



## TEXTILE RECOVERY - ECONOMY

**NEWS:** In the shadows of a sliding rupee, India's knitwear hub Tiruppur is weaving a success story.

### WHAT'S IN THE NEWS?

#### Tiruppur's Export Performance: A Rising Trend

- Tiruppur, the knitwear hub of India, has showcased remarkable growth in exports during 2024-25.
- From April to December 2024, exports reached **₹26,000 crore**, almost equaling the previous financial year's total of **₹30,690 crore**.
- Based on conservative estimates, exports for the financial year 2024-25 are projected to reach **₹35,000-₹40,000 crore**, setting a new milestone.
- The region contributes a staggering **55% of India's total knitwear exports**, highlighting its significance in the textile industry.

#### Rupee Depreciation and Export Growth

- The Indian rupee depreciated by nearly **3% in 2024**, touching close to ₹86 against the US dollar.
- This depreciation made Indian exports more cost-competitive on the global market.
- According to the **Tiruppur Exporters' Association (TEA)**, around **5% of Tiruppur's export growth** is directly attributed to the rupee's decline.
- Broader apparel exports from India saw a **10% year-on-year rise in November 2024**, reaching **\$1.1 billion**, showcasing robust growth.

#### Global Demand and Market Expansion

- **Major Markets:**
  - US: Registered a **22% year-on-year increase** in imports in October 2024.
  - EU: Also saw a **22% rise** in imports during the same period.
  - UK: Imports increased by **5% year-on-year**.
- **Key Buyers:** Tiruppur serves a prestigious list of global brands, including:
  - **Primark, Tesco, Next, Marks & Spencer, Warner Bros, Walmart, and Tommy Hilfiger.**
  - Australian brands like **Target** and **Woolworths**.
  - European brands such as **Duns**.



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## • UAE as a Gateway:

- The UAE has emerged as a critical export destination due to a **free-trade agreement** that facilitates exports to Africa through West Asia.
- UAE-driven demand has opened up new growth opportunities for Tiruppur.

## Sustainability: A Competitive Edge

- Tiruppur has prioritized **Environmental, Social, and Governance (ESG) compliance**, earning recognition from global buyers who emphasize sustainability.
- The town has achieved **carbon-negative status**, becoming a role model for sustainable manufacturing.
  - Significant investments have been made in:
    - **Green energy projects.**
    - **Zero liquid discharge systems** to manage wastewater.
    - **Large-scale tree plantations** to offset carbon emissions.
- ESG compliance has enhanced Tiruppur's reputation, attracting buyers who prioritize ethical and environmentally friendly sourcing.



## Technological Modernization

- Adoption of **AI-driven manufacturing** has revolutionized production processes:
  - Productivity has increased, with production capacity rising from **45% to 65%**.

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- Technology adoption has streamlined operations, making Tiruppur more competitive on a global scale.
- This modernization followed a challenging 2023-24, during which exports declined by **11%**:
  - Exports fell from **₹34,350 crore (2022-23)** to **₹30,690 crore (2023-24)** due to disruptions such as:
    - The war in Ukraine.
    - Financial instability in Europe and the US.
    - Global supply chain crises.

## Geopolitical and Strategic Shifts

- **China Plus One Strategy:**
  - Global companies are diversifying supply chains to reduce dependency on China, driving more business toward India.
- **Challenges in Bangladesh:**
  - Political instability in Bangladesh, another major textile hub, has added to India's momentum as an alternative supplier.
- These geopolitical shifts have given Tiruppur a competitive edge in attracting orders from international buyers.

## Key Milestones and Achievements

- Tiruppur's exports reached **₹26,000 crore** in just nine months of 2024-25, with three months still remaining in the financial year.
- October 2024 emerged as a standout month:
  - The US and EU both recorded a **22% year-on-year increase in imports**.
  - Other major textile hubs, including China, Bangladesh, and Vietnam, also saw export growth.
- Tiruppur's growth trajectory is now supported by favorable macroeconomic factors and strategic positioning in the global supply chain.

## Broader Industry Impact

- The rupee depreciation has benefitted the entire Indian textile chain:
  - Nearly **50% of the cost advantage from the rupee's decline** is passed on to global buyers, making Indian products more attractive.
- Indian exports, particularly apparel, continue to see buoyant demand, driven by competitive pricing and growing interest in sustainable sourcing.



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## Future Outlook

- **Strong Demand:** With sustained global demand and increased orders from markets like the US, EU, and UAE, Tiruppur is well-positioned for continued growth.
- **Focus on ESG:** Maintaining sustainability and carbon-negative practices will help retain buyer trust and meet compliance requirements.
- **Technology-Driven Growth:** Investments in AI and automation will further enhance efficiency and output.
- **Geopolitical Advantage:** Tiruppur will likely continue to benefit from shifts like the China Plus One strategy and disruptions in other textile hubs.

**Source:** [https://www.business-standard.com/industry/news/textile-hub-tiruppur-threads-a-recovery-on-sliding-rupee-as-exports-surge-125010600927\\_1.html](https://www.business-standard.com/industry/news/textile-hub-tiruppur-threads-a-recovery-on-sliding-rupee-as-exports-surge-125010600927_1.html)

