

'For Textile Technology Players, A Turnaround Isn't Too Far'

Reena Mital



Gurudas Aras
Director, A.T.E. Enterprises Pvt. Ltd.

Textile Excellence organised a webinar 'Is the momentum picking up?' as part of the inaugural session of the vTexShow. V. K. Singh, Additional Secretary, Ministry of Textiles, Government of India, was the chief guest at the e-function. Other panelists at the webinar included G. V. Aras, Director, A.T.E. Enterprises, Sanjeev Bhartia, Marketing Director, Dhanesh Weaving, and Arindam Saha, Associate Partner, PwC India.

According to G.V. Aras, there are clear signs that the momentum is picking up. "The industry has reached a level of 60-70% of capacity utilisation.

And some segments especially home textiles and sheeting and terry towels are doing very well. Order flow from US has started. Most of the good players are booked till end of this year.

And this has had a positive impact on the back processes, with the effects being felt in the spinning sector too. So spinners also have higher capacity utilisation, margins are better, and we are seeing good headwinds for weaving and processing."

Another segment that has done very well during the lockdown and beyond is technical textiles - specifically geotextiles and medical

textiles. "As far as technology players are concerned, we have started getting business. Momentum has just begun since last month and I am hopeful that this will continue.

There is a short term pain for sure. But with renewed energy of the industry, and the support from the government, I am sure India will ultimately emerge a beneficiary, and gain global market share. For machinery players, turnaround may happen from the first or second quarter of 2021," he said.

Opportunities galore for the Indian textile industry

Aras is upbeat about the opportunities that exist for the Indian textile industry today. "I believe these are the best times for the industry. We just need to change our attitude, mindset, think outside the box, and move out of our comfort zone. There is a Rs 25000-30000 crore market wide open to the industry, just in the domestic market. Exports is another bonus."

And the opportunity lies in import substitution. "India's export basket is cotton-dominated. For synthetics and performance fabrics we depend on imports. I'm happy to see there is a realisation in the industry and in the government to support the shift towards synthetics." Today, almost 80-90% of synthetic based fabrics are imported from the Far East, and mainly from China. "Activewear is a fast-growing segment globally.

Indian manufacturers need to move fast, improve finishing capabilities as activewear fabric has a high spandex content. Once we have quality finishing, this is a huge opportunity waiting to be tapped," stressed Mr Aras. He also gave the example of baggage fabric, which is again dependent on imports from China.

He further underlined the need to explore new markets. "In the EU, Indian exporters face competition from Vietnam, Pakistan, Bangladesh, who enjoy preferential trade with Europe. We need to explore new markets.

Japan is a very important market, and India accounts for just 1.5% of Japan's textile and clothing imports. The reason for this tiny share is not being able to meet Japanese quality standards. This is a small hurdle for an industry that boasts of the best technologies and minds. Relations between India and Japan have never been better, you cannot have any other opportunity like this."

'Focus on quality to beat China hollow'

Conforming to Aras's views, Sanjeev Bhartia, Marketing Director, Dhanesh Weaving, added, "When I was in the US for the last five months, I realised that Americans are not at all happy to buy 'Made in China' today. And that's why we could be successful in the US market.

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You have to come out with a quality product and you can beat China hollow." According to Arindam Saha, Associate Partner, PwC India, "There is a fall in China's

apparel exports. Brands are increasingly looking for a China alternative. Some of the brands for the first time, have started placing orders in South India. Overseas manufacturers have been advised to exit China. However, India

is not the first choice for relocating. Vietnam is.

It is imperative for Indian textile manufacturers to stand strong and tall and showcase agility. We have to show the buyers we can deliver quality at competitive

cost."

According to Aras, "Cost is where India takes a beating. And mainly logistics cost, because the value chain is scattered across the country. But we still have hope, some of the Indian states have low manufacturing and logistics costs, and we must explore setting up large capacities in these states." ■