below Africa. Hence, there is ample scope for increasing MMF per capita fibre consumption in India.

India Advantage

The countries like USA, Turkey, Korea, Egypt, China and Brazil have high textile manufacturing costs whereas the manufacturing costs for textiles in India and Indonesia are lesser compared to the manufacturing costs in the developed countries including China and Brazil in the BRICs. This comparative and competitive cost advantage of India is also likely to attract substantial FDI into the Indian Textile industry.

COMPARATIVE MANUFACTURING COSTS

■ Brazil
 ■ China
 ■ Egypt
 ■ India
 ■ Indonesia
 ■ Korea
 ■ Turkey
 ■ USA



India is presently self dependent in the entire textile value chain. It has sufficient raw materials / feedstock for the manufacturing MMF textiles. Adequate feedstock availability reduces India's

dependency on other countries for raw materials and able to produce MMF textiles of international standard to meet the global demand.

Promotion of Export of MMF and Blended textiles

The Export Promotion Council (EPC) for the Manmade Fibre (MMF) Textiles is the Synthetic and Rayon Textiles Export Promotion Council (SRTEPC). SRTEPC was set up under the guidance of the Ministry of Textiles, Government of India in 1954. All the Export Promotional handholding activities and services pertaining to Manmade fibre and blended textiles are being offered by SRTEPC. Its Head office is in Mumbai.

Chairman

Shri Ronak Rughani

Executive Director

Shri S. Balaraju

The contact details of SRTEPC are given below:

HEAD OFFICE

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SRTEPC Services

SERVICE TO OVERSEAS BUYERS

The SRTEPC renders a variety of services to the overseas buyers on request free of cost. Just for the asking. And they can count on the experience and expertise of the SRTEPC. Some of the important services rendered by the Council include the following :

- Introduces the overseas buyers to the right manufacturers.
- Provides them with accurate and up-to-date product information.
- Keeps them abreast of the latest developments on the Indian synthetic and rayon textiles scene.
- Organises Exhibitions, Buyer Seller Meets.
- Circulates the trade enquiries.
- Assists in arranging travel and stay in India for business visits.
- Attends to Buyers' complaints, and in case of trade disputes, assists to bring about amicable settlement.

SERVICE TO INDIAN EXPORTERS

In order to help Indian exporters to compete successfully in the global market, the SRTEPC renders the following services:

- Advises them on situations in the different overseas markets by conducting studies and surveys.
- Provides international exposure to them and their products by sponsoring delegations and study teams to tour overseas markets.
- Helps arrange participation in international fairs/exhibitions.
- Advises them on Import-Export Policy and Procedures.
- Resolves their problems about shipping and transport.
- Maintains liaison with the Government authorities to convey the requirements of the industry and trade and help to bring about appropriate policy changes.

SERVICE TO INDIAN INDUSTRY

Recognizing that a strong and progressive industrial set-up is the backbone of growing export-trade, the SRTEPC assists the Indian Synthetic and Rayon Textiles Industry in :

- Organising infrastructural facilities.
- Obtaining raw materials and other inputs.
- Maintaining cost competitiveness.
- Improving quality and exercising quality control.
- Keeping abreast of the technological improvements and advising the authorities to introduce suitable policy for absorption of new technology.
- Adopting products according to the changing demand and fashion trends.