Indian textile machinery industry is ripe for investments in view of emerging opportunities

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The Indian textile machinery and accessories manufacturing industry is an important ancillary sector, with Strong linkages with growth in the T&C sector. It is omnipresent in all industry segments, from Fibre/Filament to garment-producing machinery. There are nearly 1,000 units in this sector, out of which 300 produce complete machines and the rest make components. More than 3 lakh people are employed in the industry, while the majority of the industry is in the SME segment.

The following are some interesting facts about the industry:

* It meets about 36% of domestic demand with a Rs. 8,500 crore supply, while it exports Rs. 4,500 crore worth of machines and accessories.

* The segment is largely self-sufficient in the Spinning Segment, where the technology is comparable to the global suppliers

* India is the 4th largest importer of textile machinery globally, since the local production meets only a portion of the demand, indicating a great growth potential

* Over the last many decades, the machinery industry has played a vital role in the modernisation of the Indian textile industry

Demand and Supply dynamics of the segment

The total Annual requirement of textile machinery by the user textile industry is about Rs. 23,500 crore annually. The domestic supply of the machinery from local manufacturers is only about Rs. 8500 crore annually, which is just 36% of the total requirement. In contrast, the imported machinery supply is about Rs. 15,000 crore each year. These machines are mostly imported from China (66% share of imports), Germany, Italy, Switzerland, Austria, Japan, Korea, Taiwan, and Turkey.

Segment-wise market situation

Interestingly, the domestic manufacturers dominate the Spinning Machinery segment with companies like LMW,

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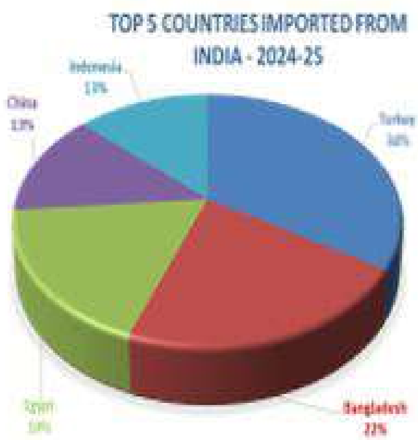
Textile Machinery Exports (20225)



Country	Flag	INR Crore
Turkey		₹ 554
Bangladesh		₹ 356
Egypt		₹ 295
China		₹ 217
Indonesia		₹ 214
Total (INR Crore)		₹ 1,635

51% of the total Exports go to 5 countries

(source: TMMA Report)

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Truetzschler India, Saurer India, Kirloskar-Toyota, and Rieter India catering to most parts of the machinery requirement. However, the Autoconers are still fully imported from abroad as no one makes them in India. In spinning, the Indian technologies are at par with those of global suppliers, due to which India dominates in the cotton yarn segment with nearly 25% share of the yarn export market.

Even in the Weaving Preparatory segment, the Indian companies are in a dominating position with companies like Prashant Gamatex, Rabatex and Jupiter giving tough competition to European and Japanese suppliers.

In the Weaving segment, there are some Indian manufacturers, but their share is insignificant. Most of the Air-jet looms, Rapier looms, and Water-jet looms get imported from Europe, Japan and China. The majority of high-speed Air-jet and Rapier looms are imported from Europe and Japan. However, the semi-high production looms mostly get imported from China. The synthetic segment is growing rapidly, especially in markets like Surat, where the Waterjet looms nearly 100% of the required Water-jet looms come from China.

In knitting, for Circular & Flat knitting as well as in Warp knitting, there is total dependence on imports. Machines mostly get imported from Japan, China and Europe. The same is the story in Embroidery machines, both Schiffli and Multi-head.

In the Processing segment, the situation is somewhat different. Some Processing machinery manufacturers like Yamuna Machine Works, Menzel India, Kuesters India, Inspiron, Harish, Benninger India, Dhall, Embee, Laxmi, Colorjet, Stovec, Texfab and many manufacturers from Surat have carved out a large market share. However, for high technology machines, the textile industry still prefers to import machinery from abroad from companies like Bruckner, Monforts, Fongs group, Zimmer, Reggiani, Thies,

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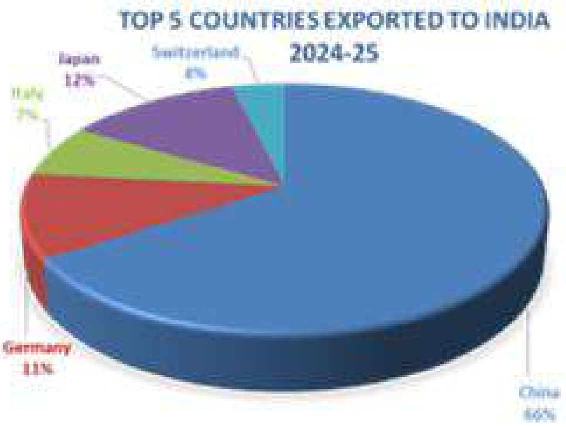
Textile Machinery Imports (2024-25)



Country	Flag	Total (IN
China		₹ 9,471
Germany		₹ 1,550
Italy		₹ 997
Japan		₹ 1,814
Switzerland		₹ 555
Total (INR Crore)		₹ 14,387

87% of the total Imports from 5 countries.

China has the major share in Imports (66%)

(Source: TMMA Report)

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Osthoff, ColourService, Brazzoli and many German and Italian suppliers.

In Garmenting machines too, most of the requirement is met through imports from Japan, Europe and China. However majority of machines come from China.

In the Synthetic fibre manufacturing and Technical Textiles segment, most of the machinery gets imported from China or Europe. The Synthetic fibre machines are supplied mostly by Oerlikon, TMT and some Chinese suppliers. In technical textiles, machines are imported from Karl Mayer, Dornier, Truetzschler Nonwovens, Andritz, Autefa, Dilo and many other suppliers. Both these segments are fast-growing, but not many machinery makers are in the country, except for a few making fibre preparation machinery for nonwovens.

A large opportunity for the local manufacturing

The following are some of the numbers of machines which get imported each year. These numbers are mind-boggling. The volumes indicate how big the manufacturing opportunity is for foreign as well as Indian investors in the textile machinery segment.

* High Speed Waterjet Looms (15,000 per year)
* High-speed & Semi-high speed Air-jet Looms (8,000 per year)
* High speed & Semi-high speed Rapier Looms (6,000 per year)
* Auto-coners- Automatic Cone-Winding machines (500 per year)
* Circular Knitting machines (3,000 per year)
* Flat knitting machines (5000 per year)
* Multi-head Embroidery machines (2,500 per year)
* Garmenting machinery (2.50 lakh machines per year)

KEY GROWTH DRIVERS

* Growth of the textile industry (USD 350 billion market size target for 2030)
* Strong domestic machinery demand (Rs. 23,500 crore annually)
* Huge import substitution need (Rs. 15,000 crore annually)
* Favourable government policies for the user industry (PLI, PM Mitra, Capital subsidy, State government schemes)
* Huge modernisation backlog in Weaving and Processing
* Advent of application of Digitalisation & Automation

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Indian Textile Engineering Industry's share in the domestic consumption (TMMA data*)