



## CURRENT AFFAIRS



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# “INDIA’S POLITICAL STABILITY STRENGTHENS ITS POSITION AS A GLOBAL APPAREL MANUFACTURING HUB”

## WHY IN THE NEWS?

India’s rising prominence as a global apparel sourcing destination is further emphasized by a recent report from the U.S. International Trade Commission (USITC), which highlights political stability as a major factor encouraging U.S. buyers to increase their sourcing from India. As the global garment supply chain grows more intricate, India’s ability to ensure reliable production timelines and reduce the risks associated with political instability has made it an increasingly appealing choice for U.S. buyers.

## INDIA’S MARKET SHARE IN U.S. APPAREL IMPORTS (2013-2023) :

Year	India’s Market Share in U.S. Apparel Imports	Value of India’s Apparel Exports to the U.S. (USD Billion)
2013	4%	\$4.2 Billion
2014	4.2%	\$4.6 Billion
2015	4.3%	\$4.9 Billion
2016	4.5%	\$5.1 Billion
2017	4.6%	\$5.3 Billion
2018	4.7%	\$5.6 Billion
2019	4.9%	\$5.9 Billion
2020	5.2%	\$6.2 Billion
2021	5.4%	\$6.7 Billion
2022	5.6%	\$7.1 Billion

Year	India's Market Share in U.S. Apparel Imports	Value of India's Apparel Exports to the U.S. (USD Billion)
2023	5.8%	\$4.6 Billion (Projected, YTD)

#### Key Observations:

**1. Steady Growth:** India's market share in U.S. apparel imports has grown from 4% in 2013 to 5.8% in 2023, a steady increase of 1.8 percentage points over 10 years.

**2. Value of Exports:** In 2023, India's apparel exports to the U.S. are projected to reach approximately \$4.6 billion despite fluctuations in global demand and market disruptions.

**3. Competitiveness in High-Value Apparel:** India has gradually increased its focus on high-value apparel, including women's wear, knitted garments, and sustainable fashion, which has contributed to the rise in exports.

**4. Shift Away from China:** As U.S. buyers reduce their reliance on China, India has captured a larger share of the market, emerging as a reliable sourcing partner.



#### TEXTILE SECTOR IN INDIA:

**1. Size:** India is one of the world's largest textile and apparel producers, ranking second globally. The sector is a major source of employment, providing direct jobs to 45 million people, with an additional 100 million in related industries.

**2. Production:** India is the second-largest producer of silk and one of the top producers of cotton and jute. The country also accounts for 95% of the world's hand-woven fabric production.

**3. Exports:** India's textile exports are projected to hit \$100 billion by 2030. In 2022, exports reached \$44.4 billion, marking a 41% increase from the previous year.

**4. GDP Contribution:** The textile industry contributes 2.3% to India's GDP, 13% to industrial production, and 12% to national exports.

**5. Industry History:** India's textile industry is one of the oldest, with a rich legacy of craftsmanship, handloom traditions, and textile innovations that have shaped its modern growth.

**6. Future Outlook:** Driven by rising domestic consumption and strong export demand, India's textile industry is poised for continued growth, with significant opportunities on the global stage.

#### **INDIA'S STRENGTHS IN APPAREL PRODUCTION:**

**1. Vertical Integration:** India's textile industry is highly vertically integrated, covering the entire production process—from cotton farming to spinning, weaving, dyeing, and garment manufacturing. This integration reduces dependence on external suppliers, ensuring more controlled and reliable production.

**2. Skilled Labor Force:** India boasts a large and skilled workforce, especially in garment finishing and high-quality stitching. This skilled labour is crucial for producing high-value fashion items, making Indian apparel particularly attractive to global markets.

**3. Government Support:** The Indian government has rolled out initiatives like the Production Linked Incentive (PLI) Scheme, aimed at boosting domestic manufacturing and exports. The scheme encourages apparel manufacturers to invest in production capacity, technology, and innovation, positioning India to meet growing international demand.

**4. Cotton-Based Apparel:** As one of the world's largest producers of cotton, India has a natural advantage in the production of cotton-based garments. This bolsters the country's apparel industry, especially in exports of cotton garments, particularly to the U.S. market.

**5. Growing Export Market:** India has steadily increased its share in the U.S. apparel market, becoming the fourth-largest supplier. In 2023, India's apparel exports to the U.S. totalled \$4.6 billion, highlighting its growing presence in global trade.

#### **GOVERNMENT INITIATIVES BOOSTING INDIA'S APPAREL & TEXTILE SECTOR:**

**1. Khadi India:** Promotes Khadi and village industries, supporting rural employment and sustainable fashion. The Khadi and Village Industries Commission (KVIC) works to enhance production and global visibility.

**2. Make in India:** Encourages domestic manufacturing across sectors, including textiles, with a focus on modernizing production and attracting foreign investment to increase exports.

**3. Production Linked Incentive (PLI) Scheme:** Offers financial incentives to manufacturers for producing high-quality textiles and apparel, driving capacity expansion, technology upgrades, and global competitiveness.

**4. PM MITRA (Mega Textile Parks):** Establishes textile parks with integrated facilities for spinning, weaving, and garment manufacturing, boosting production efficiency and exports.

**5. Atmanirbhar Bharat:** Aims to reduce dependence on imports by promoting self-reliance in textile manufacturing, using domestic raw materials and improving efficiency.

**6. Handloom Development Program:** Supports handloom weavers, providing financial assistance, training, and market access for traditional textile crafts.

**7. National Textiles Policy (2019):** Targets doubling textile exports to \$60 billion by 2024, creating 35 million jobs, and promoting sustainability and innovation.

**8. Skill Development:** Programs like the Textile Sector Skill Council (TSC) provide training in garment production, dyeing, and design to enhance industry skills and entrepreneurship.

#### **CHALLENGES IN INDIA'S TEXTILE SECTOR:**

**1. Increasing Labor Costs:** Rising wages in India are making the textile sector less competitive, especially compared to countries with cheaper labour like Bangladesh and Vietnam.

**2. Limited Cotton Production:** Despite being the largest producer of cotton, India faces fluctuations in supply due to climatic changes and pest attacks, impacting cotton-based garment production.

**3. Infrastructure Gaps:** Poor logistics and transportation infrastructure lead to high costs and delays, affecting both domestic production and exports.

**4. Environmental Impact:** The sector faces challenges related to water usage, chemical waste, and pollution, with growing pressure for sustainable practices.

**5. Dependence on Imported Technology:** India relies heavily on imported machinery and technology, limiting the industry's ability to modernize and stay competitive.

**6. Global Competition:** India faces stiff competition from China, Bangladesh, and Vietnam, who benefit from lower labour costs and government subsidies.

**7. Skilled Labor Shortage:** A lack of skilled labour in specialized areas such as designing and modern textile production hinders growth in high-value segments.

**8. Quality Control Issues:** Inconsistent quality standards—especially among SMEs—impact India's reputation in the global market.

### CONCLUSION:

India's textile sector is gaining ground globally, with its share of U.S. apparel imports growing from 4% in 2013 to 5.8% in 2023. This growth is fueled by political stability, skilled labour, vertical integration, and government initiatives like the PLI Scheme. While challenges like rising labour costs, cotton supply issues, and infrastructure gaps persist, India's focus on high-value apparel and sustainability strengthens its competitive edge. With ambitious export targets and a growing market presence, India is well-positioned to expand its share, though addressing key challenges will be crucial for sustained growth.

### PRELIMS QUESTION:

**Q. Consider the following statements: (2020)**

1. The value of Indo-Sri Lanka trade has consistently increased in the last decade.
2. "Textile and textile articles" constitute an important item of trade between India and Bangladesh.
3. In the last five years, Nepal has been the largest trading partner of India in South Asia.

**Which of the statements given above is/are correct?**

- A. 1 and 2 only
- B. 2 only
- C. 3 only
- D. 1, 2 and 3

**Answer: B**

### MAINS QUESTION:

**Q. "Assess the role of international trade agreements and geopolitical dynamics in shaping the future of India's apparel sector. How can India use its political stability to capitalize on changing global trade patterns?"**

**(250 words, 15 marks)**

Ritik singh

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