Textiles and Apparel

Government of Karnataka

1. India’s Leading position in Textiles and Apparel sector
2. Karnataka undisputed leader in Textiles and Apparel
3. Ecosystem Integrators
4. Policy Push
5. Key Market Players
6. Future Opportunities

India leading in the Textiles and Apparel Sector

Fibre

- Largest cotton producer worldwide
- 2nd largest producer of Manmade Fibre and Filament in the world
- Worldwide leading producer of Silk and Wool

Spinning

- 2nd largest installed spindle and rotor capacity in the world

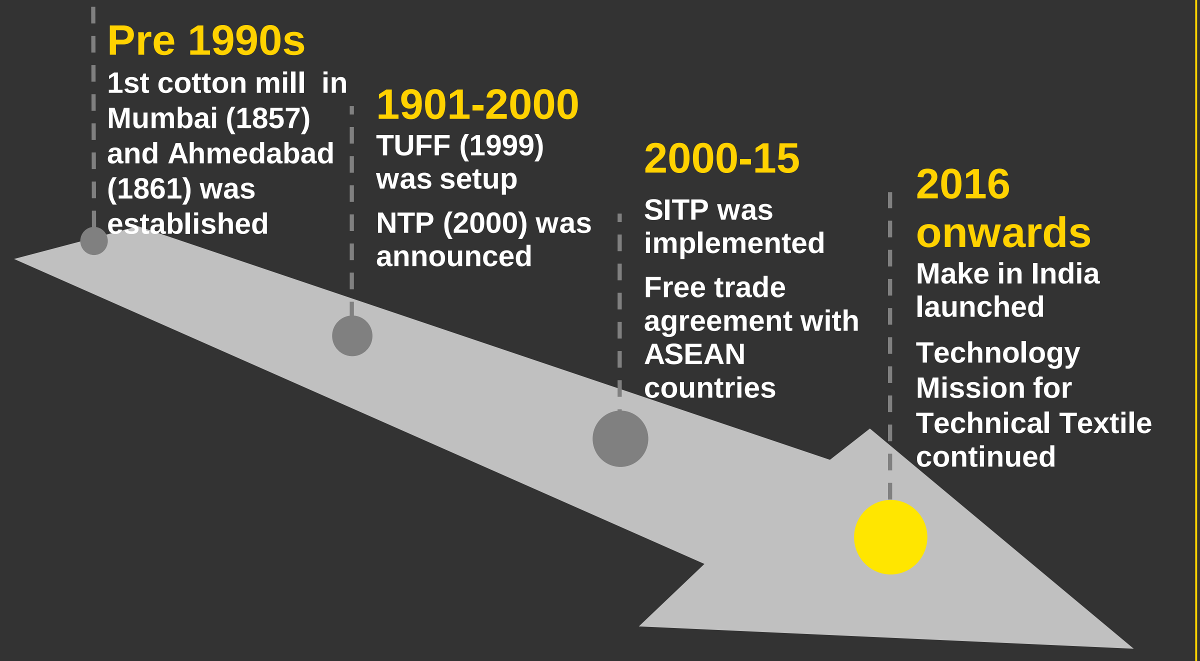
Weaving

- India accounts for 18% of world's spindles and 9% of world's rotor.

Apparel

- Contributed highest i.e. 42% to the textile and apparel export basket of India during 2015-16.

Evolution of Indian Textile Sector



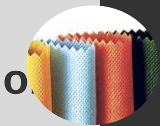
Source: Make in India, Textile Annual Report, 2016-17, Ministry of Textiles

Diverse Market with a good export demand

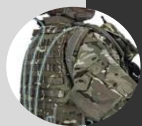
Other Potential Areas in Textiles and Apparel

Hosiery and Knitwear
- INR 67 billion in 2015, and expected to grow at 7% CAGR by 2020

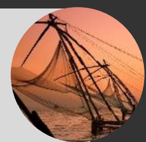
Non-woven Textile Goods
- Per capita consumption of 600 gm by 2020
- CAGR of 9.6% during FY 14-23 to USD 32 billio in FY23



Defencetech
- CAGR of 6.9% between FY13 to FY16
- High growth potential with demand for bulletproof jackets expected to grow at 12% pa between 2016-19



Agrotextiles
- CAGR of 13% between FY13 to FY16
- Exports contribute 23% of the market



Mobiltech
- CAGR of 13.9% between FY07 to FY16
- ~12% of the overall textile market

FDI and Exports

- As on 2015, cumulative amount of inflow of FDI INR 89.58 billion (USD 1.75 billion)
- Percentage inflow of FDI to cumulative amount of FDI Equity inflows is 0.7 %.

Top 10 EXPORT Markets of India
USA, United Arab Emirates, China, United Kingdom, Bangladesh, Germany, France, Spain, Italy and Turkey

Top 10 IMPORT Markets of India
China, Bangladesh, USA, Australia, Taiwan, Republic of Korea, Thailand, Hong Kong, Japan and Germany

Sector Snapshot

Karnataka

Karnataka Undisputed Leader in Textiles and Apparel

20% of national garment production valued at USD 1.56 billion

Garment Capital of India

65% to silk, 12% to wool and 6% to cotton production of the country

Highest Contri-bution

Potential in technical textiles (Builtech, Clothtech, Hometech, Meditech, etc.) with Mysore, Hassan and Bangalore being growth beds of Technical Textiles

15% of India's export earnings

14% of India's industrial production

5% share in global textiles and apparel trade

Leader in Export & Production

The new State Textile Policy known as **"Nuthana Javali Neethi 2013-18"**, which aims to attract INR10,000 crore of investments by 2018 and creating employment for 5 lakh persons

2nd in investment of MSME units registered in 2015-16

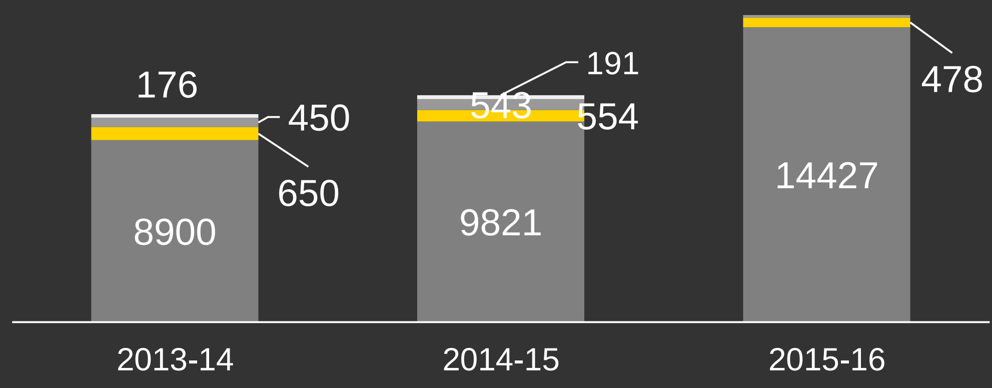
Investment Of MSME Units

144 skill development centres and 168 private training centres which have trained more than 1,60,000 personnel

Human Resource

Increasing role of MSME in exports

- Karnataka contributed **14.5% of the Country's exports** in 2015-16
- **144 Skill Development Centers** and **168 private training centers** funded by Government catering to the sector



Details of MSMEs registered in Karnataka 2015-16

Particulars	No of Units	Investment	Employment
Manufacturing of Wearing Apparel; dressing and Dyeing of Fur	**3,242**	**INR 1,842 Cr (USD 288 Million)**	**26,462**
Manufacturing of Textiles	**2,320**	**INR 420 Cr (USD 65.6 Million)**	**18,034**

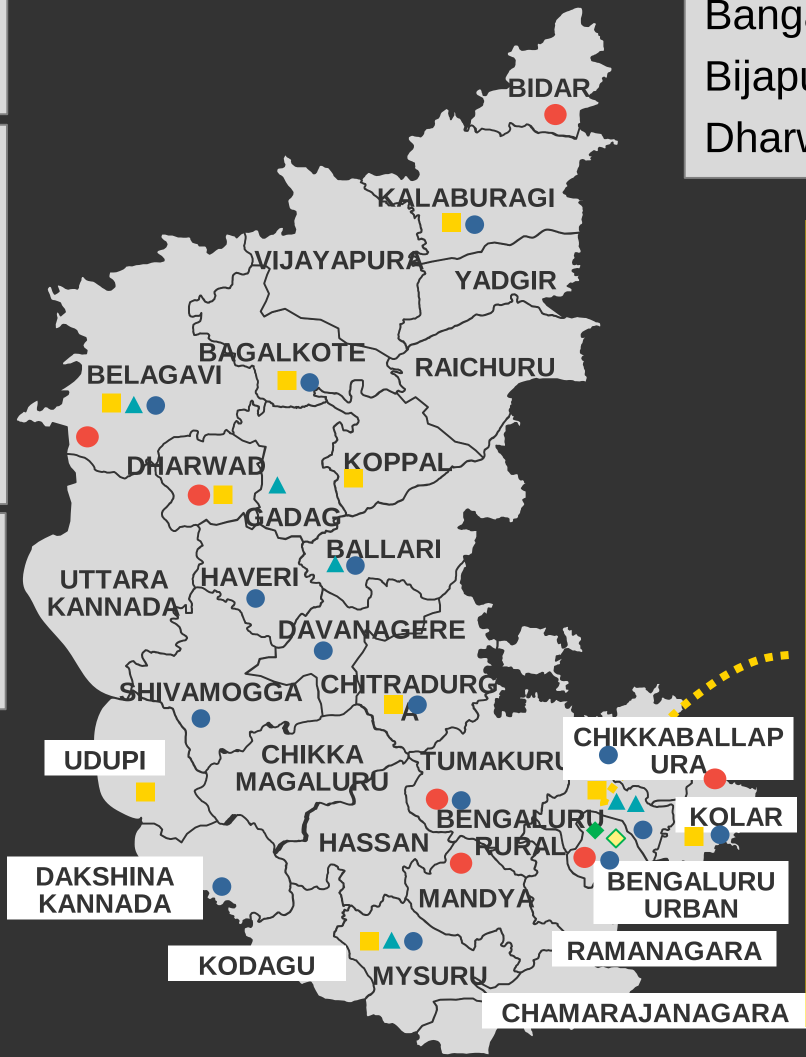
Ecosystem Integrators

Karnataka's Textiles and Apparel Clusters

233.3 hectare Textiles SEZ proposed to be developed by KIADB at district Hassan

Dedicated Apparel zones planned in Bengaluru Rural, Tumkur, Kolar, Mandya, Belgaum, Bidar and Dharwad along the Suvarna Karnataka Development Corridor

A **US$10.4 million 'Silk City'** is proposed to be developed near Bengaluru



Ready made Garments	●
Handloom Clusters	■
Industrial MSME Clusters	▲
Apparel Park	◆
Apparel Park (proposed)	◇
Textile Parks (proposed)	●

9 handloom clusters in Bagalkote, Bangalore Rural, Bangalore Urban, Bijapur, Chitradurga, Chamrajnagar, Dharwad, and Gulbarga

Dodaballapura Integrated Textile Park

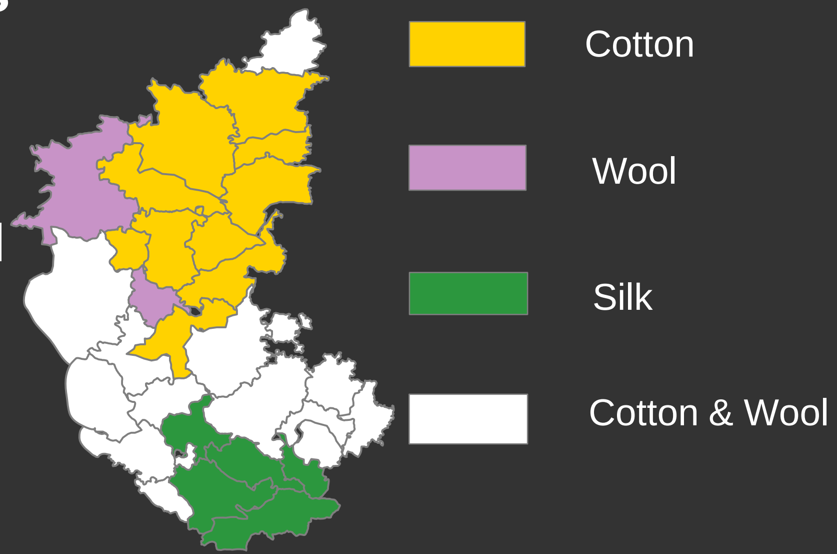
- **48-acre integrated textile park with 85 units focusing on weaving, sizing, and warping**
- **With 700 power looms already established, the park is currently in Phase III of development**
- **Expected to generate direct employment of 2,000 and indirect employment of 5,000**
- **Park is expected to attract investments of US$44millions**

Support Infrastructure and Raw Material Sources

RAW MATERIAL PRODUCTION

- 47% of the country's production of silk is from Karnataka
- In 2016-17, silk cocoon production has been 52,280 MT
- Karnataka has Nearly 11% of India's total wool production
- Cotton accounts for nearly 6% of the total agricultural cropped area of the State

RAW MATERIAL PRODUCTION IN KARNATAKA



Policy Push

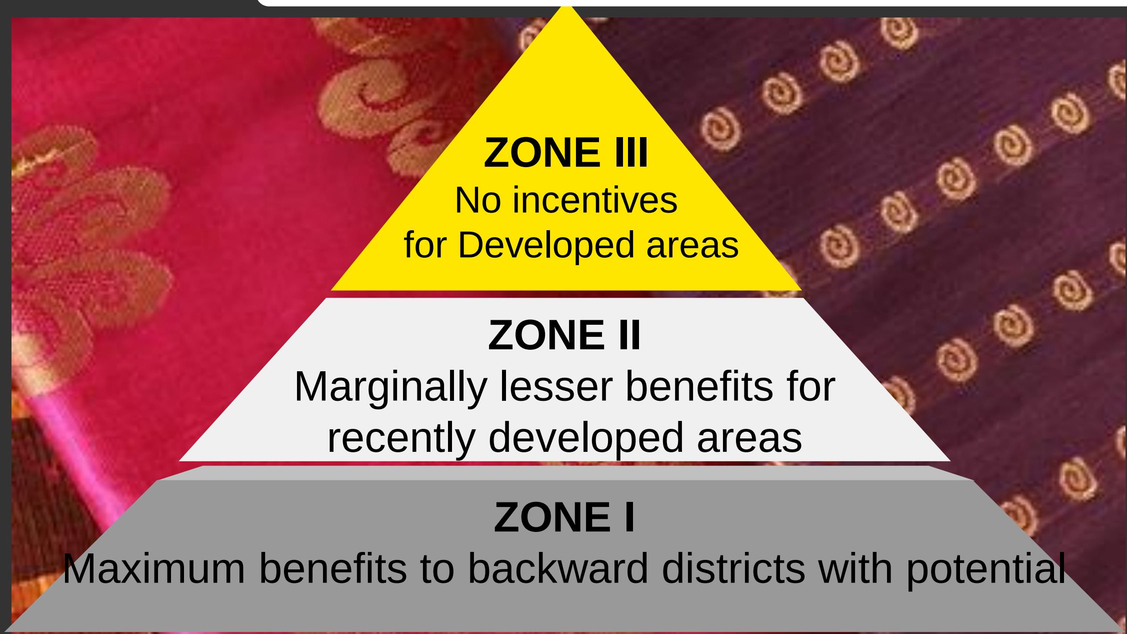
Nuthana Javali

Neethi 2013-18

Robust Policy Environment

Incentives offered under the policy

- **Credit Linked Capital Subsidy- Incentives for construction of new units or expansion/modernization of existing units**
- **Incentives for Infrastructure- Based on zonal classification for development of Green field Textile Parks, Brown field Textile Parks, Common Effluent Treatment Plan (CETP)**
- **Market Development Subsidy- Reimbursement and funding support for marketing**
- **Skill Development- Support to training institutions to conduct trainings**
- **Research and Development- Support to conduct R&D projects**



IMPACT OF THE POLICY

- **Investments have grown at CAGR of 32.86% during 2000-2013**
- During the last policy, **INR 5,710 Crore (USD 892 Mn)** worth of Investment inflow which created an employment opportunity for more than **2.5 Lakh people**
- Post the announcement of New Textile Policy in 2013, investment has continued upward trend with **INR 1,860 Crore investment** proposed till date
- For the year 2015-16, nearly **18,034 people were employed**

Future Opportunities

Future Opportunities

KEY PLAYERS

1. Innovative solutions to preserve textile heritage
2. Handlooms as a sustainable economy in fashion
3. Wastewater Management in Textile Manufacturing
4. Development of Vertical Garment Park
5. Man made Fiber (MMF)
6. Training in Textile and Textile Engineering

Thank You