

**INDIA'S TEXTILES OVERVIEW : PROGRESS AND CHALLENGES**  
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**ABSTRACT**

India is the second largest producer of textiles and garments in the world. The Indian textiles are expected to grow to a size of US\$ 223 billion by 2021, according to a report by Technopak Advisors. This industry accounts for almost 24% of the world's spindle capacity and 8% of global rotor capacity. Abundant availability of raw materials such as cotton, wool, silk and jute as well as skilled workforce have made the country a sourcing up. The textiles industry has made a major contribution to the national economy in terms of direct and indirect employment generation and net foreign product (GDP), and 27 per cent to the country's foreign exchange inflows. It provides direct employment to over 45 million exchange earnings. The sector contributes about 14 per cent to industrial production, 4 per cent to the gross domestic people.

**Key words :** Technology Up Gradation, Joint Venture and Government Initiatives India's textiles sector textiles

**Introduction**

India's textile sector is one of the oldest industries in Indian economy dating back several centuries. Even today, the sector is one of the largest contributors to India's exports with approximately 11 per cent of total exports. The textiles billion in 2014-15, a growth of 5.4 percent, as per The Cotton Textiles Export Promotion Council (Texprocil). The textile industry has two broad segments. First, the unorganized sector consists of handloom, handicrafts and sericulture, which are operated on a small scale and through traditional tools and methods. The second is the organised sector consisting of spinning, apparel and garments segments which apply modern machinery and techniques such as economies of scale.

The Indian textiles industry is extremely varied, with the hand-spun and handwoven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralized power looms/ hosiery and knitting sector form the largest component of the textiles sector. The close linkage of the textile industry to agriculture (for raw materials such as cotton) and the ancient culture and traditions of the country in terms of textiles make the Indian textiles sector unique in comparison to the industries of other countries. The Indian textile industry has the capacity to produce a wide variety of products suitable to different market segments, both within India and across the world.

**Objectives of the Study**

- To identify the Indian textile industry
- To find Sources of materials available in textile industry

- To develop / promote up gradation of technology about textile industries
- To examine several steps initiative to the government

### **Sources of Materials**

The fundamental strength of this industry flows from its strong production base of a wide range of fibres / yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic. We can just track the strong multi-fibre strong base by highlighting the following important positions reckon by this industry across globe are :

### **Man Made Fibers**

These include manufacturing of clothes using fiber or filament synthetic yarns. It is produced in the large power factories. They account for the largest sector of textile production in India. This sector has a share of 62% of India's production and provides employment to about 4.8 million people.

### **The Cotton Sector :**

It is the second most developed sector in the Indian Textile industries. It provides employment to people but its productions and employment is scasonal depending upon the seasonal nature of the production.

### **The Handloom Sector:**

It is well developed and is mainly dependent on the SHGs for their funds. Its market share is 13%.of the total cloth produced in India.

### **The Woolen Sector :**

India is the 7th largest producer of wool in the world. India also produces 1.8% of the world's total wool.

### **The Jute Sector :**

The jute or the golden fiber in India is mainly produced in the Eastern states of India like Assam and West Bengal. India is the largest producer of jute in the world.

**The Sericulture and Silk Sector:** India is the 2nd largest producer of silk in the world. India produces 18% of the world's total silk. Mulberry, Eri, Tasar, and Muga are the main types of silk produced in the country. It is a labor-intensive sector.

### **Cotton Textiles :**

India exports yarn to Japan,United States, United Kingdom, Russia, France, Nepal, Singapore, Sri Lanka and other countries. India has the second largest installed capacity of spindles in the world.

**Jute Textiles :**

India is the largest producer of raw jute and jute goods and the second largest exporter after Bangladesh. There were about 80 jute mills in India in 2010-11, most of which are located in West Bengal, mainly along the banks of the Hooghly river in a narrow belt (98 km long and 3 km wide) factors responsible for their location in the Hooghly basin are: inexpensive water transport, good network of railways, roadways and waterways to facilitate movement of raw material to mills, abundant water supply, cheap labour from neighbouring states.

**Growth of Textiles Industry:**

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand. The growth of the industry Over the years has been characterized by expansion in dimension, changes in fiber-mix, adoption of heterogeneous technology matrix and increase in availability of goods for home consumption and exports.

The production of fabrics has also increased from 12300 million sq. meters in 1981-82 to 36200 sq. million meters in 1998-99. The rapid growth in the decentralized garment segment in the past decade or so has added to the dimension of the textile industry. The garment segment began initially as an export-oriented effort but it has grown in volume and diversity and the export of readymade garments now accounts for over 40 per cent of the value of total textile exports.

The most significant change in the Indian textiles industry has been the advent of man-made fibers (MMF). India has successfully placed its innovative range of MMF textiles in almost all the countries across the globe. MMF production recorded an increase of 10 per cent and filament yarn production grew by 6 per cent in the month of February 2014. MMF production increased by about 4 per cent during the period April 2013-February 2014.

Cotton yarn production increased by about 10 per cent during February 2014 and by about 10 per cent during April 2013– February 2014. Blended and 100 per cent non-cotton yarn production increased by 6 per cent during February 2014 and by 8 per cent during the period April 2013-February 2014.

Cloth production by mill sector registered a growth of 9 per cent in the month of February 2014 and of 6 per cent during April 2013-February 2014.

**Challenges Faced by the Industry**

Challenges faced by the industry include stiff competition in the international market from synthetic substitutes and from other countries such as Bangladesh, Brazil, Philippines, Egypt and Thailand. However, the internal demand has been on the rise due to Government policy of mandatory use of jute packaging. To stimulate demand, the products need to be diversified. In

2005, the National Jute Policy was formulated with the objective of improving quality, increasing productivity and enhancing the yield of the crop.

### **Technology up Gradation**

An upward shift in technology and incorporation of modern machinery is absolutely necessary for ushering in rapid quantitative changes in production commensurate with consumer preferences at home and abroad. The Government on its part has launched the Technology Upgradation Fund Scheme (TUFS) from 1st April, 1999 to give the industry access to timely and adequate capital at internationally comparable rates of interest for upgrading its technology and improving its competitiveness as well as long-term viability.

### **Raw Materials**

Cotton remains the major textiles base in our country even though there has been a shift in consumer preferences in recent years towards man-made fibres. The supply and price constraint of cotton requires it to be removed by improving productivity and reducing costs. Simultaneously, the techniques of ginning and pressing must be improved to reduce contamination and make available quality cotton. While the Government is actively considering the launching of Technology Mission on Cotton (TMC) for the purpose, the ginning and pressing units can take advantage of the TUFS, improve techniques and effectively increase the availability of quality cotton.

### **Product Development**

The future growth, particularly in export markets, will come mainly from exports of value-added items including made-ups and apparels. It is therefore, imperative that our industry must gear up to integrate consumer tastes and preferences in their production and develop marketing infrastructure so as to service both domestic and international requirements timely and effectively.

### **Joint Ventures**

It is important to note that the production environment in textiles all over the world is undergoing changes. Countries are trying to complement their own comparative advantage, whether in technology or in raw materials or in finance, by forging joint ventures or production or marketing tie-ups with other countries to increase their overall competitive strength. The Indian textile industry may also like to explore this route for enhancing comparative advantage and convert it into competitive strength.

### **Export**

The new policy seeks to achieve continuity and stability with competition. The policy has also attempted to simplify procedures, ensure time-bound action in case of apparels and encourage fast utilization of quotas. The Policy also attempts to give a boost to Technology Upgradation Fund

Scheme (TUFS) by linking with investments under Manufacturer's Entitlement and New Investment Entitlement.

### **Textiles in the New Millennium**

Needless to say that the textile industry has several challenges ahead and re-orientation of the industry, both organic and systemic, is required to enhance its competitive strength and improve its global positioning in the new millennium. In this effort, the Government's initiative, some of which have been outlined above, may not be sufficient. The industry including the textile machinery sector and related organizations must supplement these initiatives in a more proactive manner, so that the industry achieves cost reduction, attains quantum jump in quality production and improves delivery systems. (PIB)

### **Government Initiatives**

The Indian government has come up with a number of export promotion policies for the textiles sector. It has also allowed 100 per cent FDI in the Indian textiles sector under the automatic route. Some of initiatives taken by the government to further promote the industry are as under:

- The Government of India has started promotion of its 'India Handloom Initiative on social media like Facebook, Twitter and other social media with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- The Ministry of Textiles launched Technology Mission on Technical Textiles (TMTT) with two mini-missions for a period of five years (from 2010-11 to 2011-12 in the 11th five year plan and 2012-13 to 2014-15 in 12th five year plan) with a total fund outlay of Rs 200 crore (US\$ 30 million). The objective of TMTT is to promote technical textiles by helping to develop world class testing facilities at eight Centers of Excellence across India, promoting indigenous development of prototypes, providing support for domestic and export market development and encouraging contract research.
- The Government of India is expected to soon announce a new National Textiles Policy. The new policy aims at creating 35 million new jobs by way of increased investments by foreign companies.
- The Government of India has implemented several export promotion measures such as Focus Market Scheme, Focus Product Scheme and Market Linked Focus Product Scheme for increasing share of India's textile exports.

### **Conclusion**

In the modern world the textile industry is one of the most important to initiate under the import and export. The future for the Indian textile industry looks promising, buoyed by both strong domestic consumption as well as export demand. With consumerism and disposable income on the rise, the retail sector has experienced a rapid growth in the past decade with the entry of several international players like Marks & Spencer, Guess and Next into the Indian market.

