



Growth of Textile Industry in India

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ABSTRACT

Indian textile industry is an important industry at the local and also at the international level. It is the second largest industry only next to China in the production of both fibre yarn and fabric and fifth in the production of synthetic fibers. Indian textile industry contributes immensely to the growth many other industries. In 2000-01, the textile and item of clothing industries accounted for concerning 4 percent of GDP, 14 percent of industrial output, 18 percent of industrial employment, and 27 percent of export earnings. This sector is one of the largest employment generators. The textile industry generates jobs for all skill sets unlike software or pharmaceutical sector where the job opportunities are created for educated and highly skilled talents. The Indian textile industry was dominated by cotton fibre but the recent trends highlight the changes happening in this sector. i.e, the man-made fibre has been on a rising trend. The volume of Indian man-made fibre manufacturing stands at 1.34 million tonnes during FY15 with the figure reinforcing a recovery from 2009 levels. During the period of FY07-15, production improved at a CAGR of 2.0 per cent. The initiative taken by the entrepreneurs, government and international organizations started yielding expected results.

KEYWORDS : Entrepreneurs, India, Production, Structure Economies, Textiles

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INTRODUCTION

Textiles are obligatory part of human society. In categorizing cloth as one of the basic wants of a human being along with food and shelter, the humanity accepted its importance in the human life (Prasad, 2015). The expression of the word comes from the Latin word 'Textilis' in addition to the French word 'Texere' which means weaving or woven-fabric. The record oldest suggestion of fibre tradition come among the discovery of flax and wool fabrics at excavation sites of the Swiss lake, the scientific evidence indicate with the aim of it belong to the residents who lived in this region for the period of the sixth and seventh century BC (Jain, 2010). The Chinese practiced the sericulture as near the beginning as 2640 B.C. which be introduce added to India in times as very old as 400 AD, although close by are intelligence of spinning of cotton date back to 3000 BC (Yoganandan, 2015).

India's textile segment is individual of the oldest industry in Indian monetary structure dating back some centuries. Even today, textile sector division is one of the biggest contributor to India international trade especially, its exports. The contribution of Indian textile exports is approximately 11 per cent of total exports. The process of cotton extraction, yarn manufacturing, fabrication, printing and dyeing required huge amount of labour and naturally, this is a labour intensive industry and therefore, is one of the largest employers. The industry realised export earnings worth US\$ 41.4 billion into 2014-15, a increase of 5.4 per cent over the previous corresponding period, as per The Cotton Textiles Export support Council (Texprocil). The textile industry has two minor segments. First, the unorganised zone consists of handloom, handicraft and sericulture, which are operated on a small scale and through conventional tools and methods. The second is the planned sector consisting of spinning, apparel and segment which apply modern equipment and technique such the same as economy of scale (Textiles, 2014-2015).

The Indian textiles manufacturing is really varied, at the one side hand-spun as well as hand woven textiles sectors exists, and at the other end of the spectrum the assets concentrated mills sector. The decentralised power looms/ hosiery and knit sector form the largest section of the textiles sector (Vikram Utamsingh, 2013). The close connection of the textile manufacturing to cultivation (for raw equipment such because cotton) as well as the early culture moreover traditions of the country in terms of textiles build the Indian textiles segment unique in evaluation to the industry of other countries. The Indian textile industry has the ability to produce a wide variety of products appropriate to different market segments, both within India and across the globe (Venkatesan & Kattti, 1999).

Growth rate during the pre-crisis period 1989- 2007 was still better at 26.18 percent but during the disaster period 2007-2012 the growth was at just 2.59 percent. This obviously indicates the impact of global depression on the knitwear exporters in Tirupur. Consequently the share of knitted garments exports from Tirupur in readymade garment exports of India came down from a peak of 27.3 percent in 2007 to 19.1 percent in 2012. At the same time for the entire period 1989- 2012 the share of exports from Tirupur doubled from 9.2 percent in 1989 to 19.1 percent in 2012.

METHODOLOGY

This article is based on the secondary data collected from various annual reports of Ministry of Textiles, government of India. The statistical tools such as percentage of analysis and also graphs are used to analyse the collected data. The research work was carried out during August 2016. The research covers data for a period of five years starting from 2010. The primary objective of this research paper is to analyse the performance of yarn and fabric sector in the Indian textile industry.

STRUCTURE OF INDIAN TEXTILE INDUSTRY

In 2000-01, the textile and item of clothing industry accounted for concerning 4 percent of GDP, 14 percent of industrial output, 18 percent of industrial employment, and twenty seven percent of sell to other countries income (Jeyaraj, 2012). India's textile production is as well important in a global framework, position second to China in the manufacture of both cotton yarn and fabric and fifth in the manufacture of synthetic cotton yarn. In difference towards previous main textile-producing country, mostly small-scale, non-integrated spinning, weave, fabric concluding, and clothing enterprise, lots of which use outdated equipment, distinguish India's textile zone (Yoganandan & Vetriselvan, 2015). Some, mostly larger, firms activate in the "organized" region where firm have to fulfil with frequent government labour and tax system. Most firms, though, operate in the small-scale "unorganized" sector where regulations are less stringent and more easily evaded. The only one of its kind arrangement of the Indian fabric manufacturing is due to the legacy of tax, labour, and other authoritarian policies that have preferred small-scale, manual enterprises, while selective next to larger scale, more capital-intensive operation (Dhanabhakayam). The formation is as well due to the past direction towards meeting the needs of India's predominately low down income household clients, relatively than the world marketplace. Policy reforms, which began in the 1980s and continued into the 1990s, have led to significant gains in technical efficiency and international competitiveness, particularly in the spinning sector. However, minor road scope remains for extra reform that might improve the competence and competitiveness of India's weave, fabric final, and apparel sector (Yoganandan G, 2015). Indian textile industry is

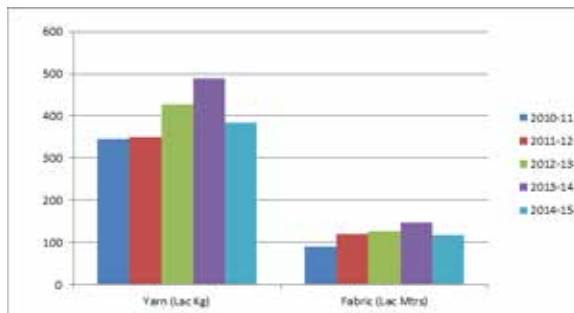
completely self-reliant in the sense that the entire value-chain from cotton crop cultivation to Hi-fashion garment manufacturing is done in India. But, face of the industry is changing from a mostly unorganized sector to a controlled sector. The Indian textile industry is mainly cotton base with 65 percent of the cloth manufacture in the country being accounted for by cotton. Making of raw cotton vary as of year to year depending upon rainfall and weather conditions, and price fluctuations in raw cotton affect the industry (Yoganandan G, 2015).

At present 7 units are making cash profit. (Annual Report, 2010-2011) A short term strategic plan having financial out lay of approximately Rs.65 crores has been formulated to make the cash profit making units as 13 by end of March, 2015 (Annual Report, 2014-2015). Further, the Company has a future plan to set up Integrated Skill Development Centre under IDS, Incubation Centre, Textile Plaza, Processing facilities and Garmenting to make the NTC an integrated self-sustained Company (Annual Report, 2013-2014). 63296 employees have gone under MVRS and it has paid Rs.2372.74 crores by way of compensation to these employees (Annual Report, 2012-2013). NTC has reduced the manpower from 90,000 to about 7940 employees. It has also closed 193 unviable show-rooms of the Retail Marketing Division (Annual Report, 2013-2014).

Table 1. Production performance of Yarn and Fabric

Production	2010-11	2011-12	2012-13	2013-14	2014-15 (April-Dec, 14)
Yarn(Lac Kg)	346.03	350.20	427.98	489.11	385.06
Fabric(Lac Mtrs)	89.91	120.25	127.29	147.78	116.55

Source: Ministry of Textile (Annual Report 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015).



YARN AND FABRIC PRODUCTION

Making of yarn grew to 673.60 Lakh Kgs in 2014-15 from 626.30 Lakh Kgs in 2010-11, imply a CAGR of 1.8 per cent. Production of yarn for the period April to October 2015 stood at 399.30 Lakh Kg. Cotton yarn production recorded a major jump and contributed to the total yarn manufacture in 2014-15, the segment's share amounted to 61 percent (Devkumar, 2014). Manufacturing of artificial fibre is on a rising trend. Production stood at 1.34 million tonnes during 2014-15 there by the industry showing resilience to the global recession and showing signs of healing from 2009 level. For the duration of the stage of 2007-15, manufacturing activity improved at a CAGR of 2.0 percent. For the duration of 2015-16 (April-October 2015), production stood at 0.77 million tonnes (Foundation, 2016).

CURRENT STATUS

India has managed to retain its position as world's second largest cotton producer. Acreage under cotton has decreased around 1% during 2008-09. The production of cotton which was growing up over the years has decreased in 2008-09. Substantial increase of smallest Minimum Support Prices (MSPs) was not sufficient to give a sustained momentum to the textile industry. The fibre export could not pick and choose up and about outstanding to difference in international and domestic cotton prices. Import of cotton was limited to deficiency in supply of extra lengthy staple cottons (Business, 1999-2010).

CONCLUSION

The textile industry has a major existence in the Indian economy as glowing as in the global textile economy. The Indian economy is manifested

in terms and its contribution in industrial production, foreign exchange and employment generation. The industry also contributes extensively to the world production of textile fibres and yarns as well as jute. The Indian government has to find new ways of promote textile export starting India on the whole, focusing on skill development and creating a agreeable environment for new entrepreneurs to enter into this industry.

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