Regional Textile and Apparel Industry Outlook: Mumbai, India

Yelissa Vasquez, Zari Wayman, Olivia Elias, Jendayi Chambers

New York City College of Technology

Global Sourcing and International Retail Trade

Background Information on Mumbai

Formerly known as Bombay, Mumbai is the capital of the Maharashtra state located in the southwest of India. The name Mumbai derives from a goddess of the local Koli fishing peoples, Mumba Devi. The population of Mumbai is estimated to be over 22 million people and covers about 233 square miles (World Population Review, 2019). Mumbai is a cosmopolitan city which means it's a true melting pot of different cultures, subcultures religions, and languages. The majority of the population is Marathas meaning they are residents of Maharashtra and speak the Marathi language. But, there are also different numerous ethnic groups like Gujaratis, Marwaris, Sindhis, along with people from other Indian states. Other languages that are spoken in Mumbai are Pashto, Arabic, Chinese, English, and Urdu. Popular religions are Muslims, Christians, Buddhists, Jains, Sikhs, Zoroastrians, and Jews.

Textile and Apparel Industries of Mumbai

In the mid-seventeenth century, Mumbai developed around a fort created by the British in order to "protect the trading interests along India's western coast" (Encyclopedia, 2018). Mumbai is India's largest, most populated city, and it is the most dominant urban center. The city's harbor is very important due to it being a "focal point for sea routes crossing the Arabian Sea" (Encyclopedia, 2018). Mumbai use to dominate the cotton textile industry, but, as time passed, the market started to manifold. There are now industries in "automobile manufacturing, metals, electronics, engineering, food processing, and a wide range of light manufacturing" (Encyclopedia, 2018).

Even though these other industries are thriving, the textile industry is still very popular. Jiwarajka Textile Industries (JIT) is a polyester manufacturing company in Western India. The company has a capacity of producing 20,000 metric tons per annum of polyester partially oriented yarn to textured yarn. JIT market their products to weavers all throughout India (Jiwarajka, 2013). The items are mostly for international consumers like Morocco, Argentina, Russia, Brazil, Venice, Poland, and Sri Lanka.

Another textile company is Usha Garments. This company is a garment manufacturer with an administrative office located in Mumbai. Production units are in Gujarat, India where consumers have access to "in house computer aided designs, embroidery, and washing" (Usha Garments, 2019). The company is sustainable and uses certified organic fabrics and eco-certified clothing. Also, Usha Garments believes in innovation with the use of recycled plastic and cotton for sustainable fabrics and performance fabrics with "properties of Coolmax, Thermolite, amd Moisture Management Control" (Usha Garments, 2019). The company primarily creates men's shirts, ladies blouses, and kidswear. About 200,000 pieces of clothing are produced a month. It's unsure whether they export domestically, internationally, or both, but they do make use of the harbor.

One more company is Naina's Apparel. Naina's Apparel is a apparel and home decor production company. The company has 20 years of experience and is committed to creating and selling quality textile and garment products. They are one of few companies that offer "world class manufacturing, quality control and delivery to both the couture designer and the large apparel brands" (Naina's Apparel, 2019). They work with small businesses and large corporations. Naina's Apparel specializes in designing women's clothing: blouses, knit tanks and

tops, skirts, dresses and gowns, men's polo and crew t-shirts, sportswear and children's clothing.

They use fabrics such as chiffon, tulle, organza, lycra, silk, modal, and other stretchable fabrics.

Valentino, Oscar de la Renta, Vera Wang are only a short list of brands they've worked with.

Also, they export internationally to Italy, France, Germany, Spain, the UK, and the United

States.

The Beginning of the Industry

Bombay, now called Mumbai, known for the most of India's cotton textile industry, has a

highly diversified manufacturing sector industry and a significant presence in the economy as

well as in the international textile economy. Its contribution to the Indian economy is manifested

in terms of its contribution to the industrial production, employment generation and foreign

exchange earnings. It contributes 20 percent of industrial production, 9 percent of excise

collections, 18 percent of employment in the industrial sector, nearly 20 percent to the country's

total export earnings and 4 percent to the Gross Domestic Product.

The first cotton textile mill of Bombay was established in 1854 by a Parsi cotton

merchant then engaged in overseas and internal trade. Initially, the vast majority of the early

mills were the handiwork of Parsi merchants working in yarn and cloth trade at home and

Chinese and African markets. The first cotton mill in Ahmedabad was established in 1861, which

then emerged into a rivalry against Bombay. The spread of the textile industry to Ahmedabad

was largely due to the Gujarati trading class. The cotton textile industry, however, made its real

beginning in Bombay, in 1850s. The cotton textile industry made rapid progress in the second

half of the nineteenth century and by the end of the century there were 178 cotton textile mills;

but during the year 1900 the cotton textile industry was in bad state due to the great famine and a number of mills of Bombay and Ahmedabad were to be closed down for long periods.

India has been well known for her textile goods since very ancient times. The traditional textile industry of India was virtually decayed during the colonial regime. However, the modern textile industry took birth in India in the early nineteenth century when the first textile mill in the country was established at Fort Gloster near Calcutta in 1818.

India's manufacturers have long performed below their potential. Although the country's manufacturing exports are growing (particularly in skill-intensive sectors such as auto components, engineered goods, generic pharmaceuticals, and small cars) its manufacturing sector generates just 16 percent of India's GDP—much less than the 55 percent from services.2 Moreover, a majority of India's largest manufacturers don't return their cost of capital (Exhibit 1), a factor that dampens investment in the sector and makes it less attractive than its counterparts in competing economies, such as China and Thailand. Indeed, China's manufacturers captured nearly 45 percent of the global growth in manufacturing exports from low-cost countries between 2001 and 2010, whereas India accounted for a paltry 5 percent.

Apparel and Textile Industry Outlook for India and Mumbai

General India

India's' textile industry is expected to grow significantly by 2021. By said year, the amount of exports will increase to US $82 billion which is almost three times as much as the amount of exports in 2019 (IBEF, 2019). The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the

world (IBEF, 2019). As of now, the textile industry in India is worth US $150 billion and by the

end of 2019 will be worth US $250 billion (IBEF, 2019) .

Mumbai

While the country as a whole is going to have a rise in the textile industry, for the region

of Mumbai the textile industry will decrease in size. As mentioned in the sections before, Textile

mills were flourishing by the late 19th century, but after a decade of success, the textile mills

started to close for multiple reasons. The first reason was that other industries were developing

more rapidly meaning the textiles of Mumbai were not making a profit (Culture Trip, 2019). The

second reason was there were vast amount of textile strikes happening (Tiru, 2018). This series

of strikes happening at once meant the majority of the mill workforce was not working and

production quantities dropped.

As of recently, some of the original mills in Mumbai are being preserved now due to the

high quality construction along with the workers dorms (Tiru, 2018). The mills and the housing

for the factory workers made up almost 600 acres of land (Me Mumbai, 2019). Other textile mill

land is being bought and converted to luxury residences and shopping malls (Tiru, 2018). The

new property owners either remodel the mill to fit there needs or tear down the structure to use it

as they please. "Today, it [Mumbai] is a space for the rich" (Tiru, 2018). This means the

booming textile industry in Mumbai is dying.

According to Le Travenues Technology (2018), there are over 200 shopping mall in

Mumbai, India. Some of the top malls include High Street Phoenix, Phoenix Market City, and

R-City (Cook, 2019). High Street Phoenix was one of the mills that had been remodeled to a

mall and now has merged another mall and a hotel as part of its property (High Street Market,

2019). When looking at the textile mills, High Street Phoenix, and the rise in shopping malls, one could predict Mumbai will continue transitioning from a textile industry contributor to more of a shopping district.

Government campaigns such as 'Make in India' are bringing in international brands like Ikea to sell and produce their products in India (Make in India, 2019). More companies are expected to join because of India's history in textiles. When the manufacturing rises in India, one would expect them to then sell these freshly made products in the shopping center of India which is Mumbai. Shopping malls started becoming popular in the early 2000's, providing the Indian people with a more comfortable temperature controlled place to shop (Puri, 2018). Malls continue to grow due to the convenience they provide in location, providing entertainment, and the stylish clothing they sell. These new shopping centers are on the receiving end of technology as they try to implement attention grabbing technology that will keep the customer informed of what is happening at the mall (Puri, 2018). Since this is such a new market in India, the amount of shopping malls will increase.

India is also becoming more sustainable by focusing on handcrafted items made of more eco friendly materials (Ahmed, 2019). Mumbai is is one of the main areas where this creative industry is taking place. Artisans are gathering in Mumbai to sell a variety of handmade clothing and house items (Power & Finer, 2019). The more this movement continues to grow, there will be more sustainable retail clothing stores in Mumbai.

As Mumbai, India moves farther and farther from their traditional textile manufacturing roots, they are solidifying the decline of this industry by building the first textile museum of Mumbai (Preuss, 2018). It was originally supposed to be in the processes of being created around

2002, but plans were postponed until 2018. Going against Mumbai as it is today, this textile

museum will include entertainment for everyone not only the rich (Preuss, 2018). It will marry

the old and new Mumbai by having the location be in and old mill that will be renovated (Preuss,

2018). When the textile factory is completed it will juxtapose Mumbai's history in textiles with

it's future of modern shopping.

Reasons for the Beginning of Textile and Apparel Production

India is known for having great natural resources and minerals, all of which allows the

country to be able to manufacture goods and trade with other countries. The textile industry in

India has become a major factor for the country's wealth. Mumbai now is considered the

wealthiest region in India and is known as its commercial and entertainment capital. Mumbai is

an industrial region filled with over 100 textile mills and became one of the country's catalyst of

growth that has expand to other regions of the country. India as whole is known for its fiber ,

textile, apparel, dyeing and finishing production (Shetty, 2001). India has always been known

for their great textile goods since ancient times. The country has great natural resources,

minerals such as iron ore, ferroalloys, copper, zinc, lead, gold, and silver. Other resource that

India has is timber and petroleum which have helped the country's economy increase in value

(Mondal, n.d.).

The fiber production of India is considered to be third of the largest producers in the

world. "In the manmade fiber sector, India is the world's fifth-largest producer of polyester

fibers and filament yarns and the third-largest producer of cellulosic fibers and filament yarns"

(Shetty, 2001). The most popular fiber in the country is cotton that produces about three million

tons of it, which makes up 15 percent of the world total. The country's cotton is grown in three

different regions of India which are labeled as North, Central and South zone. Cotton is spun,

woven and dyed to be turned into clothes,bedding, tabletop and even art. This process has been

practiced since ancient times. When growing cotton farmers plant 65 percent of it in rainfed

conditions causing it to adapt and be dependant of climatic condition. Most of the regions where

cotton is grown in India farmers are left second guessing if crop it going to be a success or a

disappointment due to the regions constant climate changes (Textile Exchange, 2010).

  The textiles Industry in India is considered to be one of the largest in the world with a

good amount of installed spindles and looms that help their production better than China's.

Modern day manufacturers are beginning to take a swift with advance machinery but in India,

the machinery workers are still using to make garments are outdated. (Shetty, 2001). India has

four major raw materials which are cotton, wool, silk and Jute that eventually turn into fabric that

the people of India use for their garments as well as others from around the world buy and use

for their own productions. The Indian textiles industry has reached a $150 billion as of 2019.

(IBEF, 2019).

  As for the dyeing and finishing production in India, there are about 12,596 processing

houses. These houses lack advanced technology which lead to low quality products and poor

environment conditions. All low quality products are affecting the competitiveness of India's

textiles mills and production and are limited to a small amount of apparel producers. These are

the main reasons that caused textile and apparel production in this region.

Are Workers Affected? Is it Positive, Negative, or Both?

India has faced major controversies in the past and modern day for its poor working

conditions offered to textile mill workers, manufacturing company workers and sweatshop

workers. According to a research done by Catalyst, by the year 2050, India will have a

population increase of 323 million which will become the first country to have such a large

population increase. Most of the population will be made up of girls, "for every 100 boys born,

90 girls are born." (Catalyst, 2018). Because of India's tradition of young girls being forced to

marry a men older than her, six percent of the population in India is made out of 65 year olds.

The relevance of this information is to have a better understanding as to how many women are

working in the textile and apparel production in India.

In 2005 the percentage of working women was a 36.7%, but had a huge fall out in 2018

bringing it down to 26%. (PTI, 2019) Most of these women in the labor force are mostly

working in factories with poor working conditions while earning very little money. Most of us,

the consumer don't take the time to think how many labor hours take to construct most of our

garments and how much manufacturers are paying their employees.

Big companies like Wal-Mart and Tesco seek countries like India due to their low cost of

production. The low cost of production is a big advertising banner for designers all around the

world. The manufacturers take advantage of their workers who tend to be mostly women and young girls are forced to produce big amounts of goods to be shipped back across the globe where they will be sold for a high price. The complaints these workers have had so far are no living wages, the pressure of working is high, unpaid overtime, threats, no unions and no code of conduct. (SOMO, 2009). Workers at these factories state it is "almost impossible to make ends meet" with their paychecks. (SOMO, 2009). In the study done by SOMO, workers were interviewed and stated that most of them took out loans in order to replace their missing salaries for their income but trying to pay the loan back has become another struggle for them.

As the complaints pile up, another one of them was feeling pressured to finish with high volume of hourly targets. When workers did not meet their targets they would be verbally abused by their supervisors. Over time seems to be a problem in every country, in India workers are overworked but not paid for it. When workers do not meet their required daily/hourly targets they are forced to stay longer to complete the remaining work or are also given threats of being fired if they do not meet their goals. These kinds of working conditions are considered to be negative being the fact that there has been multiple incidents leading to deaths. As acknowledged previously, India's factories are not as advanced in technology and proper working environments as other countries are. The lack of safety and warning signs, as well as outdated machinery has lead to industrial disasters like Bhopal and Rana Plaza.

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