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Banks should play major role in attaining \$350 billion target for textile sector: Official

'Indian banks should provide funding to textile units for technology adoption, R&D initiatives, product differentiation, branding and labelling initiatives'.



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Representative image for textile sector Credit: iStock Photo

Mumbai: Banks should play an important role in meeting the credit needs of textile sector, which supports 5.4 crore jobs and whose market size is targeted to grow from \$172 billion now to \$350 billion by 2030, said Roop Rashi, the Mumbai-based Textile Commissioner, Government of India.

"I am confident we can reach this target before 2030; But the sector needs bank funding for product standardisation, capacity building, international branding and exports," she said.

"Textile value chain from spinning to weaving is a capital intensive sector, which needs bank funding. While banks give priority to big ticket loans and project finance, I hope they will also give equal importance to funding needs of textile units. This will truly promote financial inclusion as 70 per cent of handloom units are operated by women. Out of 100 handmade textiles in the world, 95 come from India," Rashi said during the Export Conclave held jointly by WTC Mumbai and YES Bank.

In his remarks, Dr Vijay Kalantri, Chairman, WTC Mumbai emphasised that India's annual goods exports is \$440 billion and in order to attain \$1 trillion exports, we need to address key challenges of MSME exporters.

"Lack of access to collateral free credit is a major challenge faced by MSMEs and I hope with our collaboration with YES Bank, WTC Mumbai will facilitate easy access to capital for our MSME members. I am happy to learn that YES Bank offers 25 per cent of its credit to MSMEs. Many private banks offer a higher share of their credit to the MSME sector. I hope public sector banks will also increase share of MSME lending, which is very low in their portfolio currently," he said.

Rashi mentioned that India, with a 16 per cent share in world population, should take the lead in adopting sustainable and circular economy principles.

"Indian banks should provide funding to textile units for technology adoption, R&D initiatives, product differentiation, branding and labelling initiatives," she added.

Rashi highlighted various initiatives taken by the government to promote sustainable textile clusters. Government has supported more than 47 patents across the textile value chain, which needs to be commercialised, she said.

Rashi suggested textile units to explore potential export opportunities in South East Asia, Japan and South Korea.

She added that Japan has shown renewed interest in Indian textile products in recent years.