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1. What is the current state of the man-made fibre (MMF)-based textile value chain in India?

India's Man-Made Fibre (MMF)-based textile value chain is steadily expanding but still lacks seamless integration from synthetic fabrics to finished garments. While MMF accounts for 77% of global fibre consumption, it makes up only about 9.2% in India—far behind global leaders like Vietnam, China, and Taiwan. The Economic Survey 2024-25 highlighted the challenges posed by fragmented production and logistical inefficiencies, which increase costs compared to global competitors. Despite this, brands like Rupa's *Bumchums* see opportunities to innovate and lead. Our athleisure range, crafted with high-performance MMF fabrics, aligns with the global shift from cotton to smart synthetics. As consumer preferences evolve, India's MMF sector must focus on vertical integration and sustainable production to stay competitive and meet the global demand.

2. Despite a global shift towards MMF, what are the key factors hindering India's growth in this segment?

Despite the global shift towards MMF, India's growth in this segment is hampered by several challenges. One key issue is the inverted duty structure, which makes synthetic raw materials costlier than natural fibres, reducing competitiveness. Additionally, insufficient R&D and limited downstream automation further impede progress, especially when compared to countries like Vietnam and China, which have established efficient, vertically integrated supply chains. Our country's low per capita consumption of MMF (3.1 kg), compared to 12 kg in China and 22.5 kg in North America, also reflects a slower adoption rate. At Rupa and Company, through our *Bumchums* brand, we're addressing this gap by creating high-performance synthetic fabrics with moisture-wicking and stretch capabilities, catering to India's young, active demographic. We believe that modernizing MSMEs and implementing tax rationalization will be crucial to boosting India's MMF export potential by 2026.

3. How is the recent revision of US tariff rates expected to influence the Indian MMF industry?

The recent U.S. tariff revisions, including the 26% ad valorem duty on Indian textile imports, have created a mixed outlook for the Indian MMF industry. On the positive side, increased tariffs on competing countries like China (34%), Vietnam (46%), and Bangladesh (37%) could make Indian MMF products more appealing to U.S. buyers, potentially boosting export volumes. Additionally, with tariffs on other competitors rising significantly, India could gain a competitive edge in the U.S. market. However, the 26% duty on Indian textiles may also increase production costs and impact pricing, potentially slowing demand. Buyers in the U.S. may also push Indian exporters to share the tariff burden, adding pressure to already thin profit margins. To mitigate risks, the MMF industry will need to focus on efficiency, value addition, and market diversification, while also exploring new markets beyond the U.S. to maintain stability.

4. In what ways is the influx of Chinese MMF products affecting domestic manufacturers in India?

The influx of Chinese MMF fabrics, which surged by 8.79% to USD 442.9 million in Q1 2024, continues into 2025, with Chinese products entering India at low prices, backed by their scale and subsidies. This ongoing influx significantly impacts Indian domestic manufacturers by undercutting prices and eroding

the market share of fabricators and garmenters. This price advantage largely stems from China's massive production scale, government support, and India's Quality Control Orders (QCOs) on raw material imports, which have inadvertently made Chinese finished fabrics more cost-competitive. Consequently, while Indian yarn and fibre imports from China have dropped sharply, by over 43% and 23% respectively, the flood of low-cost Chinese fabrics poses a continuing challenge to India's MMF sector growth. However, rising global scrutiny on Chinese supply chains and traceability issues is creating an important opportunity for Indian brands to differentiate themselves by offering quality-led, ethically sourced alternatives. At Rupa, our brands leverage this gap by focusing on design innovation, smart fits, and sustainable MMF fabric options. This approach ensures we deliver not only affordability but also value and trust, helping Indian manufacturers build stronger consumer loyalty in a highly competitive market.

5. How has Bangladesh's ban on the import of Indian yarns via land ports impacted India's MMF yarn sector?

Bangladesh's 2024 ban on importing Indian yarns through land ports has notably impacted India's MMF yarn exporters, creating challenges due to oversupply and downward pressure on prices. According to data, Bangladesh accounts for more than 45% of India's cotton yarn exports, and the shift from land to sea routes is increasing logistical costs and delivery times, particularly affecting small and medium textile mills in northern India that rely on cost-effective land routes. While this shift creates short-term input cost advantages for some, the bigger challenge lies in maintaining balanced demand. At Rupa, we are focusing on boosting domestic consumption of MMF-based athleisure by launching fashion-forward collections and youth-centric campaigns to stabilize production and reduce dependence on any single export market.

6. How is the new India-UK FTA expected to benefit the Indian MMF industry?

With the India-UK Free Trade Agreement finalized in 2025, Indian MMF garments now enjoy duty-free access to the UK market, opening exciting growth opportunities. For our Bumchums brand, this presents a crucial chance to showcase our MMF-based athleisure collections on premium retail shelves across the UK and Europe. As global demand for stylish, comfort-driven apparel surges, we're well-positioned to establish *Bumchums* as a dynamic, youth-focused brand on the international stage. Beyond market access, the agreement also paves the way for strategic partnerships in design and innovation, helping us strengthen our global presence in the activewear category.

7. Considering global uncertainties, what are the long-term growth prospects for the Indian MMF industry?

Despite global challenges, the Indian textile industry expects exports of MMF textiles to increase by 75%, reaching USD 11.4 billion in 2030, up from approximately USD 6.5 billion in 2021–22. We are strategically positioning ourselves as a future-ready brand, with a strong focus on youth athleisure—expected to outperform traditional outerwear. By embracing global trends such as circular fashion, recycled polyester, and smart fabrics, we aim to stay relevant, resilient, and ahead of the curve.

8. Finally, what are the emerging opportunities for India's MMF sector?

The rise of eco-friendly MMFs and value-added athleisure presents significant opportunities. As Gen Z and millennials adopt hybrid lifestyles, the demand for stylish, performance-driven clothing is surging. We are seizing this trend with our latest MMF-based collections that blend fashion, fitness,

and functionality. Moreover, improving infrastructure through government initiatives and the signing of more FTAs could position India's MMF sector as a global supply hub. At Rupa and Company, we aim to be at the heart of that shift by delivering innovative, quality-led products that resonate with modern consumers.