# TEXTILES & APPARELS INDIA SCENARIO







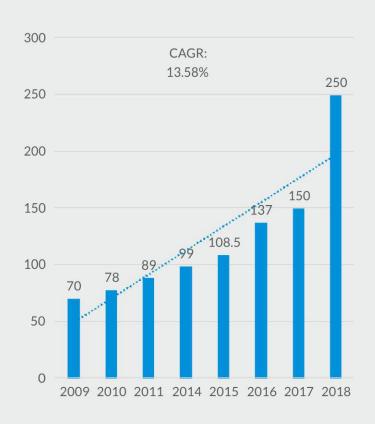


# INDIAN TEXTILE SECTOR OVERVIEW

- Largest producer of cotton & 2nd largest exporter of cotton in the world
- · 2nd largest producer of silk in the world
- Largest producer of raw jute and jute goods in the world, accounting for 50% of world production
- Highest loom capacity (including hand looms) with 63% of world's market share
- Manmade garments remain the largest contributor to total textile and apparel exports from India, contributing 25.60% to total textile industry

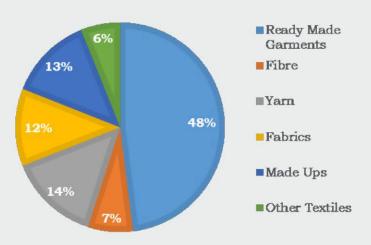
Source: India Brand Equity Foundation (IBEF)

# USD 150 billion India's Present Textiles Market



- Contributes 7% to industry output in value terms, 2% to GDP and 15% to India's export earnings
- Textile exports during FY 2017 18 stood at USD 37.74 billion
- Print & Dye industry attracted FDI worth USD 2.82 billion (2000 - 2017)
- Accounts for 95% of the world's hand-woven fibre

### **Textile Sector Composition**



- · Handloom industry 2nd largest source of employment
- Textile sector employs 105 million people (both directly and indirectly)
- 70% of the workforce are women

Source: India Brand Equity Foundation (IBEF)

# POLICIES & INITIATIVES BY MINISTRY OF TEXTILES, GOVT. OF INDIA

- 100% FDI allowed in Indian textile sector under automatic route
- Budget allocation to the Ministry of Textiles has increased by 14%
- TUFS Technology Upgradation Fund Scheme
- SAATHI scheme Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries
- Incentive rates revised from 2% to 4% for Readymade garments and Made ups under Merchandise Exports from India Scheme (MEIS)
- 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of INR 1,300 crore (US\$ 202.9 million) from 2017 - 18 to 2019 - 20

Foreign Direct Investment

- Launch of India Handloom Brand
- Multi Fibre Arrangement (MFA)
- Integrated scheme for silk industry development

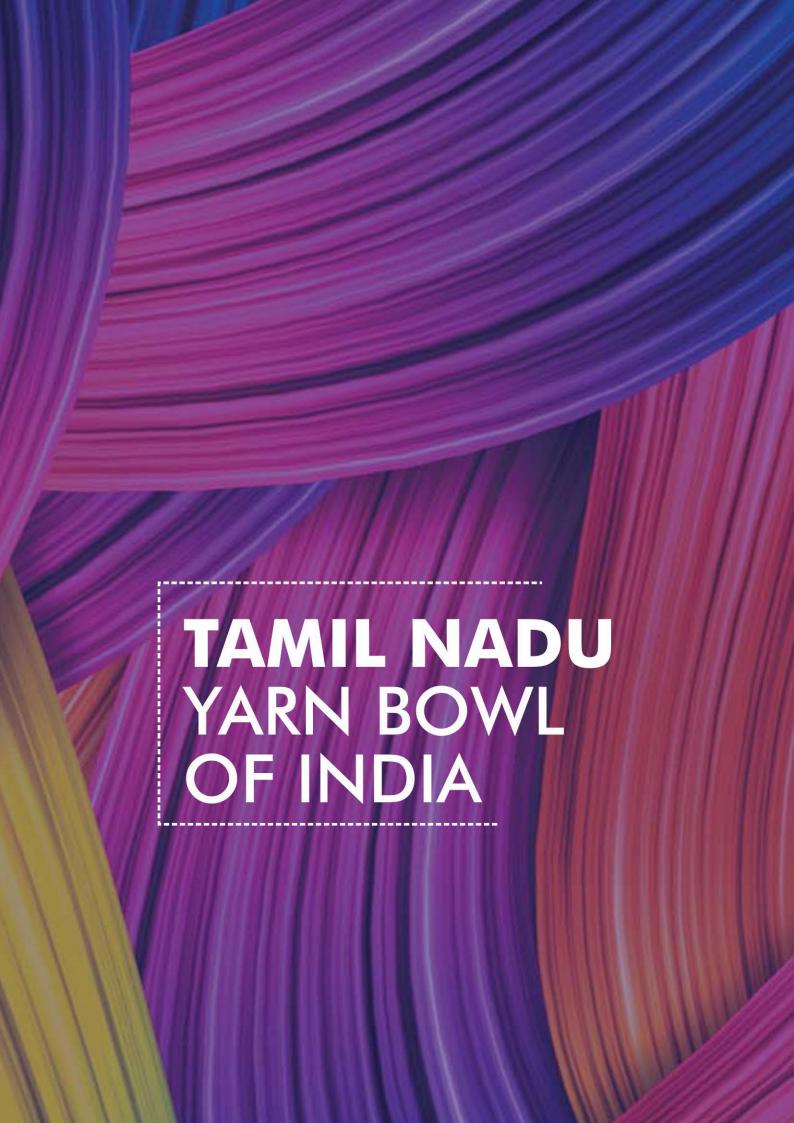
Technology upgradation scheme

Revised Incentive Rates

Skill Development

Improving Quality standards

Source: India Brand Equity Foundation (IBEF), Make in India



### **TEXTILE INDUSTRY ECOSYSTEM IN TAMIL NADU**

### **TEXTILE INDUSTRY ECOSYSTEM**



### PRESENCE ACROSS VALUE CHAIN IN TAMIL NADU

# TEXTILE SECTOR OVERVIEW IN TAMIL NADU (1/2)

'Yarn Bowl' of India produces ~40% of total Yarn in India

Tirupur - 'Knitting City'

Coimbatore - 'Manchester of South India'

- 1st Rank in Production of Cotton Yarns
- 1st Rank in Export of Cotton Yarns
- 2<sup>nd</sup> Rank in Production of Blended Yarn



CONTRIBUTES 1/3RD OF THE TEXTILE BUSINESS OF INDIA MAKING IT TEXTILE VALLEY OF INDIA

Source: Policy Note on Textiles 2017 - 18

# TEXTILE SECTOR OVERVIEW IN TAMIL NADU (2/2)

- · Largest hub of textiles & garment in India
- Contributes to 20% of India's total Export of Readymade Garments
- Home to more than half of India's total textile mills
- Leading producer of Technical textiles
- Employs 35% of workforce in textiles sector constituting about 28% of total employment in India's Textile & Garment sector

Source: Policy Note on Textiles 2017 - 18

Particulars	India	Tamil Nadu	Tamil Nadu %
Textile Mills (Nos)	3400	2017	59.3
Spindles (mn)	52.47	24	45.74
Spun yarn (mn Kg)	5700	2003	35.14
Garment Unit (Nos)	13000	6500	50
Textile Export (\$ Bn)	37.74	6.7	17.7
Hand/Power Processing Units (Nos)	10397/2510	2614/985	25.14/39.20
Power looms (lakh)	25.74	5.67	22.02

# LOOMS & OUTSTANDING CRAFTSMANSHIP OF TAMIL NADU

### **Overview of Handlooms**

- 14 mini handloom clusters have been sanctioned by GOI
- 25 Common Service Centres (CSCs) are implemented at 25 locations of Block Level Handloom Cluster
- 2.44 lakh handlooms are functioning in 1,139 Handloom Weavers Co-operative Societies
- In 2017-18 the Handloom Weavers Co-operative Societies have produced 790.35 lakh metres of Handloom cloth valued at INR 695.50 Crores

Source: GOI - National Handloom development program
\*Sanctioned by GOI

### Overview of Powerloom

- Ranks 2<sup>nd</sup> in India in owning number of powerlooms
- State has 5.67 lakh power looms (22%) of 25.74 lakh powerlooms in India

### **Mega Handloom Cluster**

- 16 Block Level Handloom Cluster in Virudhunagar\*
- 22 block Level Handloom Cluster in Trichy\*



# **TEXTILES & GARMENT EXPORTS FROM TAMILNADU**

**Textile Export Destinations from Tamil Nadu** 

#### **Textile Export fom Tamil Nadu**

Textiles\* exports from Tamil Nadu (USD billion))





Largest hub of textiles & garment in India, contributes 20% to India's total Exports of Readymade Garments worth USD 6.7 billion

# **TEXTILE VALLEY OF TAMIL NADU**

Coimbatore, Erode, Gobichettipalayam, Perundurai and Tirupur are the largest garment exporters in India and referred to as the 'Textile valley' of India

**Inernational Brands Sourcing from Tamil Nadu** 



















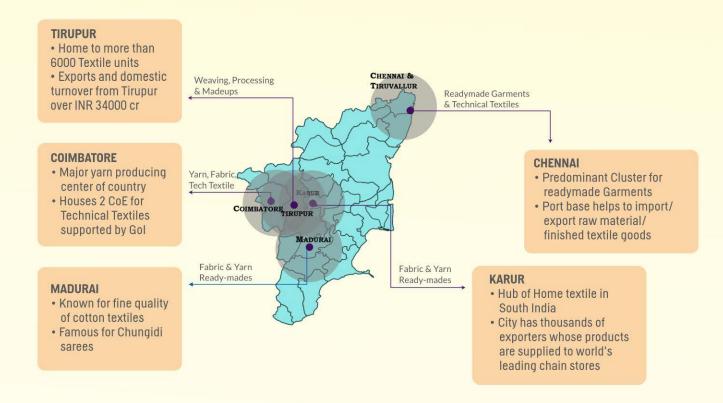




# INFRASTRUCTURE & FACILITIES



### **TEXTILE CLUSTERS IN TAMIL NADU**

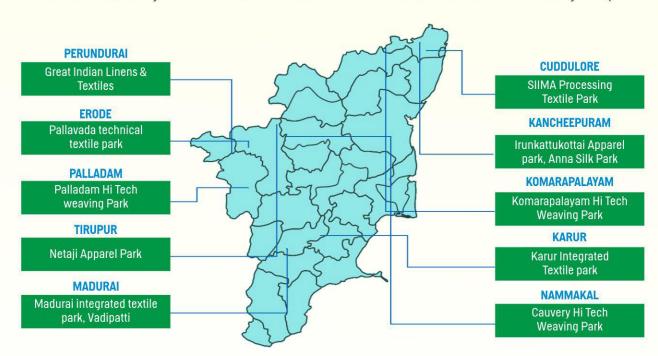


# ROBUST INFRASTRUCTURE FOR MANUFACTURERS IN TEXTILE & APPAREL PARKS

INDIA'S FIRST INTEGRATED TEXTILE PARK - PALLADAM HI-TECH WEAVING PARK - IS IN COIMBATORE

• 13 Textile parks promoted at a project cost of INR 774.41 crore

• Textiles Processing Park in an area of 317 acres with INR 450 crores investment is being set up



# PIPELINE OF INFRA PROJECTS FOR MANUFACTURERS IN TEXTILE & APPAREL PARKS

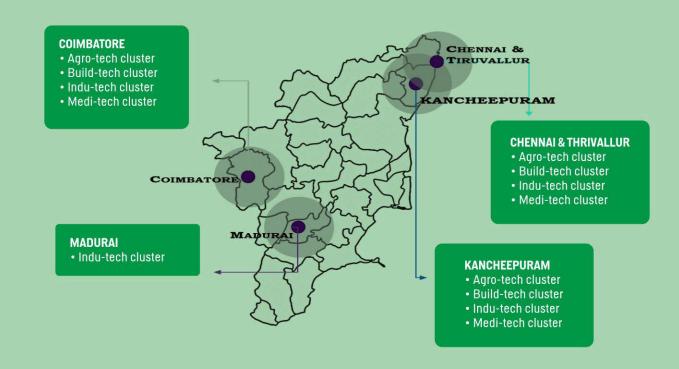
- 13 Textile parks promoted by Government of Tamil Nadu at a project cost of INR 774.41 crore
- SIPCOT setting up a Textiles Processing Park in an area of 317 acres with INR 450 crores investment
- Eight textile parks under the scheme for Integrated Textile Parks (SITP)
- Two textile parks at Tirupur & Irungattukottai under the "Apparel Park for Exports Scheme"
- Four projects under the "Textile Centre Infrastructure Development Scheme"







# TAMIL NADU - THE HUB OF TECHNICAL TEXTILES IN INDIA



GEO - Tech	Woven & non-woven geo-textiles
HOME-TECH	Upholstery fabric, narrow width fabric for furniture, wadding, wipes, fiber foam & fiber fill
BUILD TECH	Scaffolding net
MEDI-TECH	Non-woven disposables like apron, mask, caps, draper, etc
CLOTH-TECH	Narrow width fabric
AGRO-TECH	Agro shading net, packing net for agricultural produce etc.
INDU-TECH	Glass fiber battery separator, fusing belts, high mesh filters, industry felt, woolen felt, fire resistant fabric, slings for bulk handling
MOBIL-TECH	Interior carpets & NVH components
OEKO-TECH	PP non-woven liners for land fill sites of MSW

### **HUB OF TECHNICAL TEXTILES IN INDIA**

- **Highlights** Technical textile units pre dominantly situated circa Chennai & Coimbatore
  - Centers of Excellences (COE) in Technical Textile by Gol Meditech, a medical textile research centre and Indu - Tech - are in Coimbatore

## **KEY TECHNICAL TEXTILE PLAYERS IN TAMIL NADU**

AGROTECH	MEDITECH	BUILDTECH	INDUTECH
As Wan Fishnet Evergreen Rays	Glo Zife G.R. Pharma Prescot	Bharat Textiles Hindustan Canvas Orient Canvas	Blonded Textile Bharath Rubber Elgi Ultra
<b>SPORTECH</b> Esbee	<b>CLOTHTECH</b> Sri Vekatram V.S. Tapas Shakthi Vinagyasga	INDUTECH Blonded Textile Bharath Rubber Elgi Ultra	<b>PACKTECH</b> Am Multi Salem Polypacks Sree Minakshi

# INITIATIVES TAKEN BY GOVERNMENT OF TAMIL NADU

#### **DEVELOPMENT OF SERICULTURE**

- To develop post cocoon activities, Common Facility Centres (CFCs) being established having facility of reeling machines and other necessary equipment
- It is proposed to organize reares, spinners, reelers and weavers into SHG and clusters on prominent place in industrial areas, urban centre, district HQ, etc.

### Branding and Marketing of Handlooms produced in State







### **TRAINING & CAPACITY BUILDING**

# KEY INSTITUTIONS PROVIDING TRAINING IN TEXTILES

- National Institute of Fashion Technology (NIFT) in Chennai
- Footwear Design and Development Institute (FDDI) Kanchipuram
- Tamilnadu sericulture Training Institute, Hosur
- Apparel Export Promotion Council Skill Development Initiatives
- Skill upgradation Program at Block level Handloom clusters
- Decentralized training program with 24 weavers' service centers and 13 power loom centers plus boards and councils
- Technical Textiles wing in association with Sardar Vallabhbhai Patel International School of Textiles and Management, Coimbatore

# REASONS TO INVEST IN TEXTILE & APPAREL SECTOR IN TAMIL NADU

### **PRODUCTION**

- · Leading Player in the textile sector
- · Opportunity available across value chain
- Largest Producer of Knitted yarn

#### **INFRASTRUCTURE**

- Enabling Infrastructure for Textile and Garment Manufacturing
- State has Many State of Art Textile & Apparel Parks
- Backward & Forward Linkages

### CONNECTIVITY

- Excellent Connectivity Only State in India with 4 International Airports Connecting Countries Worldwide
- · Robust Road, Rail, Air and Sea connectivity
- Easily accessible to ASEAN Market through Sea route

### SKILLED LABOUR

- High Literacy rate 80.33%
- Robust Training Infrastructure in Agri & Allied Sector
- Workforce participation rate stands at 45.6%;
   well above national rate of 39.8%

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# **INVESTMENT OPPORTUNITY & POTENTIAL ACROSS TEXTILE VALUE CHAIN**

#### **Textile Sector**

- Fibre, Yarn, Fabric
- · Spinning, Weaving, Knitting
- · Dyeing Processing & Finishing

# Apparel & Garment • Garments Manufacturing

- Home Textiles
- · Garment ancillary

### **Textile Machinery**

- · Manufacturing of Customised Equipment for Domestic Market
- · Presence of leading Textile machine manufacturers



**Tamil Nadu Textile Value Chain** 

Processing Garmenting





### Logistics & Supply Chain

- Storage & Transportation
- · Suppliers & Distributers, e-commerce
- Freight Forwarders, Cargo

#### **Fibre Sector**

- · Natural Fibre (Cotton & Silk)
- · Forward linkages with the processors
- Manmade Fibre (Organic & Inorganic)



Machinery

### Other key areas

- · Packaging & Barcoding
- Retailing
- · Joint Research initiatives
- · Training and Skill Development







Category	Investment Range (INR crores) (Area wise)			
	A Districts (Chennai, Tiruvallur, Kancheepuram)	B Districts (Other than A & C)	C Districts (Southern districts)	
Mega Projects	Above 500 - 1500 and creating an employment of 300 in 3 years	Above 350 - 1000 and creating an employment of 200 in 4 years	Above 200 - 500 and creating an employment of 100 in 4 years	
Super Mega A	Above 1500 - 3000 and creating an employment of 400 in 5 years	Above 1000 - 2000 and creating an employment of 300 in 5 years	Above 500 - 1500 and creating an employment of 250 in 5 years	
Super Mega B	Above 3000 - 5000 and creating an employment of 600 in 6 years	Above 2000 - 4000 and creating an employment of 400 in 6 years	Above 1500 - 3000 and creating an employment of 350 in 6 years	
Ultra Mega	Above 5000 and creating an employment of 700 in 7 years	Above 4000 and creating an employment of 600 in 7 years	Above 3000 and creating an employment of 500 in 7 years	

'Southern Districts" means the Districts of Theni, Dindigul, Madurai, Sivagangai, Ramanathapuram, Virudhunagar, Tirunelveli, Thoothukudi and Kanniyakumari

### STANDARD INCENTIVES

### **CAPITAL SUBSIDY**

- Subsidy ranging from INR 30 Lakhs to INR 2.25 crores
- 50% additional subsidy for industries set up in SIPCOT Industrial Parks (other than Southern districts)
- For investments made in B & C category districts, an additional 10% & 25% subsidy for industries located outside the SIPCOT Industrial Parks

#### STAMP DUTY CONCESSION

 50% to industries located in SIPCOT parks in A & B districts and 100% in the case of Southern Districts

#### **ENVIRONMENTAL PROMOTION INFRASTRUCTURE SUBSIDY**

- Subsidy of INR 30 lakhs or 25% of Capital cost whichever is less
- Apart from the above, Industries adopting Zero Effluent or Waste Water Discharge, Clean Development Mechanism and Emissions Trading Mechanism will be given a higher amount of subsidy

#### **ELECTRICITY TAX EXEMPTION**

 Period of exemption depends upon the quantum of investment and the employment criteria prescribed

# Incentives for Industrial Promotion in Southern Districts

- Higher fiscal benefits
- SIPCOT will allot lands at 50% of the cost in its existing and new industrial parks
- SIPCOT will acquire & allot Land for new ventures in case SIPCOT Industrial parks are not available
- 50% exemption from Stamp Duty for land privately purchased by investors;
   100% exemption in case of units in SIPCOT Industrial Parks
- 25% additional back ended capital subsidy; linked to investment and employment in the case of industries located outside SIPCOT Industrial Parks

### **Investment Promotion Facilitators - Key Contacts**

### TN Industrial Guidance and Export Promotion Bureau

19-A, Rukmani Lakshmipathy Road, Egmore, Chennai-600 008 Phone: 91-44-2855 3118 Website: www.investingintamilnadu.com

### Tamil Nadu Industrial Development Corporation Limited (TIDCO)

19-A, Rukmini Lakshmipathy Road, Egmore, Chennai-600 008 Phone: 91-44-2855 4421 E-mail: cmd.tidco@nic.in Website: www.tidco.com

# Tamil Nadu Industrial Investment Corporation Limited (TIIC)

New no: 692, Anna Salai, Nandanam, Chennai-600 035 Phone: 91-44-2433 1203 Fax: 91-44-2434 7209 E-mail: ho@tiic.in Website: www.tiic.org

# Electronics Corporation of Tamil Nadu Limited (ELCOT)

692, M.H.U. Complex, II Floor, Anna Salai, Nandanam, Chennai-600 035 Phone: 91-44-6551 2330 E-mail: secyit@tn.nic.in Website: www.elcot.in

# State Industries Promotion Corporation of Tamil Nadu (SIPCOT)

19-A, Rukmini Lakshmipathy Road, Egmore, Chennai-600 008 Phone: 91-44-2855 4787 E-mail: sipcot@md3.vsnl.net.in Website: www.sipcot.c

# Tamil Nadu Urban Infrastructure Financial Services Ltd.

19, T P Scheme Road, Raja Muthaipuram, Ramakrishna Nagar. R A Puram Chennai – 600 028 Phone: 91-44-24643103 E-mail: md@tnuifsl.com Website: www.tnuifsl.com

# Tamil Nadu Small Industries Development Corporation (TANSIDCO)

Thiru Vi Ka Industrial Estate, Chennai - 600 032 Phone: 91-44-2250 1461, 2250 1422, 2250 0185, E-mail: sidco@vsnl.com Website: www.sidco.tn.nic.in