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Growth Of Indian Textile And Fashion Industry - Challenges, World Trade, Future Plan And Market Research

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Abstract

The Indian textile and apparel industry, one of the oldest and largest contributors to manufacturing GVA accounting for 2.3% of GDP, 7% of industrial output, 12% of export earnings and employing over 45 million directly and 100 million including allied sectors, operates in a macro-diverse environment with intense competitive challenges arising from evolving trade dynamics in both Indian and global markets. Growth prospects are macro diverse through competitive challenges evolving trade dynamics amid strategic scenarios of prospect and scope of marketing potential. With Production Linked Incentive PLI Scheme 1.0 and 2.0 for MMF apparel and technical textiles worth Rs 10,683 crore, sustainability mandates like EU CBAM carbon border taxes, US UFLPA compliance, and shifting consumer preferences towards organic, recycled and ESG-compliant apparel, the sector faces both strategic opportunities and export risks. Trade dynamics - US, EU, China+1 shift, FTAs with UK, Australia, UAE - plus global competition from Bangladesh, Vietnam and Turkey gaining market share in fast fashion create uncertainty despite size. Accurate demand forecasting for 2025-2030 is therefore critical for product planning, inventory management, capacity expansion and maintaining export competitiveness using econometric and ML approaches to project demand drivers and emerging export pressures. Hence robust forecasting needed.

Keywords: Textile & Apparel GVA, Trade Dynamics & FTA / CBAM, PLI Scheme MMF Technical Textiles, ESG & Sustainability Mandates, Demand Forecasting 2025-2030