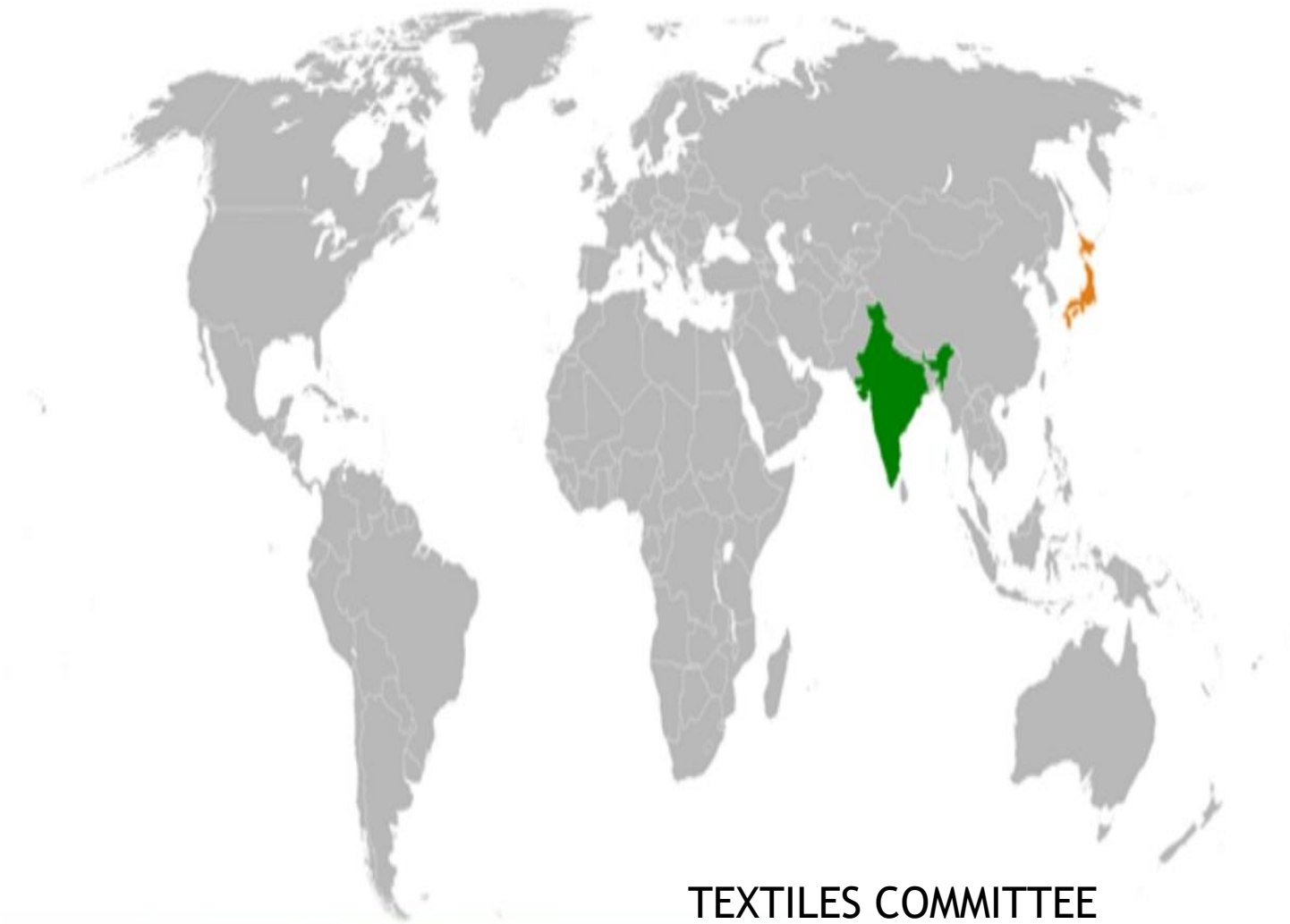


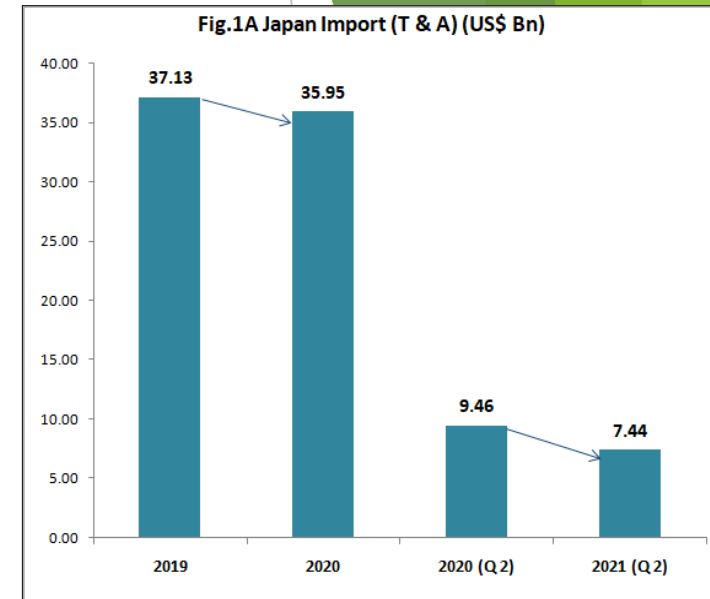
India's Export of Textiles & Apparels: Challenges & Opportunities



TEXTILES COMMITTEE

Japan - An Important T&A Export Destination

- ▶ Global T&A Export grew from US \$ 667.69 Bn in 2016 to US \$ 719.17 Bn in 2020 with a CAGR of 1.87% during 2016-20.
- ▶ Japan's T&A import grew from US \$ 34.77 Bn in 2016 to US \$ 35.95 Bn in 2020 with a CAGR of 0.84% during 2016-20.
- ▶ Japan with a share of 5.00% is the third largest T&A importer in 2020 after United States of America (16.30%) & Germany (8.00%).
- ▶ Majority of imports i.e., 66.63% are apparels (HS Chapter 61&62) followed by 12.47% textiles (HS 50 to 60) and 20.90% made-ups (HS 63).
- ▶ Made-ups have recorded a CAGR of 21.72% during 2016-20.



Top 10 exporters of T&A to Japan

(in US \$ Mn)

S. No	Exporters	2016	2020	Share % 2020	CAGR % 2016-20
1	China	21.60	21.35	59.40	-0.28
2	Viet Nam	3.67	4.88	13.58	7.38
3	Indonesia	1.43	1.29	3.58	-2.67
4	Bangladesh	0.96	1.10	3.07	3.53
5	Cambodia	0.84	1.07	2.97	6.27
6	Myanmar	0.65	0.96	2.68	10.32
7	Italy	0.95	0.86	2.39	-2.47
8	Thailand	0.87	0.81	2.25	-1.66
9	Korea, Rep	0.47	0.46	1.29	-0.11
10	India	0.43	0.36	1.01	-4.08
11	RoW	2.91	2.80	7.78	-0.98
	World	34.77	35.95	100.00	0.84

Source: ITC Trade map

- ▶ China with 59.40% is top exporter followed by Viet Nam (13.58%), Indonesia (3.58%), Bangladesh (3.07%), Cambodia (2.97%).
- ▶ India with 1.01% is 10th top exporter in 2020.
- ▶ Top 10 exporters collectively contributes 92% of Japan T&A imports .
- ▶ Exports of China declined from US \$ 21.59 Bn in 2016 to US\$ 21.35 Bn in 2020 with a CAGR of (-) 0.25%

Japan's T&A Imports from World

Category	World		India	
	No. Of Products (HS 6)	Share % (2020)	No. Of Products	Share % (2020)
Textiles	520	12.47	242	25.57
Apparels	218	66.63	154	61.22
Made-ups	52	20.90	37	13.21
Total	790	100.00	433	100.00

- 33 products with more than US \$ 250 Mn contributed 62.45% to T&A imports by Japan of which
 - 28 apparels (Chapter 61-62)
 - 3 made ups (Chapter 63) and
 - 2 textiles (Chapter 50-60).
- India's share in these top 33 products is only 0.58%
- India's share in Made ups is 0.24% and that in Textiles is 0.02% and that in Apparels is 0.72%

Major T & A products Imported by Japan in 2020 & India

Mn \$

Product code	Product label	World		India		India's Share	
		2016	2020	2016	2020	2016	2020
630790	Made-up articles of textile materials, incl. dress patterns, n.e.s.	1142.14	5171.40	8.10	5.84	0.71	0.11
611030	Jerseys, pullovers, cardigans, waistcoats and similar articles, of man-made fibres, knitted ...	2496.35	2132.16	1.24	1.23	0.05	0.06
611020	Jerseys, pullovers, cardigans, waistcoats and similar articles, of cotton, knitted or crocheted ...	1148.97	1378.75	4.66	13.09	0.41	0.95
610910	T-shirts, singlets and other vests of cotton, knitted or crocheted	1132.97	1220.00	12.35	17.78	1.09	1.46
610990	T-shirts, singlets and other vests of textile materials, knitted or crocheted (excluding cotton)	1003.56	926.39	0.50	2.80	0.05	0.30
620343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	677.61	752.35	0.55	0.48	0.08	0.06
620193	Men's or boys' anoraks, windcheaters, wind jackets and similar articles, of man-made fibres	649.65	715.05	0.38	0.50	0.06	0.07
620342	Men's or boys' trousers, bib and brace overalls, breeches and shorts, of cotton (excluding ...	908.39	668.88	10.06	9.17	1.11	1.37
620462	Women's or girls' trousers, bib and brace overalls, breeches and shorts of cotton	911.70	646.17	10.30	11.10	1.13	1.72
620463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres	622.35	607.49	0.92	0.65	0.15	0.11
621210	Brassieres of all types of textile materials, whether or not elasticated, incl. knitted or ...	542.94	526.88	0.30	0.03	0.06	0.01
610463	Women's or girls' trousers, bib and brace overalls, breeches and shorts of synthetic fibres,	433.52	508.09	0.54	0.98	0.12	0.19

Major T & A products ... Contd...

Mn \$

Product code	Product label	World		India		India's Share	
		2016	2020	2016	2020	2016	2020
630260	Toilet linen and kitchen linen, of terry towelling or similar terry fabrics of cotton (excluding ...	543.34	458.84	13.96	8.03	2.57	1.75
620640	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excluding knitted or	499.88	455.54	11.12	5.67	2.22	1.24
620293	Women's or girls' anoraks, windcheaters, wind jackets and similar articles, of man-made fibres	406.85	454.62	0.42	0.28	0.10	0.06
620520	Men's or boys' shirts of cotton (excluding knitted or crocheted, nightshirts, singlets and ...	608.76	390.90	13.79	11.22	2.26	2.87
611596	Full-length or knee-length stockings, socks and other hosiery, incl. footwear without applied ...	489.81	390.81	0.01	0.33	0.00	0.08
621133	Men's or boys' tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...	317.53	375.89	0.11	0.40	0.03	0.11
620213	Women's or girls' overcoats, raincoats, car coats, capes, cloaks and similar articles,	471.79	368.48	0.09	0.08	0.02	0.02
630532	Flexible intermediate bulk containers, for the packing of goods, of synthetic or man-made	337.46	349.98	0.71	0.38	0.21	0.11
611011	Jerseys, pullovers, cardigans, waistcoats and similar articles, of wool, knitted or crocheted ...	425.25	345.45	0.05	0.06	0.01	0.02
610343	Men's or boys' trousers, bib and brace overalls, breeches and shorts of synthetic fibres, knitted .	256.25	328.56	0.08	0.07	0.03	0.02
621143	Women's or girls' tracksuits and other garments, n.e.s. of man-made fibres (excluding knitted ...	364.83	326.18	2.54	1.04	0.70	0.32
560311	Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., of synthetic	289.86	319.03	0.00	0.00	0.00	0.00

Major T & A products ... Contd...

Mn \$

Product code	Product label	World		India		India's Share	
		2016	2020	2016	2020	2016	2020
610610	Women's or girls' blouses, shirts and shirt-blouses of cotton, knitted or crocheted (299.95	316.20	4.70	1.72	1.57	0.54
620443	Women's or girls' dresses of synthetic fibres (excluding knitted or crocheted and petticoats)	319.88	314.31	1.58	1.63	0.49	0.52
620630	Women's or girls' blouses, shirts and shirt-blouses of cotton (excluding knitted or crocheted	482.84	309.58	40.59	31.22	8.41	10.08
610620	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres,	556.06	306.70	1.21	0.14	0.22	0.05
620453	Women's or girls' skirts and divided skirts of synthetic fibres (excluding knitted or crocheted .	266.56	302.81	0.41	0.38	0.15	0.13
620530	Men's or boys' shirts of man-made fibres	287.73	282.43	1.54	2.16	0.54	0.76
621010	Garments made up of felt or nonwovens, whether or not impregnated, coated,	97.15	278.39	0.00	0.67	0.00	0.24
610520	Men's or boys' shirts of man-made fibres, knitted or crocheted (excluding nightshirts, T-shirts, ...	229.75	268.99	0.08	0.03	0.03	0.01
560392	Nonwovens, whether or not impregnated, coated, covered or laminated, n.e.s., weighing >	154.77	251.09	0.02	0.05	0.01	0.02
	Top 33 Products	19376.43	22448.39	142.90	129.18	0.74	0.58
	Rest of the Products	15393.95	13500.24	287.45	235.13	1.87	1.74
	Total T&A	34770.38	35948.62	430.34	364.31	1.24	1.01

Top Exporters in Post Covid Period (2021 vis-à-vis 2020)

S. No	Exporters	% Change in 2021 vis-à-vis 2020			
		Q1	Q2	Q3	Total
1	China	12.67	-34.71	-4.49	-12.31
2	Viet Nam	-11.86	-3.00	-22.55	-13.18
3	Cambodia	-4.21	-4.75	15.38	2.64
4	Bangladesh	-7.98	41.62	10.23	9.39
5	Indonesia	-13.19	-5.24	-7.40	-9.01
6	Italy	-11.73	38.34	-20.05	-4.42
7	Thailand	-15.23	0.66	15.69	-0.83
8	Myanmar	-29.93	-9.72	-47.45	-31.96
9	Korea, Rep	5.75	8.49	-21.36	-3.65
10	Taipei, Chinese	-1.87	8.89	21.74	9.12
11	India	-10.67	65.80	6.45	12.27
	World	0.92	-21.31	-7.08	-9.62

Source: ITC Trade map

In the first three quarters of 2020, India's exports of T&A were valued at US \$ 297.37 Mn which increased to US \$ 333.85 Mn in the corresponding period of 2021 effecting a positive change of 12.27%.

India's Performance in Post Covid period' 2021

Category	First 3 Quarters		% Change
	2020	2021	
Textiles	73.72	87.36	18.50
Apparel	187.63	195.56	4.23
Madeups	36.03	50.94	41.39
Total	297.38	333.86	12.27

Source: ITC Trade map

• **India has experienced more than 10% growth in 183 products i.e**

- **Textiles - 96**
- **Apparels - 63 and**
- **Madeups - 24**

India's growth in export of Made-Up is Promising. Hence, Japan market is an opportunity in making for India in Post Covid period.

Key Constraints & Opportunities

Constraints

- Analyses through Trade Intensity and Gravity Model indicates the following
 - Even though tariff was reduced to zero through CEPA, NTBs creating impediments like language barriers, etc
 - Strict quality norm stipulated by Japanese buyers i.e (i) Highly demanding product & Service standards (ii) Regulation requiring business modalities making market access costly
 - Lack of intensive efforts on the part Indian business
 - Supply Chain Constraints due to lack of greater integration
 - Lack of diversification at product level
- Logistics- India loses cost competitiveness to China on transport of cargo
 - Tokyo Port to Shanghai-1098 Miles
 - Tokyo to Mumbai-3153 Miles

Opportunities in Post Covid Period

- India-Japan Strategic Partnership and Zero Tariff regime for T&A products.
- India's export basket increased significantly
- More than expected growth in export of Textiles (Ch-50-60) and Made ups (Ch-63)
- Govt. Initiatives i.e Creation of Japan Standard Desk and Collaboration with M/s Nissenken

Thank You

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