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Textile companies back in expansion mode

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With the global and domestic economy showing signs of an upturn, Indian companies engaged in the man-made fibre business are back to drawing up expansion plans to ramp up capacities.

According to a study done by the Centre for Monitoring Indian Economy (CMIE), as many as nine new projects were announced in the second quarter of this financial year, ending September.

The study estimated that by March 2010, the capacity of

the synthetic fibre industry would be 1,789 million kg against 1,659 million kg at the end of 2007-08.

The slowdown had stalled 11 projects involving an investment of Rs 3,500 crore, CMIE data show.

Man-made fibre accounts for 40 per cent of the raw materials in the \$63 billion (about Rs 2.91 lakh crore) Indian textile industry.

The new projects, which were announced in the second quarter of this fiscal, included S Kumars' cotton viscose polyester weaving unit at Dhar (Madhya Pradesh), Samosaran

Yarns' project at Thane in Mumbai and Patodia Filaments' polyester plant at Dadra and Nagar Haveli.

After struggling with the slowdown for almost a year, things have started looking up for the sector.

"Exports in the second half are expected to improve with exporters receiving orders from the western markets," Confederation of Indian Textiles Industry Secretary General D K Nair said.

The exports, which account for about one-third of the textile industry, were about \$21 billion during 2008-09.

