The West Asia Wake-up Call For India's $100 Bn Textile Exports Dream

Kishan Singh Jul 28, 2026

India textile exports # India apparel exports # West Asia crisis # Apparel Exports # Textile Exports # Textile industry India # Textile export roadmap # USD 100 billion textile exports # Supply chain

The disruptions have forced players to move towards shorter production cycles, demand-led inventory planning, phased order execution and closer coordination between manufacturing, sourcing and logistics to reduce risk

India's textile and apparel exports have hovered around the USD 40 billion mark for nearly six years, even as the country targets USD 100 billion by 2030. As the ongoing West Asia crisis reshapes global supply chains, industry leaders say the disruption has become a wake-up call for exporters, prompting exporters to rethink inventory planning, logistics, working capital and production strategies, while bringing into sharper focus the structural gaps that must be addressed to accelerate export growth.

Across the industry, executives say the disruption has accelerated changes that were already underway. Exporters are moving towards shorter production cycles, demand-led inventory planning, phased order execution and closer coordination between manufacturing, sourcing and logistics to reduce risk. At the same time, they argue that achieving the USD 100 billion export target will hinge on addressing long-standing challenges around logistics efficiency, labour productivity, man-made fibres (MMF), technology adoption, value addition and access to working capital, while aligning with global buyers' growing preference for speed, reliability and consistent execution.

“In fashion, carrying excess fabric or finished goods can quickly affect margins because demand, seasons and product preferences change rapidly. Exporters are therefore moving towards shorter planning cycles, smaller and more frequent production runs and earlier alignment with customers on fabric and capacity requirements,” Sanjay Jain, Group Chief Executive Officer (CEO), PDS, told BW Businessworld.

Structural Changes In Production Planning

The West Asia crisis has triggered a shift in how exporters and buyers plan production and fulfil orders, with companies moving away from rigid supply chains and large upfront commitments towards more flexible operating models. "The lasting operational lesson is simple, resilience must be designed in, not improvised. Exporters are shifting to multi sourcing, distributed inventory and flexible routing backed by real time visibility, moves that prioritise responsiveness without sacrificing efficiency."," said Rajkiran Kanagala, President and Chief Business Officer, Transport Corporation of India (TCI).

A similar trend is playing out on the demand side. "Most brands that I know are trying to reduce their inventory and they are going in for shorter runs," said Rahul Mehta, Chief Mentor, Clothing Manufacturers Association of India (CMAI). Referring to buying trends at a recent industry exhibition, he said, "While the dealer wants to place order for 10,000 pieces, today he is placing 6,000 pieces and will come back next month for the balance... Inventory management has become much more stricter, much more sharper... most of the industry has taken advantage out of this adverse situation and therefore are able to manage and sustain their businesses."

Addressing The Gaps For The USD 100 Bn Dream

While the industry has adapted its operating model, executives argue that achieving the USD 100 billion export target will require structural reforms across the textile value chain. The need for these reforms has become more pressing as India's textile and apparel exports have remained around the USD 40 billion mark, even as global sourcing strategies shift towards diversified, reliable and value-added manufacturing destinations.

The India Textiles and Apparel CXO Blueprint 2030 report released by CMAI and the Global Alliance for Textile Sustainability (GATS) added that while global trade grew at 3.5 per cent over the past six years, Indian exports have registered a marginal annual uptick of 0.8 per cent. The report pointed out that the sector remains a leader in cotton, carpets and made-ups, but global demand has moved towards apparel, man-made fibres and technical textiles, categories where its presence is thin. More than 52 per cent of India's textile exports come from just 134 product categories where India has over 10 per cent global export share, indicating a need for diversification into higher-growth segments.

"Firstly, labour absenteeism runs at roughly 20 per cent, compared to approximately 3 per cent in Bangladesh, directly affecting production reliability," Jain added. He also pointed out that factory-to-port logistics in India take 10 to 11 days, against 3 to 4 days in competing economies, making it harder for exporters to meet increasingly compressed buying cycles. However, the gap is not static. Domestic consumption exceeding USD 100 billion, growing at around 12 per cent annually, is driving infrastructure investment, including PM MITRA Mega Textile Parks, which are expected to improve supply chain efficiency and strengthen manufacturing ecosystems.

Alongside improving logistics and workforce productivity, Jain said India must strengthen capabilities in man-made fibres (MMF), performance fabrics and value-added apparel, while investing in design, sustainability, traceability and closer integration between mills and garment manufacturers. "With exports currently at around USD 37 billion, the industry would need to sustain annual growth of nearly 28 per cent over the next four years, far above the low single-digit growth recorded in recent years," explained Naveen Malpani, Partner and Consumer Industry Leader, Grant Thornton Bharat.

As per Malpani, the next phase of growth will depend on improving logistics competitiveness, accelerating value addition in MMF products, technical textiles and sustainable materials, and building an integrated export ecosystem backed by digital supply chains, free trade agreements, regulatory compliance and reliable execution.

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While logistics, product diversification and manufacturing remain central to the USD 100 billion roadmap, industry leaders say financing could prove equally critical in determining how quickly exporters can scale. In January, media reports said the Ministry of Textiles was preparing a roadmap to double shipments to FTA partners, expand into high-value segments and bring more districts into the export ecosystem, signalling that market expansion would need to be backed by stronger execution capabilities.

Executives, however, argue that execution ultimately hinges on liquidity. "The textile business operates on long working capital cycles. Manufacturers procure raw materials, process orders, ship products overseas, and often wait 60 to 120 days before payments are realised. For many exporters, particularly MSMEs, cash flow rather than demand becomes the primary constraint on growth," said Munindra Verma, CEO, M1 NXT.

He added that wider adoption of digital trade and financing infrastructure can enable faster access to finance, streamline documentation and improve exporters' ability to respond to changing global trade dynamics. Deepak Gandhi, Director and Business Head-Exports at Drip Capital, echoed the concern, saying access to working capital remains one of the biggest structural constraints facing exporters. "Quick access to financing is very essential because it will help companies place bigger orders, venture into new markets and cope with temporary disturbances without affecting business," he noted.

Gandhi also highlighted a financing gap in tier 3 and 4 manufacturing clusters, adding that greater digitisation of trade finance can accelerate credit assessments, improve liquidity and strengthen India's competitiveness as global buyers diversify their sourcing strategies. Many exporters, particularly MSMEs, continue to operate with limited financial buffers and remain vulnerable to delays in payments or higher logistics costs. Recognising these challenges, the Centre, in March 2026, has also introduced measures such as the Rs 497 crore RELIEF (Resilience and Logistics Intervention for Export Facilitation) scheme to help eligible exporters manage extraordinary freight and insurance costs during such disruptions.

Meeting Global Expectations

As global brands continue to diversify their sourcing strategies, exporters believe India's competitive edge will increasingly depend on reliability, innovation and execution rather than low-cost manufacturing alone. Industry executives say the next phase of export growth will be shaped by the country's ability to consistently deliver premium, design-led and value-added products while meeting evolving buyer expectations around quality, sustainability and speed.

"The key opportunity for India lies in emerging as a sought-after partner for premium, design-driven and value-added clothing rather than trying to compete based on low-cost manufacturing alone. Reliability, quality, sustainability and speed of delivery are some of the criteria that global consumers are looking at now more than ever before," added Rohan Gupta, Managing Director and Chief Financial Officer, Gargee Designers.

For an industry that has spent nearly six years around the USD 40 billion export mark, executives believe the next leap will not come from producing more, but from becoming faster, more reliable and more competitive across the value chain.

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