

INTERVIEW WITH DR. KV SRINIVASAN



Dr. KV Srinivasan
President
ITMF



Industry likely to see recovery & growth soon

The International Textile Manufacturers Federation (ITMF) stands as a cornerstone for the global textile industry, offering a platform where textile and allied industries come together to exchange ideas, share knowledge, and navigate the evolving landscape of this dynamic sector. Founded to foster international cooperation, ITMF plays a crucial role in keeping its worldwide membership—composed of companies and associations—informed about critical industry trends, challenges, and opportunities. This is achieved through a comprehensive array of surveys, studies, and publications that offer invaluable insights into the global textile value chain, spanning from fibre production to fashion design.

At the heart of ITMF's operations lies its mission to connect, inform, and represent the textile industry on a global scale. One of its core functions is organising annual conferences that bring together stakeholders from various sectors within the textile value chain. These events are essential for fostering relationships, exchanging best practices, and discussing future trends that shape the industry's direction. By creating an inclusive, neutral forum for dialogue, ITMF helps its members stay ahead of the curve in an ever-changing global marketplace.

In addition to providing a collaborative environment, ITMF also acts as a bridge between the textile industry and governments, intergovernmental organisations (IGOs), and non-governmental organisations (NGOs). By actively participating in policy discussions, ITMF ensures that the voices of its members are heard in matters concerning the evolution of the industry, including issues related to trade regulations, sustainability, and innovation.

One of the most anticipated events in ITMF's annual calendar is its global conference, where leaders from across the textile world converge to discuss pressing matters and future challenges. At the recent ITMF annual conference in Samarkand, Uzbekistan, Fibre2Fashion had the opportunity to speak with Dr. KV Srinivasan, the President of ITMF.

With a long and distinguished career in the textile sector, Dr. Srinivasan has been instrumental in shaping the direction of textile manufacturing, not only in India but also on a global scale. His expertise is backed by a robust academic background—Srinivasan is a graduate of PSG College of Technology and holds advanced degrees from the University of Manchester, including a Ph.D. for his research in warp spinning technology.

Before being appointed President of ITMF in 2023, Dr. Srinivasan held several prestigious roles, including ITMF's Vice President, Chairman of the Southern India Mills' Association (SIMA), Chairman of the South India Textile Research Association, and Chairman of The Cotton Textiles Export Promotion Council. His leadership is defined by a commitment to fostering innovation and sustainability while ensuring that the textile sector remains resilient amidst global geopolitical shifts and market fluctuations.

In this insightful interview, Dr. Srinivasan delves into the current state of the global textile industry, discussing how emerging geopolitical developments are impacting production and trade. He also shares his perspective on India's textile and apparel sector, offering a detailed view on the opportunities and challenges it faces in a rapidly evolving global market.

His unique vantage point provides valuable insights for the industry stakeholders, helping them to better understand the complex dynamics at play and prepare for the future of textiles and apparel.

Q. How do you foresee the current global geopolitical shifts affecting the textile industry, particularly in terms of supply chains and trade dynamics?

A. The textile industry is currently grappling with a challenge in terms of demand. Following the COVID-19 pandemic, there was an initial surge in demand, leading to the creation of overcapacity. While the industry has started to recover from this phase, new challenges have emerged in the form of geopolitical issues.

The ongoing war in Ukraine has had a profound impact, particularly on the European economy, weakening consumer spending and business activities. Additionally, the crisis in the Middle East has further complicated matters, especially with the disruption of the Suez Canal, which has resulted in a sharp increase in freight costs.

Moreover, the rise in global interest rates is adding pressure to businesses, making borrowing more expensive and constraining investment. These factors—geopolitical instability, rising transportation costs, and higher interest rates—are collectively contributing to a slowdown in demand across the textile sector.

The industry now faces a complex mix of geopolitical and commercial hurdles, making it more challenging to stabilise demand and maintain growth momentum in the near future.

Q. How is ITMF leveraging its global network to provide guidance to its members during these challenging times and by when do you expect the market to stabilise?

A. The International Textile Manufacturers Federation (ITMF) is a global organisation with members in over 40 countries, providing a vital platform for collaboration between government agencies and textile manufacturing entities worldwide. ITMF plays a key role in fostering communication and understanding among industry stakeholders, allowing them to discuss challenges and highlight pressing issues to their respective governments. This network enables members to interact and share insights that can influence policy decisions and drive industry improvements.

One of ITMF's noteworthy initiatives is the Global Industrial Textile (GIT) Survey, which gathers data from members across seven sectors and four continents. This comprehensive survey collects a wide range of inputs, allowing ITMF to analyse and correlate the data to generate forecasts for the textile industry. While the current outlook remains somewhat negative, reflecting the challenges facing the sector, there are signs of potential improvement. ITMF's data suggests that a revival could be on the horizon, with indications that the industry will see recovery and growth, potentially starting in 2025.

Q. As global demand patterns shift, are there any new markets outside Europe and the US that offer promising opportunities for apparel exporters and what about new manufacturing destinations?

A. From a consumption standpoint, Europe and the United States together represent the largest markets for apparel and textiles. In addition to these traditional markets, regions like Japan and the Far East are also emerging as significant players.

However, on the manufacturing front, there has been a noticeable shift from high-cost production countries to those with lower costs. This transition has put countries like India, Sri Lanka, Bangladesh, Türkiye, and Uzbekistan in the spotlight as the key manufacturing hubs.

Uzbekistan, in particular, has seen a surge in manufacturing activities lately. Over the past sometime, it has become evident that the country is making significant strides in promoting its textile industry. The Uzbek government's proactive efforts to support and boost the sector, through various initiatives and incentives, have created a positive environment for growth. This focus on expanding local manufacturing capabilities and attracting foreign investment is positioning Uzbekistan as a rising player in the global textile landscape.

Q. After the Coronavirus pandemic, there was a move to reduce reliance on China. Has this transition really happened, and if so, which countries capitalised on this opportunity?

A. The 'China plus one' strategy has materialised to some extent, though perhaps not as significantly as many had anticipated. India, in particular, has seen an uptick in orders, suggesting that it is benefiting from this shift in sourcing.

However, it is important to note that globally, including in China, there has been a slowdown in manufacturing activities due to diminished demand. This decline has affected many countries' production levels and export capacities.

Despite the overall slowdown, there is a growing awareness among businesses about the need to diversify supply chains. This has opened up new opportunities, especially for countries like India and Bangladesh, which are increasingly becoming attractive alternatives for manufacturers looking to reduce their dependence on China.

The situation has encouraged investment in these countries, allowing them to expand their production capabilities and enhance their competitiveness in the global market and as companies re-evaluate their sourcing strategies, the landscape is likely to continue evolving, providing further avenues for growth.

Q. How equipped is India you think, in terms of infrastructure and resources, to seize the opportunities that may arise in the days to come?

A. India possesses a robust manufacturing base that plays a crucial role in its textile industry. The country is well-equipped with a comprehensive supply chain, offering everything from raw materials to finished products.

In terms of raw materials, India is highly versatile; it produces a full range of cotton and synthetic fibres, allowing for self-sufficiency and reduced dependency on imports. Moreover, India benefits from a well-trained workforce and a strong technical support system, which enhances the overall productivity and innovation within the sector.

Despite these strengths, India faces some challenges related to tariffs. The tariffs imposed on Indian textiles entering the European Union are notably higher compared to those applied to competitors such as Pakistan and Bangladesh. This tariff disparity creates a competitive disadvantage for Indian exporters, making it harder for them to penetrate the key markets.

While there are ongoing discussions aimed at addressing these issues, the complexity of negotiations involves multiple industries beyond just textiles. As a result, reaching a straightforward solution may be difficult. Nonetheless, resolving the tariff barriers is essential for India to leverage its manufacturing capabilities fully and improve its standing in the global textile market.

Q. Considering the potential change in United States' political landscape with the upcoming elections, what effects do you anticipate on India's apparel exports to the US?

A. In the long term, the evolving dynamics between the US and China could significantly impact India's position in the global market.

If the US continues to distance itself from China, India certainly has a good opportunity to capitalise on this shift and strengthen its presence.

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