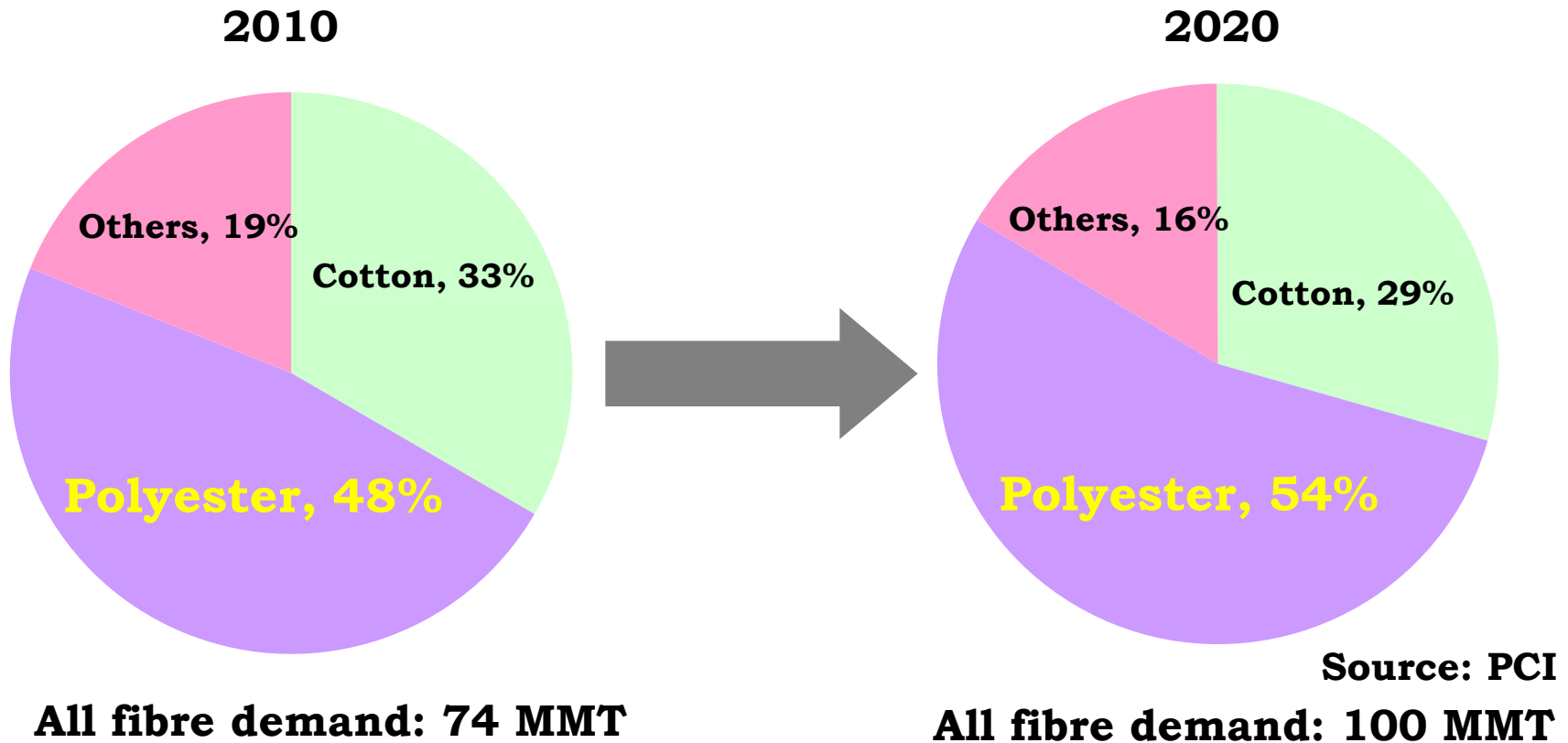


# EMERGING TRENDS IN MAN-MADE TEXTILES

**Presentation by**  
**SHRI RAKESH MEHRA**  
**Former Chairman, SRTEPC**

# GLOBAL FIBRE SHARE



- Polyester to cater to 75% of the incremental fibre demand in the next decade
- Polyester making in-roads in almost all applications

# RISING DEMAND: DOMINATION OF POLYESTER

## All Fibre Consumption Distribution

Year	Kg per Capita		Mkt share (%)
	Cotton	Polyester	Cotton
1960	3.3	0.0	67
1970	3.3	0.5	55
1980	3.2	1.2	48
1990	3.5	1.6	47
2000	3.3	3.2	37
2010	3.6	5.2	33

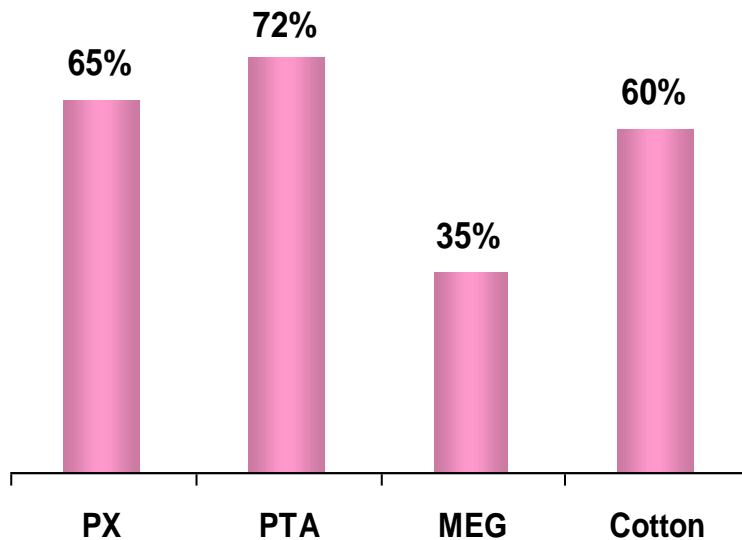
Source: PCI

- Stagnant per capita cotton consumption; market share reduced by 50%
- In 50 years, polyester has gained 50% share of global fibre use

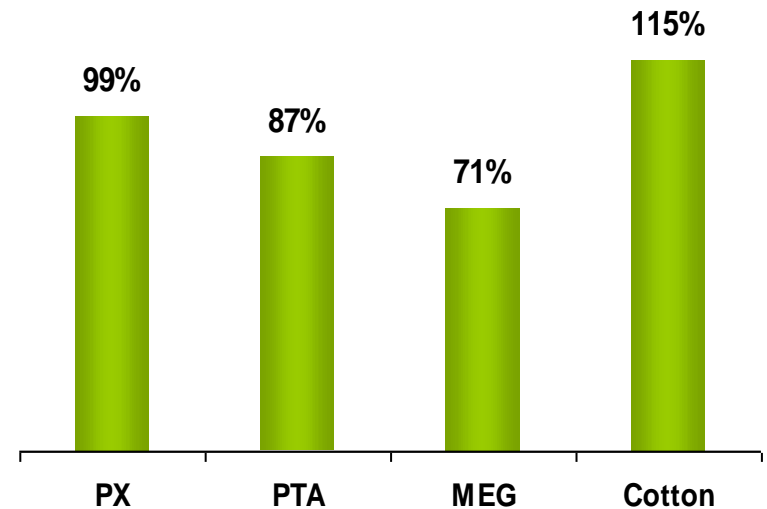
# INDIA: RAW MATERIAL ADVANTAGE

## RM Sufficiency (Production/Demand)

### China

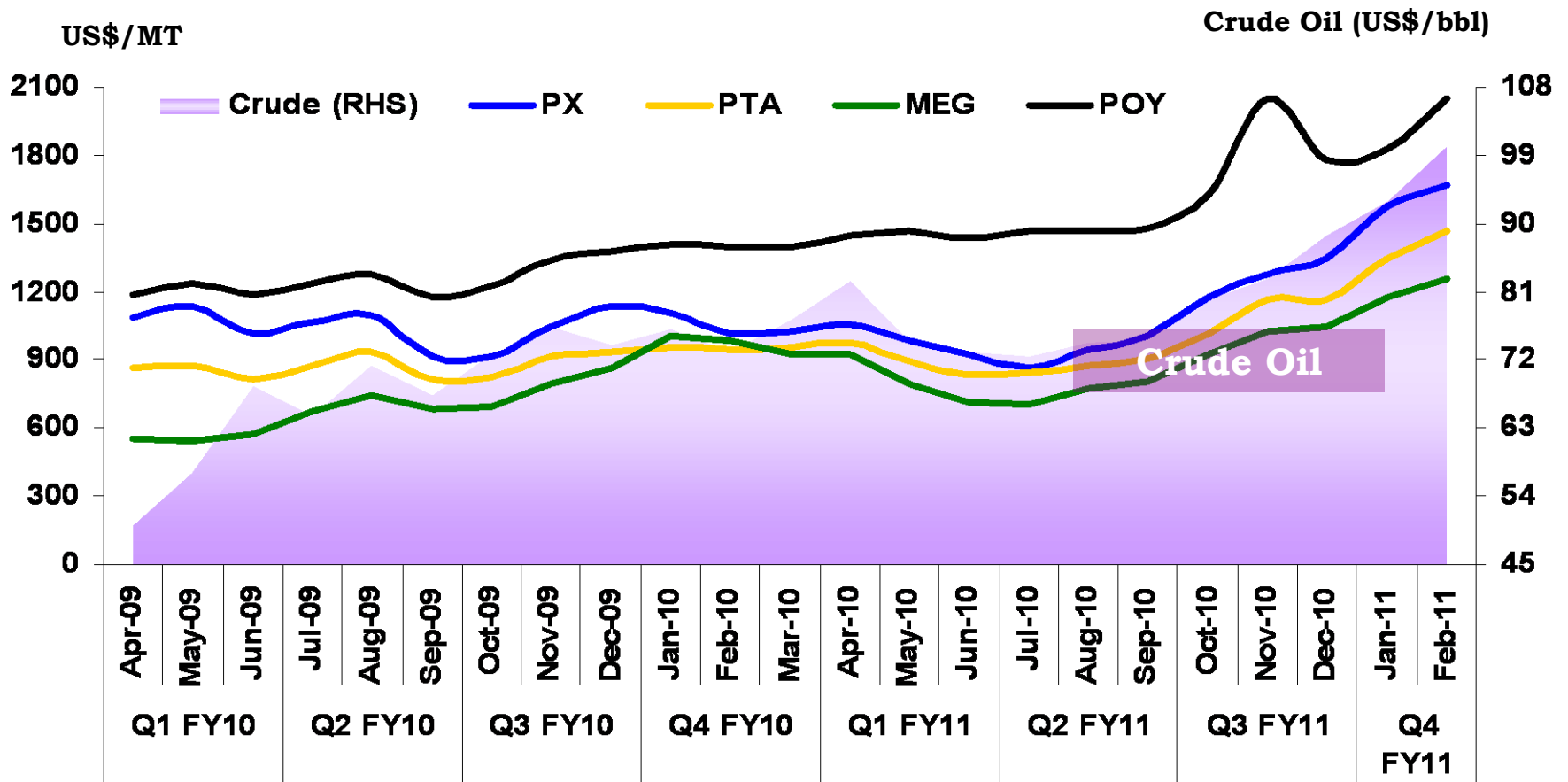


### India



- ❖ Greater availability of feedstock in India, lower import dependency
- ❖ China to remain import dependent despite massive investments

# PRICE MOVEMENTS (CRUDE OIL TO POLYESTER)



Source: OPEC, ICIS, PCI

- ❖ Crude oil remains bullish and touched 26-month high level
- ❖ Surge in prices across the polyester chain

# CHINA: LOOSING COMPETITIVENESS



**Labour**

**Environment**

**Energy Policies**



**Currency Appreciation**

**Tightening Govt**

**Policies**



**Challenges to China – Opportunity for India**



# INDIAN SCENARIO

# OVERVIEW OF INDIAN MAN-MADE TEXTILE INDUSTRY

- Second largest producer of cellulosic fibre / yarn
- Fifth largest producer of synthetic fibres / yarns.
- Production of Synthetic Fibres nearly 10 lakh MT (2009-10)
- Production of Synthetic Yarns about 15 lakh MT (2009-10)

# SWOT: INDIAN TEXTILE AND CLOTHING INDUSTRY

## Strengths

- Strong raw material base**
- Growing domestic base**
- Increasing investments**
- Integration across the textile chain**
- Entrepreneurial approach**

## Weakness

- High export dependency on US/EU**
- Large no of apparel SSI units**
- High power and labour cost relative to emerging competitors**

## Opportunities

- China losing competitive edge**
- Trade agreements**
- Favourable demographics**
- Rising disposable income**
- Young and dynamic talent**

## Threats

- Rise of low cost garment mfg base at “Bangladesh, Sri Lanka & Vietnam”**
- Globally pursued trade protectionism**

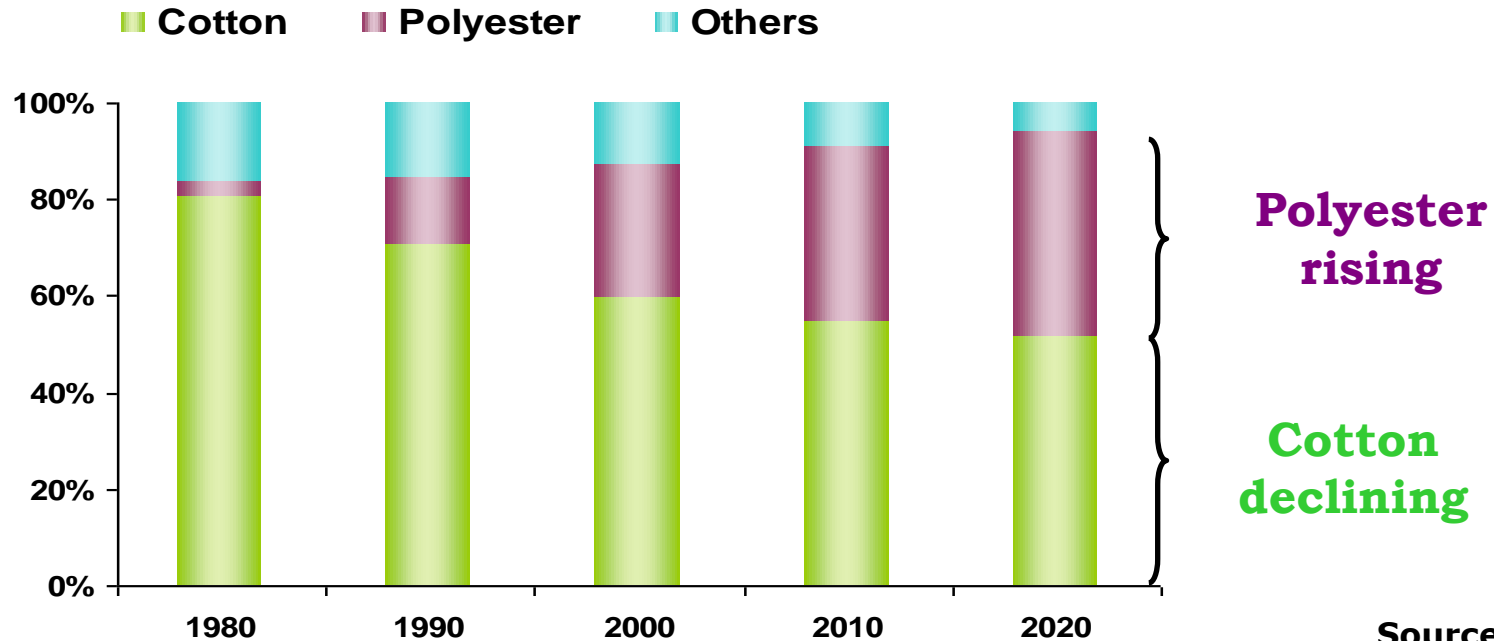
# INDIA: MMF DEMAND

KT	2000	2005	2010	2015	2020	CAGR 2010/2000	CAGR 2020/2010
Polyester	1381	1672	2844	4591	5513	7%	7%
Nylon	86	117	111	118	107	3%	0%
Viscose	284	271	309	334	293	1%	-1%
Acrylic	111	110	96	121	110	-1%	1%
Polypropylene	42	54	64	80	76	4%	2%
<b>Total MMF</b>	<b>1904</b>	<b>2224</b>	<b>3424</b>	<b>5244</b>	<b>6099</b>	<b>6%</b>	<b>6%</b>
<b>All fibres</b>	<b>4948</b>	<b>5735</b>	<b>7826</b>	<b>10871</b>	<b>12984</b>	<b>5%</b>	<b>5%</b>

Source: PCI

- MMF depicting impressive growth compared to natural fibres
- Polyester is leading the growth in man-made fibres (CAGR ~ 7%)
- Polyester (PSF+PFY) accounts for 83% of all MMF demand

# INDIA: FIBRE DEMAND



Source: PCI

- ❖ Current all fibre demand is around 80 lakh MT
- ❖ Cotton 43 lakh MT and polyester around 30 lakh MT
- ❖ All fibre demand to grow nearly 130 lakh MT by 2020 @ 5% CAGR
- ❖ PFY has grown at around 10% CAGR in last decade and is likely to sustain similar growth rates

**Rising Polyester demand amidst increased applications and affordability**

# INDIA: TEXTILE GROWTH DRIVERS

- ❖ Higher disposable income and changing lifestyles
- ❖ Increasing fashion awareness even in tier B, C cities
- ❖ New emerging segment of non-apparel applications
- ❖ Increasing urban households and working women population
- ❖ Rapid spread of organized retail sector
- ❖ Rise in exports to traditional and new markets
- ❖ Favourable Govt policies like TUFS, SITP (Textile Parks)



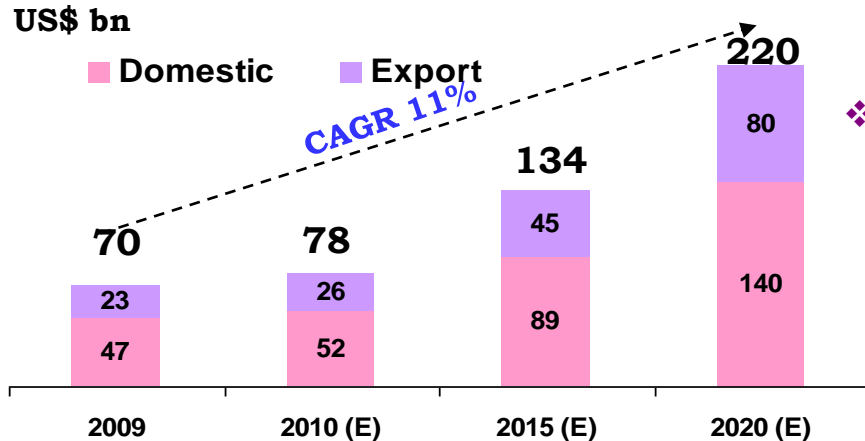
# TECHNICAL TEXTILES: HIGH GROWTH OPPORTUNITY

INR Crs	2005	2010(E)	2020(E)	CAGR 2010/2005	CAGR 2020/2010
Packtech	7250	23400	72150	26%	12%
Hometech	1950	9450	25600	37%	10%
Protech	670	2000	5850	24%	11%
Geotech	170	380	1150	17%	12%
Mobitech	2020	4300	11650	16%	10%
Buildtech	1500	2700	6800	12%	10%
Agrotech	380	700	1850	13%	10%
Others	14390	15170	20950	1%	3%
<b>Total</b>	<b>28330</b>	<b>58100</b>	<b>146000</b>	<b>15%</b>	<b>10%</b>

Source: Technopak

- ❖ **Increasing domestic demand in India**
- ❖ **Major applications in Packtech, homotech and Geotech**
- ❖ **Man-made fibre to find predominant usage**

# INDIA: TEXTILE & CLOTHING MARKETS

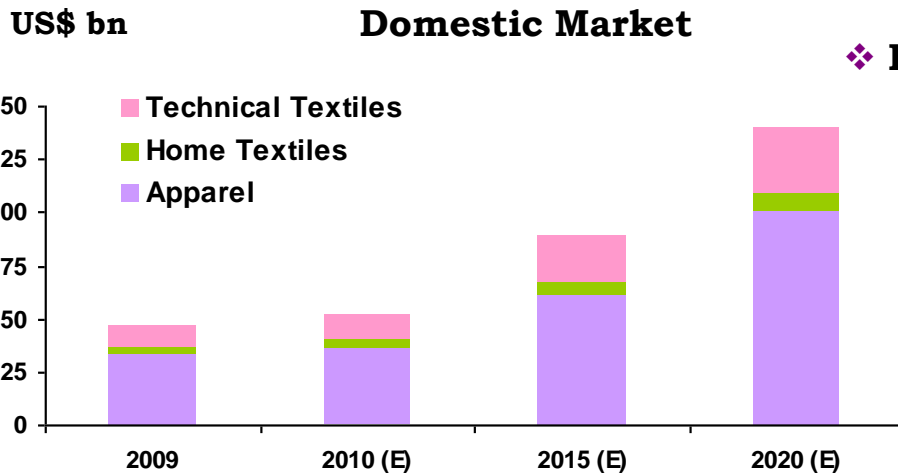


❖ By 2020, likely market size at US\$ 220 bn from current US\$ 78 bn

❖ Domestic at US\$ 140 bn and export at US\$ 80 bn

❖ Likely to double global export share to 8%

Source: Technopak



❖ Domestic growth segments:

❖ Apparel and technical textiles

❖ Men's & women's wear, innerwear, kids wear, work wear, uniforms etc

❖ Potential to grow to US\$ 220 bn by 2020

# INDIA: ON A THRESHOLD OF BOOMING EXPORTS

- ❖ Continuous decline in T & C exports by developed countries
- ❖ Additional market opportunity of US\$ 500 bn by 2020 for developing countries
- ❖ Rising costs and domestic demand in China may give leeway to India.
- ❖ Indian exports likely to reach US\$ 80 bn by 2020, doubling the global trade share to 8%

US\$ bn	1990	2005	2009	2015 (Est)	2020 (Est)
World T&A Trade	213	486	512	800	1000
China T&A Exports	16	104	157	236	350
India T&A Exports	4.6	15	23	45	<b>80</b>
India's share in Global T&A Trade	2.2%	3.1%	4.5%	5.6%	<b>8.0%</b>

**Source: Technopak**

# INDIAN TEXTILE INDUSTRY - BEYOND FACTOR DRIVEN

Textile industry need to graduate to innovative  
approach



**Before 2005**

**Factor driven**

Raw material availability

Labour availability

Govt policies influenced



**2005-2015**

**Efficiency driven**

Vertical integration

Manufacturing excellence

Supply chain efficiency

Product differentiation



**2015 onwards**

**Innovation driven**

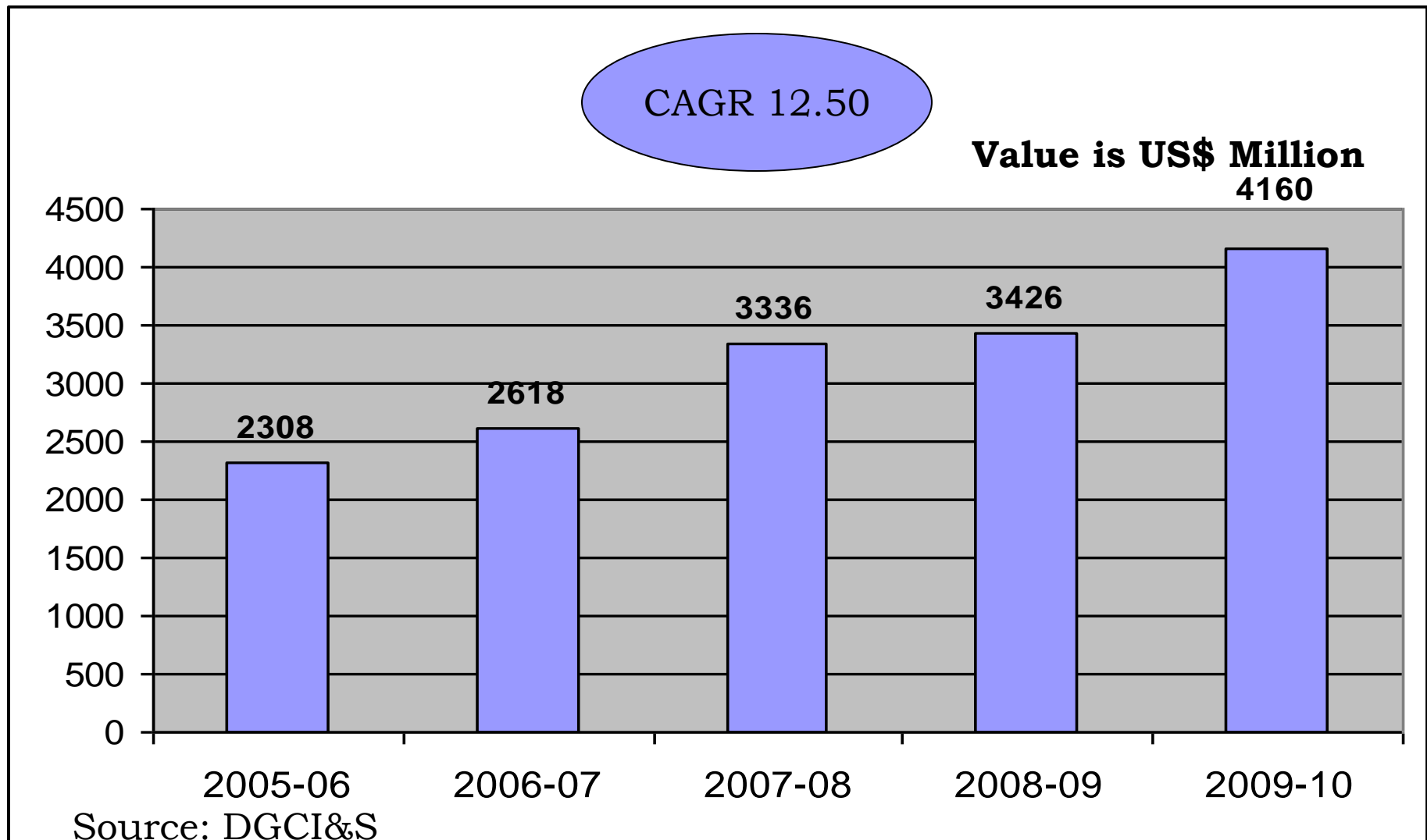
Product

Design / Brand

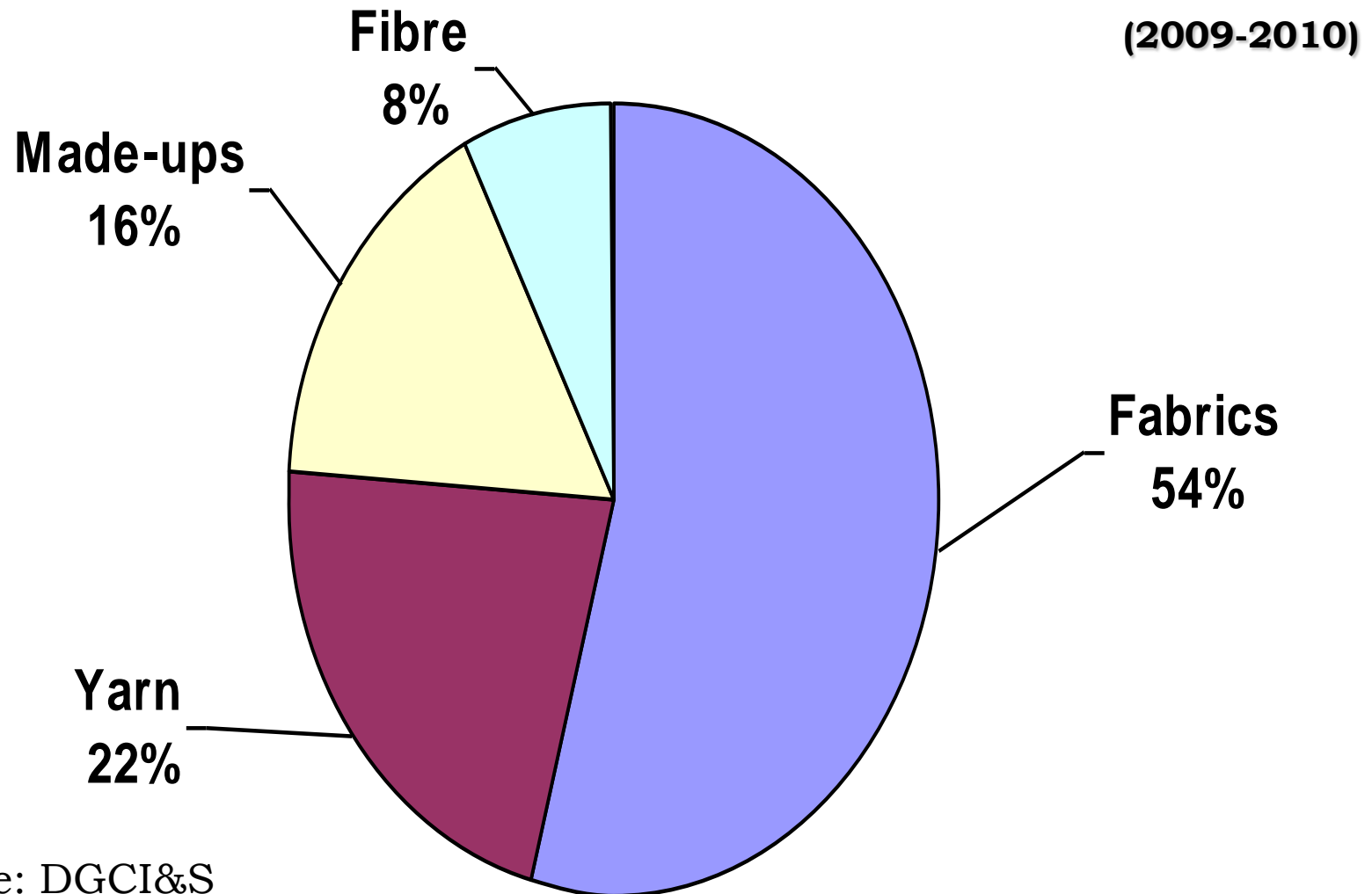
Channels

Business processes

# GROWTH OF EXPORTS OF INDIAN MMF TEXTILES

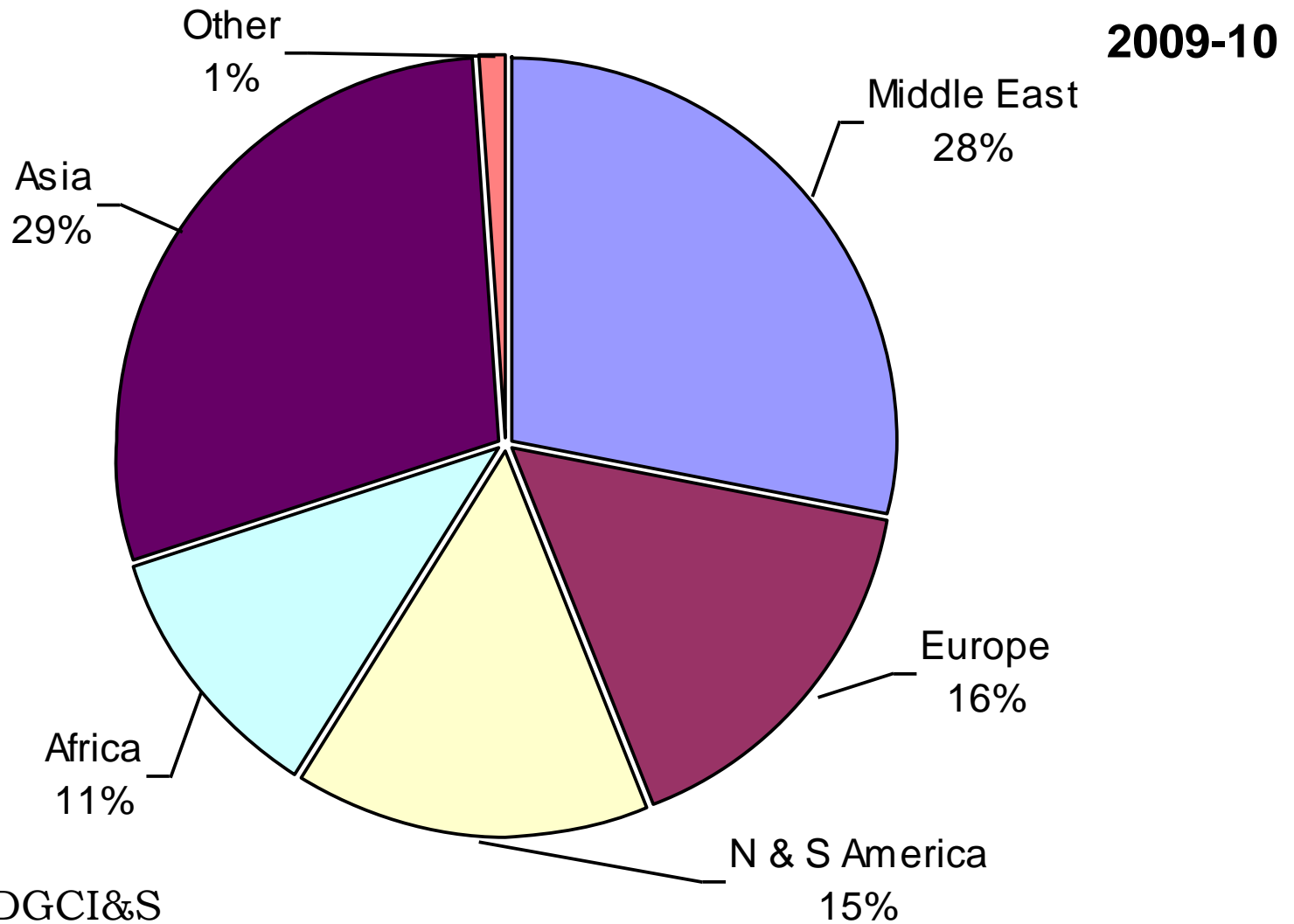


# PRODUCT SHARE



Source: DGCI&S

# DIRECTION OF TRADE



Source: DGCI&S

# LEADING MARKETS - (2009-10)

Country	Value (USD Mn.)
U.A.E.	536
Pakistan	434
Turkey	234
Afghanistan	221
U.S.A.	218
Brazil	206
U.K.	143
Bangladesh	124
Saudi Arabia	120
Germany	116

**Source: DGCI&S**

# VISION FOR EXPORTS OF INDIAN MAN-MADE TEXTILES

**2009-10**  
**USD 4.16**  
**billion**

**2013**  
**USD 6.2 billion**

**!NDIAN MAN-MADE TEXTILES**  
**!MAGINE THE**  
**POSSIBILITIES!**

**THANK YOU!**