

## India's Textile Sector Gets a Boost as Budget 2026 Focuses on Growth and Sustainability

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The **Union Budget 2026–27**, presented by Finance Minister **Nirmala Sitharaman**, places a strong focus on revitalizing India's textile industry — a labour-intensive sector with deep cultural heritage and significant economic impact. This year's budget aims to balance tradition with modern competitiveness, positioning Indian textiles for stronger domestic growth and wider global reach.

At the heart of the government's plan is an **integrated textile programme** designed to support every stage of the value chain — from raw fibre production to finished fashion products. A key objective is to help traditional artisans, handloom weavers, and khadi producers modernize without losing the unique identity of their crafts.

Under the new strategy, the **Mahatma Gandhi Gram Swaraj Initiative** was announced to strengthen village-level khadi, handloom and handicraft activities. The initiative will provide better **market linkages, branding support, and training**, helping artisans improve product quality and reach buyers both domestically and internationally.

To ensure the sector keeps pace with evolving global fashion markets, the budget includes **Mega Textile Parks** and a **Textile Expansion and Employment Scheme**. These efforts will help modernize traditional production clusters with upgraded machinery, shared testing facilities, and advanced technology — boosting productivity and encouraging employment growth.

Another major component is the **National Fibre Scheme**, which aims to reduce India's dependence on imported materials by supporting the production of natural fibres like silk, wool, jute, and emerging engineered fibres. This initiative is expected to strengthen supply chains and give domestic producers a competitive edge.

The government's textile roadmap also includes the **TexEco Initiative**, promoting environmentally sustainable manufacturing practices that could help Indian textiles meet global eco-standards and appeal to environmentally conscious markets. Alongside this, **Samarth 2.0**, an updated skilling programme, will align training more closely with modern industry requirements, preparing a new generation of skilled workers for the sector.

In addition to these programmes, exporters of garments, leather goods, and related products using duty-free imported inputs will benefit from an extended export obligation period. This change is expected to ease cash-flow pressures, improve compliance, and support export competitiveness.

Experts say that by bringing together traditional crafts, modern manufacturing, and sustainability goals, **Budget 2026's textile measures aim to create jobs, strengthen exports, and make Indian textiles more relevant on global runways** — while preserving the cultural legacy of handloom and khadi industries that have shaped India's identity for centuries.

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