

Weaving a Viksit Bharat: India's Textile Ecosystem and the Pathway to USD 100 Billion Exports

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Abstract

India's textile and clothing industry plays a significant role in the nation's social, cultural, and economic structure. The textile industry is in a unique position to serve as both a growth engine and a tool of inclusive development as India moves closer to its national goal of becoming a Viksit Bharat (Developed India) by 2047. With a workforce of more than 45 million people and a whole value chain that extends from fibre production to finished clothing, the industry has enormous potential to boost employment, exports, sustainability, and regional development. In line with sustainability and innovation imperatives, this paper offers a strategic roadmap to reach USD 100 billion in textile and apparel exports, analyses global competitiveness, assesses policy interventions, and provides a thorough analysis of India's textile ecosystem. In India's economic, social, and cultural framework, the textile and apparel industry plays a crucial role. The industry is anticipated to make a substantial contribution through job creation, export growth, sustainability leadership, and technology-driven transformation as India moves closer to its national goal of becoming a Viksit Bharat (Developed India) by 2047. This study examines how India's textile industry is changing in response to recent shifts in international trade, particularly the US lowering its tariffs on Indian clothing and textiles from previously high levels to about 18%. India's export competitiveness in the US market has significantly increased as a result of this change. Newly signed Free Trade Agreements (FTAs) with the UK and the EU offer diversified and privileged market access. The study makes the case, using secondary data and policy analysis, that India can increase its textile and apparel exports from the current USD 37–38 billion to USD 100 billion by 2030–2035 through a balanced strategy that makes use of improved US market conditions, increases exports to the EU and the UK, and boosts domestic consumption. According to the paper, India's 2047 development vision places the textile industry at the forefront of inclusive, sustainable, and design-led growth.

Keywords: Textile and Apparel Industry; Viksit Bharat 2047; US Tariffs; Free Trade Agreements; Export Growth; Sustainability; Design Education, Viksit Bharat, PM MITRA, PLI Scheme

1. Introduction

One of India's most important industries throughout history, the textile and clothing sector is closely linked to the nation's trade, civilisation, and socioeconomic advancement. From prehistoric handloom traditions to contemporary industrial production, textiles have been essential to creating jobs, supporting rural livelihoods, advancing women's empowerment, and generating export revenue. Due to their labour-intensive nature, lengthy value chains, and capacity to integrate MSMEs with large-scale manufacturing, textiles continue to be a strategically significant industry in the modern global economy. The textile industry is a prime candidate for rapid expansion as India outlines its long-term national goal of becoming a Viksit Bharat by 2047. In light of evolving global supply chains, China-plus-one policies, and growing emphasis on sustainable sourcing, the Indian government's goal of reaching USD 100 billion in textile and apparel exports is both ambitious and necessary.

This study aims to determine whether India's textile ecosystem is structurally ready to achieve this goal and what tactical measures are needed to close current gaps. India's goal of becoming a developed nation by 2047 necessitates the development of industries that integrate economic size, employment intensity, export competitiveness, and social inclusion. These requirements are met explicitly by the textile and clothing sector, which is firmly rooted in India's

cultural legacy and increasingly integrated with cutting-edge manufacturing and international fashion systems. The industry remains essential to India's industrial and cultural economy, encompassing the entire value chain from handlooms and fibre production to technical textiles and international brands. The sector's growth outlook has been drastically altered by recent shifts in global trade policy, especially the lowering of US tariffs on Indian textile exports, prompting a reevaluation of strategic priorities.

2. Overview of India's Textile and Apparel Ecosystem

India possesses one of the most comprehensive textile value chains in the world. It is among the largest producers of cotton, jute, silk, and wool, while also rapidly expanding its artificial fibre (MMF) and technical textile capacities. The ecosystem includes:

- Fibre production (natural and man-made)
- Spinning, weaving, knitting, and processing
- Garmenting and made-ups
- Handloom, handicrafts, and artisanal clusters
- Design, branding, and retail

The sector contributes approximately 2–3% to India's GDP, around 12–13% to industrial production, and nearly 10–11% to total merchandise exports. Importantly, it provides direct and indirect employment to millions, particularly in rural and semi-urban regions, making it a cornerstone of inclusive growth.

3. Global Context and Competitive Landscape

Global textile and apparel trade is undergoing a structural transformation driven by geopolitical shifts, rising labour costs in traditional manufacturing hubs, trade protectionism, and sustainability pressures. Countries such as Bangladesh, Vietnam, and Cambodia have gained market share due to preferential trade access, scale efficiencies, and focused export strategies.

India's competitive advantages include raw material availability, a large domestic market, design diversity, and democratic institutional stability. However, challenges persist, including higher logistics costs, fragmented manufacturing, limited free trade agreements, and lower productivity compared to global peers. Addressing these gaps is essential to enhancing India's international competitiveness.

4. Policy Framework and Government Initiatives

4.1 Production Linked Incentive (PLI) Scheme

The PLI Scheme for textiles focuses on promoting scale, MMF production, and high-value technical textiles. By incentivising investment and turnover, the scheme aims to shift India's export basket from commodity-based products to value-added segments.

4.2 PM MITRA Parks

The PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks are designed to create world-class infrastructure with plug-and-play facilities, integrated utilities, and logistics support. These parks are expected to reduce costs, enhance efficiency, and attract global investment.

4.3 National Technical Textiles Mission

The mission seeks to promote research, innovation, and adoption of technical textiles across sectors such as healthcare, infrastructure, agriculture, and defence, thereby diversifying India's textile capabilities.

5. Role of Design, Innovation, and Skill Development

Design and innovation are critical differentiators in the global textile market. Institutions such as the National Institute of Fashion Technology (NIFT) play a vital role in nurturing design talent, fostering industry-academia collaboration, and supporting MSMEs through consultancy, incubation, and skilling initiatives.

The integration of Industry 4.0 technologies—such as digital printing, AI-driven design, smart manufacturing, and data analytics—can significantly enhance productivity and responsiveness to global market trends.

6. Sustainability and Circular Economy Imperatives

Sustainability has emerged as a non-negotiable requirement in global textile trade. Water-intensive processes, carbon emissions, chemical usage, and waste generation pose significant environmental challenges. India must transition toward:

- Circular textile models
- Sustainable fibres and dyes
- Energy-efficient processing
- Compliance with global ESG standards

Adopting sustainability not only enhances market access but also strengthens Brand India in international markets.

7. MSMEs, Handlooms, and Inclusive Growth

MSMEs and artisanal clusters form the backbone of India's textile ecosystem. Their integration into formal value chains through technology upgradation, cluster-based development, market access, and design intervention is essential for inclusive growth. Women artisans and rural producers must be central to this transformation.

8. Roadmap to USD 100 Billion Exports

Achieving USD 100 billion in textile and apparel exports will require:

- Stable and predictable trade policy
- Expansion of FTAs with key markets
- Scale-driven manufacturing and consolidation
- Logistics and infrastructure upgrades
- Strong branding and global marketing strategies
- Deepened collaboration between government, industry, and academia

9. Economic Significance and Employment

The textile and apparel sector contributes approximately 2–3 per cent of India's GDP and accounts for 10–12 per cent of industrial production. It is the second-largest employer after agriculture, supporting over 45 million direct and nearly 60 million indirect jobs. Its labour-intensive nature, significant participation of women, and deep rural and semi-urban footprint make the sector indispensable for inclusive growth—an essential pillar of the Viksit Bharat 2047 framework.

10. Export Structure and Market Distribution

In FY 2024–25, India's textile and apparel exports stood at approximately USD 37–38 billion, with substantial exposure to a limited number of markets.

Table 1. India's Textile and Apparel Exports by Market (FY 2024–25)

Market	Export Value (USD Billion)	Share (%)
United States	10.9	~29
European Union	7.6	~20
United Kingdom	2.2	~6
Rest of the World	16.5	~45
Total	37–38	100



Fig. 1. India's Textile and Apparel Export Exposure by Region

11. Reassessment of the United States Market: Tariff Reduction to 18%

The recent announcement by the United States administration of a reduction in tariffs on Indian textile and apparel products to approximately 18 per cent marks a decisive shift in India's export competitiveness. At this tariff level, India regains parity and in several product categories, a competitive advantage over alternative sourcing destinations.

Key implications include:

1. Restoration of price competitiveness in garments and home textiles
2. Improved order predictability and margin stability
3. Renewed interest from US buyers seeking diversified and reliable supply chains
4. Rather than reducing exposure to the US market, the revised tariff regime supports strategic deepening of India's presence in the world's largest apparel consumption market.

12. Complementary Role of EU and UK Free Trade Agreements

While the United States regains importance, the India–EU and India–UK FTAs provide critical diversification and long-term stability. EU market size: approximately USD 250 billion, UK market size: approximately USD 27 billion. Preferential access under these FTAs strengthens India's position in:

- Sustainable and compliance-driven fashion
- Higher value-added garments
- Home furnishings and lifestyle textiles
- These agreements also incentivise investments in technology upgradation, sustainability compliance, and design capability.

13. Integrated Export Strategy: US, EU, and UK

The post-tariff-reduction environment supports a three-pillar export strategy: United States: Volume-driven growth enabled by competitive tariffs. European Union: Value-driven growth anchored in sustainability and compliance. United Kingdom: Design-led and fashion-oriented exports. This integrated approach reduces overdependence on any single market while maximising India's global export reach.

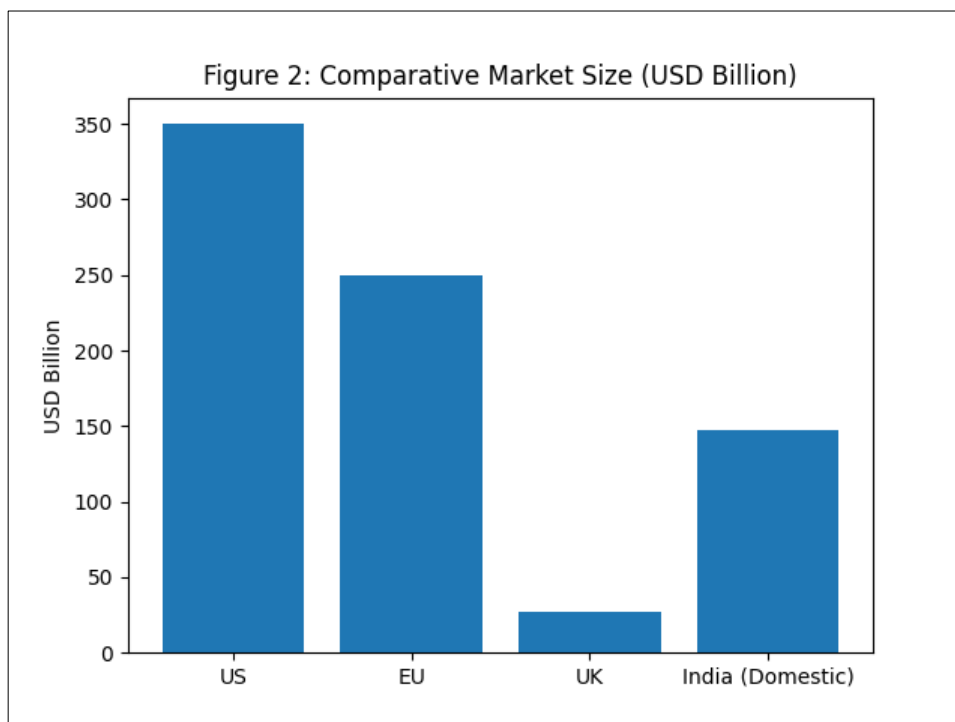


Fig. 2 Comparative Market Size: US, EU, UK, and India Domestic Market

14. Export Growth Trajectory: From USD 37–38 Billion to USD 100 Billion

With supportive trade conditions and coordinated policy action, India can realistically scale textile and apparel exports to USD 100 billion by 2030–2035.

Table 2. Indicative Export Growth Path

Year	Estimated Exports (USD Billion)
2024–25	37–38
2027–28	55–60
2030	75–80
2035	~100

Key enabling factors include:

- Stable and competitive US tariff regimes,
- Full utilisation of EU and UK FTAs,
- Capacity expansion and productivity gains, and
- Design-led value addition across the value chain

15. Domestic Market as a Strategic Anchor

India's domestic textile and apparel market, valued at approximately USD 147 billion, provides a strong demand-side foundation. Rising incomes, urbanisation, e-commerce expansion, and youth-driven fashion consumption ensure sustained internal growth. Aligned with the Swadeshi and Vocal for Local initiatives, domestic demand absorbs production during global fluctuations, strengthening indigenous brands and craft-based livelihoods.

16. Technology, Design Education, and Institutional Support

Technology adoption—AI-based design tools, digital sampling, automation, and traceability systems—will be critical for achieving scale, efficiency, and sustainability. Institutions such as the National Institute of Fashion Technology (NIFT) play a pivotal role in skill development, design innovation, and integration of traditional crafts with modern industry. Human capital development and design education remain decisive for long-term global leadership.

17. Conclusion

India's textile and apparel sector is at a crucial turning point. With appropriate policy backing, infrastructure enhancement, integration of sustainability, and innovation driven by design, the industry has the potential to become a global leader while significantly contributing to the Viksit Bharat 2047 vision. Achieving USD 100 billion in exports is a challenging but attainable goal, contingent on coordinated, strategic, and forward-looking action by all stakeholders.

The reduction of US tariffs to around 18 per cent has markedly boosted India's competitiveness in the global textile market. Coupled with preferential market access to the EU and the UK and strong domestic demand, India's textile and apparel industry is well-positioned for rapid and sustainable growth. Through aligned policy measures, industry

investment, and design-focused innovation, the sector can expand exports to USD 100 billion by 2030–2035, becoming a key pillar of inclusive and sustainable development under the Viksit Bharat 2047 framework.

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