

# TEXTILES, APPARELS & LEATHER

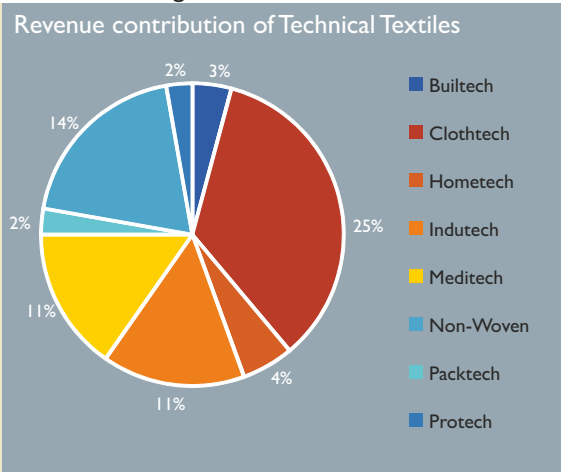
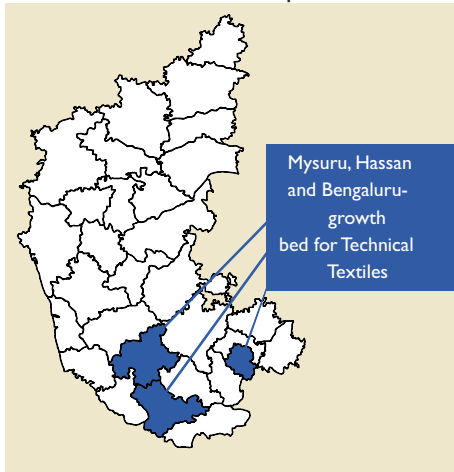




# SECTOR WISE SNAPSHOT

## Leather

- The state took its initial steps when Sir M.Visvesvaraya established a Tannery Production Centre to fulfil the requirements of leather processing.
- The leather industry in Karnataka comprises of various segments, namely, tanning and finishing, footwear and footwear components, leather garments, leather goods, etc.



## Textiles & Apparels

- Sector occupies a key position in the economy of Karnataka in terms of its contribution to industrial production, employment, and exports
- Garments have been the key strength of the State and have been consistently contributing more than 70% to the State's industry output.
- Karnataka accounts for 20% of the National garment production and 8% of the National exports.
- State contributes 65% of silk, 12% of wool, 6% of cotton to the National production.
- Abundant raw material, skill base and supporting infrastructure drives textile industry in the state.
- 24 Handloom Clusters located across Karnataka. 233 Hectares Textile SEZ Park developed at Hassan.
- Apparel/Textile Parks developed at Bengaluru, Ballari, Davangere, Kalaburagi
- The state has already attracted investments worth INR 1480 crore in the segment.
- 10 Garment Training Designing Centers in Karnataka promoted by ATDC, and Fashion Technology Centre by NIFT.
- During the last policy a total of INR 5,710 Crore worth of Investment inflow which created an employment opportunity for more than 2.5 Lakh people.
- Post the announcement of New Textile Policy in 2013, investment has continued upward trend with INR 1,860 Crore investment proposed till date.

**Source:** Economic Survey 2015-16



# WHY TEXTILES, APPAREL & LEATHER, KARNATAKA?

## Leather

- The Tannery Production Centre was the first of its kind in the entire South India. It was a boost for the nascent leather sector in the state.
- The state has skilled and semi-skilled manpower required for manufacturing leather and leather products. It has the required facilities to train people and enable them to become efficient workers of the industry.
- The capital city of Bengaluru is a major production centre for leather and leather goods that are manufactured in Karnataka.
- The state has more than 88 manufacturing units that produce footwear, garments and other products made from leather.

## Textiles & Apparels

- Garment capital of India accounting for 20% of national garment production valued at USD 1.56 billion.
- The state has abundant availability of raw material like silk, wool & cotton.
- 144 skill development centers and 168 private training centers which have trained more than 1,60,000 personnel to date.
- Comparative advantage in terms of skilled manpower and cost of production over major textile producers across globe.
- The state exports readymade garments to countries like USA, UK, Italy, Germany, Western Europe, Hong Kong, Turkey, Canada and Australia and it's a major apparel sourcing destination for the global market.
- The state is keen to emerge as a leader of Technical textiles (Builtech, Clothtech, Hometech, Meditech, etc.) with Mysore, Hassan and Bangalore being growth beds of Technical Textiles.
- Abundant presence of traditional skill sectors i.e. hand loom and handicraft.
- As of July 2016, the state had one operational SEZ (KIADB SEZ Hassan - Textiles) for the textile sector at Hasan, Karnataka. Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka. Till date, KIADB has formed 132 industrial areas spread all over the state.
- As of 2014-15, Karnataka has 2,880 textile manufacturing units and 5,560 readymade apparels unit.
- During 2015-16, the District Sector State Plan Funds of US\$ 496.48 thousand were allocated to handlooms & textiles sector of the state, as compared to US\$ 443.01 thousand in 2014-15.



# INVESTMENT OPPORTUNITIES

- Four Mega Textile parks at Yadgir, Ballari, Sira and Chamarajanagar on the anvil creating an excellent ecosystem for investments
- Focus on development of Technical textiles industry
- Four Mega Textile Zones being developed where more than 2000 acres of land have already been acquired by KIADB.
- Existing Textile Parks located at Doddaballapur, Kalaburagi, Tumakuru with a well developed cluster for attracting further investments
- The Textile Policy offers various incentives for investments in the textile sector; these include credit linked capital subsidy, entry tax reimbursement and power subsidy.
- Centers of Excellence focused on testing and evaluation as well as resource centers and training facilities have been set up.

**Source:** Economic Survey 2015-16







# GOVERNMENT INITIATIVES

## Leather

- The government has been providing support to institutions that provide courses and impart training related to the leather sector.
- The Karnataka Leather Industries Development Corporation Ltd (LIDKAR), renamed as Dr. Babu Jagjivan Ram Leather Industries Development Corporation Ltd., is a significant name in the leather industry of the state.
- The main objective of LIDKAR is to improve the socio-economic conditions of the leather artisans in the state.
- Karnataka Institute of Leather Technology (KILT), is an offshoot, engaged in knowledge building, skill & entrepreneurship development, imparting training to semi skilled & skilled artisans and catering to the needs of the Industries.
- KILT has not only started Leather related Fashion Technology, a course approved by Central Leather Research Institute (CLRI), but also establishing Testing and R&D Centers benefiting both Academic & Commercial activities.
- More than 50,000 Artisans have been assisted so far through various programmes.

## Textiles & Apparels

- The new Textile Policy-Nuthana Javali Neethi 2013-18 aims to strengthen the value chain, attract more investment across the state, develop skills of the manpower and infrastructure for the sector.
  - Zone dependent reimbursement based fiscal incentives.
  - Support for development of common infrastructure in Greenfield textile parks and common facilities in Brownfield clusters.
  - Support for setting up Specific Textiles.
  - Zones in backward areas Reimbursement based incentives for mega projects.
- With proactive policy initiative by State government for 2013-18, Karnataka has received investments more than INR 500 Crore.
- Support for Individual New Units- Credit linked Capital Subsidy (Investment upto INR 99 Crore (USD 16.5 mn)) - 20% or 15% varying as per the Zonal Classification and Regional Classification and Interest subsidy-50% of the approved layout.
- Incentive based on zonal classification for development of Green field Textile Parks, Brown field Textile Parks, Common Effluent Treatment Plan (CETP).
- Reimbursement for Market Development and Branding, Design Development and Product Diversification, Standards and Compliances specific textile zones in backward areas.
- For Expansion/Modernisation of Existing Units-Credit linked Capital Subsidy-20% or 15% based on P&M Value and Zonal Classification .
- Initiatives for Skill Development Centres and Training Institutes.



# TEXTILES, APPARELS & LEATHER COMPANIES MAKING IN KARNATAKA

*Shahi Exports Pvt. Ltd.*



ARVIND



DIGJAM



Reid & Taylor

