

Vast scope for SMEs in technical textile industry

by [rajat mishra](#) on March 21st 2010 and filled under [Textiles](#)

The Indian technical textile industry, which can offer a vast scope for small and medium enterprises (SMEs) in the country, needs government support to achieve its full growth potential, viewed industry stalwarts.

"World over technical textile industry is scattered amongst SMEs but it is not in India. Indian SMEs have scope in these areas. Normally, this sector needs some government incentives as well," said Prashant Agarwal, Sr. Vice-President, Technopak Advisors Pvt Ltd told SME Times at a conference on Technical Textile Summit in New Delhi recently.

He added that SMEs in India needs to concentrate in research and new product development to excel in the technical textile area

"The technical textile is a industry where you need to concentrate in research and new product development. Technical textile can be successful amongst SMEs, if they concentrate on these subjects. So, it is not that anybody from SME sector can enter into this area," he said.

Agarwal further added, "In technical textile industry, the government need to give some incentives. The center of excellence that we are working on where you help people for developing products. We need to create an environment for research so that you can come out with new products. These are the enablers for the government. Moreover, the government can come out with special incentives and ensure that people also invest in technical textile industry."

Comparing India versus China's growth rate in the technical textile, he pointed out, "Indian market share is driven by two factors-- first, export competitiveness and second the domestic consumption. Today if you see the textile industry is USD 42 billion in the domestic market and USD 22 billion in the export market."

"Driving the consumption mainly from the domestic market, India will drive the consumption in a good way. I am not saying, 'India can match up with China' but, yes it can come close to the figure of China which they are expecting to have in future."

Meanwhile, speaking at the event, M.S.Verma, Vice-President--Technical Textiles, Reliance Industries Ltd said, "India has scope for increasing production in technical textiles in the country. However, indigenous production of technical textiles is limited and scattered mainly to Small and Medium Enterprises (SMEs)."

He said, "The world market for the technical textile is at 21 mn tonnes (US\$120 bn) during 2007-08, and is expected to increase up to 26 mn tonnes (US 139 bn) by 2012 with CARG of 4-5 percent depending on the application."

It was also pointed out by him that as the world market share is expected to take a fillip, India at present shares a growth at 4-6 percent in the global technical textile whereas US shares at

around 25 percent, Europe share 22 percent, and China shares at 13 percent.

According to the government data, though India is the second largest textile economy in the world after China, its contribution in the global technical textile industry is merely 6.85 percent. In China technical textiles accounts for 20 percent of the total textile activity. However, in India, the technical textile is less than 10 percent of textile activity.

The data also shows that the domestic market size of technical textiles in the country is expected to grow at the rate of 11 percent per annum and will reach Rs. 66,414 crore by 2012, which is about Rs. 37,115 crore at the moment.

In this context, Agarwal urged the government and said, "The urban sector is already getting government support but to the rural sector the government should give a big push."

"For instance, the agri-sector for technical textiles, the government need to give a big push. The per-capita is low in agri business in India...the government needs to provide fund to the technical textile products and give some subsidies, which can be of advantage," he said.

"In rural areas, the Agro -tech and geo-tech has enormous scope for growth in India," Agarwal added.

In India, the areas where the technical textile industry has potential for growth are agrotech, buildtech, geotech, hometech, medtech, mobiltech, oekotech, packtech, protech, and Indutech.