

Textile & Garments: Industry, Process & Benchmarking Country Selection

The Global Textile Industry, particularly the Garments Industry has seen remarkable changes in the past few years. The Garment Manufacturing Industry and the Garment Companies in developed countries are always on a lookout for cheap source of garment production. The days are gone when textile garment industry was concentrated in the consumption hubs of US, EU and other developed countries of the world. The clothing wholesale supply is increasing worldwide in all the segments of the industry, whether it is men's clothing, women's clothing, kids wear or infant wear. The elimination of global export quotas has led to a shift towards low cost countries having strong and established Clothing Industry especially the Asian countries.

Developing countries in Asia continue expanding their Textile and Garments Industry due to their - low-cost production. Apart from China, the true gainers of the post-quota period have been India, Bangladesh and Vietnam.

Segments selected for benchmarking Indian Textile & Garments Sector include textiles made of **Cotton** and **Man-made fibres**. Cotton and MMF textiles contribute maximum both in terms of domestic consumption as well as exports. Cotton textiles exports amounted for 11.9% in the overall world segments exports. Similarly, Cotton textiles showed highest CAGR (21.41%) followed by MMF textiles at 16.41%. Similarly Cotton textiles exports contributed 60% of overall India's Textile and Garments Sector exports followed by MMF textiles at 33%.

Countries selected for benchmarking include **China and Vietnam** for Cotton textiles. China has the largest share in world cotton exports and Vietnam has shown tremendous growth in period 2005-2010 having exports CAGR of 67%.

In textiles made of man-made fibres, countries selected for benchmarking are **China, Japan and Taiwan**. These countries were selected as their textile exports were dominated by textiles made of man-made fibres and also have considerable share of global trade.

SEGMENTS	India's Exports (US\$ mn.)					
	2005	2006	2007	2008	2009	2010
Cotton	2,612	3,510	4,409	4,548	3,195	6,890
Manmade filament and manmade staple fibres	1,780	1,973	2,529	2,984	2,998	3,806
Vegetable textile fabrics	175	156	170	202	170	349
Wool, animal hair, horsehair yarn and fabric thereof	83	87	101	126	111	142
Silk	404	383	348	360	271	335

Source: ITC

Segments	Total World Exports (US\$ mn)	CAGR of Indian Segment exports (2005-10)	Percentage Contribution to India's total Textiles & Garments Exports	India's Export as % of World's Segment Exports
Cotton	57,916	21.41%	25.40%	11.90%
Manmade filament and manmade staple fibres	74,807	16.41%	14.03%	5.09%
Vegetable textile fabrics	3,642	14.84%	1.29%	9.57%
Wool, animal hair, horsehair yarn and fabric thereof	12,617	11.38%	0.52%	1.13%
Silk	3,241	-3.64%	1.24%	10.34%

Source: ITC, D&B Analysis

World Export Scenario for the selected segments

Cotton						
Country	Exports data for Cotton segment		Exports data for Textile & Garments sector	Cotton Exports as % of country's Textile & Garments Exports	Countries Cotton exports as % of world cotton exports	CAGR of exports (2005-10)
	US \$ millions					
	2005	2010	2010			
China	7,438	13,067	1,99,534	6.55%	22.56%	11.93%
Viet Nam	51	668	13,976	4.78%	1.15%	67.31%
United States of America	5,902	7,555	23,577	32.04%	13.05%	5.06%
Pakistan	3,429	4,013	11,610	34.57%	6.93%	3.20%
Hong Kong, China	5,075	3,968	34,301	11.57%	6.85%	-4.80%
Italy	3,174	2,230	31,634	7.05%	3.85%	-6.82%
Turkey	1,180	1,450	21,844	6.64%	2.50%	4.21%
Germany	1,459	1,371	30,914	4.43%	2.37%	-1.25%
Uzbekistan	1,224	1,368	1,561	87.63%	2.36%	2.25%
Brazil	779	997	2,223	44.84%	1.72%	5.05%
Australia	806	950	4,301	22.08%	1.64%	3.33%
Spain	930	767	11,325	6.77%	1.32%	-3.78%
Indonesia	755	750	11,224	6.68%	1.29%	-0.14%
Thailand	501	717	7,772	9.22%	1.24%	7.41%
Republic of Korea	780	713	13,784	5.17%	1.23%	-1.79%
Japan	1,064	672	8,610	7.81%	1.16%	-8.76%
Greece	586	665	1,896	35.06%	1.15%	2.55%
Egypt	294	608	2,904	20.94%	1.05%	15.65%
Chinese Taipei	643	599	11,261	5.32%	1.03%	-1.41%

Source: ITC, D&B Analysis

Manmade filaments & Manmade Staple fibres						
Country	Exports data for Man-Made fibre segment		Exports data for Textile & Garments sector	Man-Made Fibre Exports as % of country's Textile & Garments Exports	Countries Man-Made Fibre exports as % of world Man-Made Fibre exports	CAGR of exports (2005-10)
	US \$ millions					
	2005	2010	2010			
China	10,278	18,042	1,99,534	9.04%	24.12%	11.91%
Japan	3,487	3,959	8,610	45.98%	5.29%	2.57%
Chinese Taipei	5,191	5,064	11,261	44.97%	6.77%	-0.49%
Viet Nam	254	941	13,976	6.73%	1.26%	29.94%
Indonesia	2,349	3,303	11,224	29.43%	4.42%	7.06%
Republic of Korea	4,452	4,589	13,784	33.29%	6.13%	0.61%
Thailand	1,585	2,236	7,772	28.77%	2.99%	7.12%
Malaysia	925	941	2,739	34.37%	1.26%	0.35%
Austria	983	1,213	4,697	25.83%	1.62%	4.29%
United States of America	3,579	3,822	23,577	16.21%	5.11%	1.33%
Turkey	1,857	2,371	21,844	10.86%	3.17%	5.01%
Belgium	1,591	1,601	14,471	11.07%	2.14%	0.13%
Netherlands	1,430	1,366	10,646	12.83%	1.83%	-0.90%
Italy	3,686	3,177	31,634	10.04%	4.25%	-2.92%
United Kingdom	1,839	1,464	9,944	14.72%	1.96%	-4.46%
Germany	5,142	3,698	30,914	11.96%	4.94%	-6.38%
Spain	1,422	1,076	11,325	9.50%	1.44%	-5.43%
France	1,939	1,402	15,109	9.28%	1.87%	-6.28%
Hong Kong, China	2,728	2,015	34,301	5.88%	2.69%	-5.88%

Source: ITC, D&B Analysis