

Following is the full text of the speech -

“I am indeed pleased to inaugurate the Virtual Platform for Apparel Products of the Apparel Export Promotion Council (AEPC) today. The ongoing pandemic has necessitated export promotion events to take place only in the virtual medium. In this context, the initiative of a Virtual Platform by AEPC is highly commendable. I am sure this will go a long way in promoting Indian apparel exports around the world.

Dear sisters and brothers,

Textile industry in India is the 2nd largest employer, providing direct employment to about 45 million people. This is next only to the agricultural sector. Apparel sector itself, a segment within textiles, provides employment to about 12.9 million people. Also, most of the people working in this industry are women workers.

The apparel industry is also a very important foreign exchange earning industry for India. The domestic textile and apparel industry contributes 2.3% to India's GDP, 7% to the country's manufacturing production and 12% in export earnings. These numbers simply illustrate the criticality of the sector to our macro-economy.

For India, the textiles industry is important not just as a source of foreign exchange or for labour absorption. As matter-of-fact, it is a part of India's rich and glorious heritage.

In the ancient times, Indian fabrics were world-famous for their superior quality and exquisite craftsmanship. Indian fabric was most coveted in those times. Possessing it was a sign of prosperity and pride.

However, the vibrant sector suffered a decline when the colonial era began. With farmers facing harsh land revenues, weavers lacking patronage, exporters suffering from heavy export duties, Indian textiles and apparel sector deteriorated. And finally, the flooding of the Indian market with machine-made cloth from Britain dealt a huge blow to the domestic sector.

The importance of textiles to the Indian economy and way of life can also be gauged from the role it played in our freedom struggle, starting with the 'Swadeshi Movement'. The call given by the nationalists for use of 'Swadeshi' cloth can perhaps be termed as the first-ever call for 'Atma Nirbharta' in India. The spinning of Khadi on a Charkha became a great symbol for Swaraj and led to the rise of national consciousness. It connected the poor and the rich, peasants and craftsmen, and people from all the regions, like no other unifying factor.

Dear sisters and brothers,

Although, the nature of the sector and the demands changed over the time, it still exerts a heavy influence on our economy. It is widely recognized that the apparel sector is the most labour-intensive sector and employs skilled manpower. This sector can play a major role in tapping the potential of our dividend as lakhs of youth will be joining the job market every year.

The apparel sector is also known to be conducive to employ women and is dominated by women workers. Some estimates show that they account for more than 70 percent of the total work force. Friends, through these opportunities for women, the sector can be a true vehicle of social transformation in remote areas: it can correct the low labour force participation among women in rural areas and can financially empower women and children. Studies have shown that this sector's expansion has positive outcomes regarding women's education and total fertility rate.

In order to tap apparels sector's full potential, we need to recognize and address the challenges faced by the sector. In reality, these challenges have to be viewed as opportunities waiting to be exploited.

India certainly enjoys a competitive edge in the textile sector in terms of having abundant raw material, skilled manpower and the presence of manufacturing in all segments of the textile value chain. For instance, India is the largest producer of cotton and jute and the second-largest producer of Man-made fibres and silk globally. We also have a strong global presence in cotton yarn. But this competitive edge is missing when it comes to fabrics and apparels.

Countries like China and Bangladesh are the biggest buyers of Indian yarn. They add value to it and sell the fabrics and apparels at a lower cost compared to India. China's share of 51% in cotton fabrics is very high, compared to India's 5%–6%. This situation largely arises out of the unorganized and dispersed nature of the weaving sector in India.

Small scale businesses need hand-holding and should be supported in scaling up and improving the quality to match our global competitors. Another persistent issue that needs to be addressed is the use of old and outdated technology with low productivity and quality levels. I must compliment the government for aiding this sector through an Amended - Technology Up-gradation Fund Scheme (A-TUFS) to give a boost to the small scale firms. This is an excellent scheme and concerted efforts must be made to deliver the benefits of the scheme to the firms in second and third tier cities.

Similarly, programs that can up-skill the textile workers should also be taken up in a bigger way. This way, we can ensure our competitive edge will be more than just technology and cheap labour. While Bangladesh and Vietnam are giving a strong competition to our products because of the availability of cheaper labour in those countries, skilled manpower, more than anything, should be our core strength.

State governments should also partner in this endeavor by offering incentives and ensuring uninterrupted, quality power supply, which has been a concern for the sector. Textile entrepreneurs on their part must try to diversify their manufacturing portfolio to suit the changing global demands and tap newer markets.

The bottom line is this: Unless the average size of the apparels firm grows, adopts latest technologies and possesses skilled manpower, we cannot manufacture quality items and export at competitive prices. Only this way, we can exploit the full employment and economic potential of the industry. One of the proposed projects of the NITI Aayog this year is to work with the textile ministry to set up mega textile firms to boost our exports in both fabric and garment sectors. This is a welcome initiative. I call upon the private sector to partner with the government and innovate in the textiles sector to improve the exports.

Brothers and sisters,

While improving our export competitiveness, we cannot lag in areas that are not traditional in our textile industry. There was a certain initial reluctance when it came to Man-made Fibres (MMF) segment and technical textiles. We must shed this hesitancy and upgrade and upskill our workers and entrepreneurs to ride on these sunrise sectors.

Technical textiles are expected to hold great promise for the future with advances in material sciences. The global market for technical textiles is expected to reach USD 220 billion by 2022. India is still picking up in this area with about 4 per cent market share. We need to increase the share by encouraging budding entrepreneurs to look for international markets and taking proactive measures. The recently announced Production-Linked Incentive (PLI) Scheme for the MMF and Technical textiles sector will go a long way in this regard.

Sisters and brothers,

I must congratulate all of you and the Ministry of Textiles for promoting the manufacturing and export of Medical Textiles (PPE Kits, Face Shields, Masks & Gloves) during this pandemic. As a result of these efforts, India today stands in the 2nd position in the world in the manufacturing of PPE Kits.

It is with the same entrepreneurial spirit that AEPC has made its own Virtual Platform for organizing Export Promotion events. I am happy to note that the platform would be active at all hours and on all days and the buyers would be able to visit and interact with Indian exporters on the platform throughout the year.

I also commend the role of the Ministry of Textiles for mitigating the challenges posed by the pandemic and the support given to small traders and exporters.

I am confident that all these cumulative efforts will boost Indian apparel exports. We should aspire to soon reach a double digit share in exports of fabrics from the current 5 - 6%.

Once again, I am happy to have launched this platform. I must congratulate Dr A. Sakthivel, Chairman, AEPC and the team for this initiative, which is yet another milestone in our journey towards 'Atma Nirbharta'. May this inspire many such initiatives across other industries and become a best practice for others to emulate.

Jai Hind!”
