

India's Political Stability Boosts Apparel Appeal

India's growing appeal as a global apparel sourcing hub has been reinforced by a recent report from the U.S. International Trade Commission (USITC), which cites political stability as a critical factor driving U.S. buyers to source more apparel from India. As the global garment supply chain becomes more complex, the ability to guarantee production timelines and mitigate political stability risks has made India an increasingly attractive option for U.S. buyers. The report highlights that with its stable political climate, India offers a reliable and scalable solution for high-value fashion items, positioning it as a strong competitor in the global apparel market.

India's Market Share in U.S. Apparel Imports (2013-2023)

India's apparel market share in the U.S. has grown steadily over the past decade. In 2013, India held a modest 4% share of U.S. apparel imports. By 2023, this figure had increased to 5.8%. This growth reflects India's increasing competitiveness, particularly in high-value apparel. As the U.S. continues diversifying its sourcing away from China, India is emerging as a viable and strategic partner for apparel sourcing.

India's market share in U.S. apparel imports has steadily risen from 4% in 2013 to 5.8% in 2023, showcasing growing confidence in Indian-made garments.

Political Stability as a Sourcing Factor

Political stability is critical in ensuring the smooth functioning of supply chains, especially in industries like apparel, where timely deliveries are crucial. According to the **USITC** report, political unrest in countries like Bangladesh can lead to disruptions, strikes, and delays, making them less reliable for high-value and time-sensitive garment orders. Conversely, India's relatively stable political environment has positioned it as a dependable alternative for apparel sourcing, especially in the U.S. market. As a result, American buyers are shifting more of their sourcing to India, where they feel confident in the reliability of both production and delivery schedules. This shift is particularly evident in high-value, fashion-focused apparel, where quality, timely production, and dependable logistics are paramount.

India's Strengths in Apparel Production

Several vital points drive India's competitiveness in the apparel industry:

Vertical Integration: India's textile industry is highly vertically integrated, encompassing all stages of production—from cotton farming to spinning, weaving, dyeing, and garment manufacturing. This self-sufficiency reduces dependency on external suppliers, ensuring a more controlled and reliable production process.

Skilled Labor Force: India's large and skilled workforce is mainly adept at high-quality garment finishing, which is a significant advantage in producing high-value fashion items. The country's labor force is trained in detailed stitching and garment customization, making Indian apparel highly desirable for global markets.

Government Support: The Indian government has introduced policies like the **Production Linked Incentive (PLI) Scheme** to enhance domestic manufacturing and exports. This initiative is helping apparel manufacturers invest in production capacity, technology, and innovation, positioning India to meet growing international demand.

Cotton-Based Apparel: India's strengths in cotton production give it a natural advantage in manufacturing cotton-based garments. The country is one of the largest producers of cotton in the world, supporting a robust apparel industry that exports a wide range of cotton garments to the U.S.

Growing Export Market: India has consistently increased its share of U.S. apparel imports. In 2023, India's apparel exports to the U.S. totaled \$4.6 billion, making it the fourth-largest supplier of apparel to the U.S. market. India is also addressing the challenges that fuel the growth of the apparel industry. Dedicated steps have been taken to boost labor productivity, diversify artificial fiber, and improve logistics and infrastructure development.

Competitive Landscape: India vs. Other Suppliers

The USITC report also offers a detailed comparative analysis of India and other leading suppliers to the U.S. apparel market, including Bangladesh, Vietnam, Indonesia, and Pakistan. Understanding India's competitive positioning relative to these countries is crucial to assessing its growth potential.

Supplier	Market Share in U.S. Apparel Imports(2023)	Key Strengths	Challenges
Vietnam	17.8%	Expertise in both cotton & MMF garments	Increasing labor costs; limited domestic cotton production
Bangladesh	6.2%	Low labor costs; duty-free access to U.S.	Political instability; limited high-value Product offerings
India	5.8%	Vertical integration; skilled labor; government support	Rising labor costs; infrastructure challenges; limited MMF production
Indonesia	8.5%	High-quality complex garments(business, outdoor, athletic)	Relatively high production costs; logistics inefficiencies
Pakistan	4.5%	Strong cotton	Geopolitical risks; limited

		sector; denim	quality	diversification in apparel
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The above table compares the market share and competitive strength of India versus other major suppliers of U.S. apparel imports in 2023

India's apparel industry is well-positioned to continue its upward trajectory in the global market, especially in the U.S. The country's political stability, vertical integration, skilled workforce, and strong government support make it an attractive destination for buyers seeking reliability and high-quality garments.

References:

https://www.usitc.gov/press_room/news_release/2024/er0930_65955.htm

<https://www.usitc.gov/publications/332/pub5543.pdf>
