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Growth potential of Textile Industry in view of current Government's policy

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Abstract

The Textile Industry in India ranks next to Agriculture. One of the earliest to come into existence in India, it accounts for 14% of the total Industrial production, contributes to nearly 30% of the total exports and is the second largest employment generator after agriculture.The textile industry has two broad segments i.e. unorganised sector consists of handloom, handicrafts and sericulture and organised sector consists of spinning, apparel and garments segment. The textile industry employs directly about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US$ 40 billion. Textile Industry encompasses various sectors within itself as, Cotton Sector, Handloom Sector, Woolen Sector, Jute Sector, Sericulture, Silk Sector and Man Made Fibres. 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. The government has also proposed to extend 24/7 customs clearance facility at 13 airports and 14 sea ports resulting in faster clearance of import and export cargo. The Ministry of Textiles has approved a 'Scheme for promoting usage of geotechnical textiles in North East Region (NER)' in order to capitalise on the benefits of geotechnical textiles. The scheme has been approved with a financial outlay of Rs 427 Crore (US$ 63.67 million) for five years from 2014-15.

Keywords: Textile, unorganized, Cotton, export, geotechnical.

I. Introduction

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Textiles sector was one of the largest contributors to India's exports during July 2010 to December 2010 with approximately 11.04 per cent of total exports according to Ministry of Textiles. The textiles industry is also labour intensive and is one of the largest employers. The textile industry has two broad segments. First, the unorganised 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 segment which apply modern machinery and techniques such as economies of scale. The textile industry employs about 40 million workers and 60 million indirectly. India's overall textile exports during FY 2015-16 stood at US$ 40 billion.

The Indian textiles industry is extremely varied, with the hand-spun and hand woven textiles sectors at one end of the spectrum, while the capital intensive sophisticated mills sector at the other end of the spectrum. The decentralised 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.

II. Objective of Research

The prime objective of this study is oriented towards exploring following aspects.

- Historical development of Textile Industry since time immemorial.
- Brief description of various segments of Textile Industry.
- Technological development of Textile Industry with reference to methodology adopted by the artisans at difference period of time.
- Indian government's policy and plan towards promotion of Textile industry.
- Study on the impact of Indian policy on various sub-segments of Textile industry.
- Role of Online Marketing of textile good and their merits and demerits.

III. Research Methodology

This study is the case of exploring various aspects of growth and potentiality of Textile Industry keeping in view of various policies of the government of India. Analysis shall be carried out in the study of the problems mentioned in the topic of research. The exploratory method is used to identify and obtain information on the characteristics of a particular issue. The method adopted shall entail the historical and technological analysis of the entry of Textile Industry in India. Indian government's support and facilities provided to Textile Industry.

IV. Literature Review

The textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labour in textiles. The textile industry continues to be the second-largest employment generating sector in India. It offers direct employment to over 35 million in the country. The share of textiles in total exports was 11.04% during April–July 2010, as per the Ministry of Textiles. During 2009–2010, the Indian textile industry was pegged at US$55 billion, 64% of which services domestic demand. In 2010, there were 2,500 textile weaving factories and 4,135 textile finishing factories in all of India. According to AT Kearney's 'Retail Apparel Index', India was ranked as the fourth most promising market for apparel retailers in 2009.

India is first in global jute production and shares 63% of the global textile and garment market. India is second in global textile manufacturing and also second in silk and cotton production. 100% FDI is allowed via automatic route in textile sector. Rieter, Trutzschler, Soktas, Zambiati, Bilsar, Monti, CMT, E-land, Nisshinbo, Marks & Spencer, Zara, Promod, Benetton, and Levi's are some of the foreign textile companies invested or working in India.

History of Textile Industry

Textile manufacture during the Industrial Revolution in Britain was centred in south Lancashire and the towns on both sides of the Pennines. In Germany it was concentrated in

the Wupper Valley, Ruhr Region and Upper Silesia, while in the United States it was in New England. The four key drivers of the Industrial Revolution were textile manufacturing, iron founding, steam power and cheap labour.

Before the 18th century, the manufacture of cloth was performed by individual workers, in the premises in which they lived and goods were transported around the country by packhorses or by river navigations and contour-following canals that had been constructed in the early 18th century. In the mid18th century, artisans were inventing ways to become more productive. Silk, wool, and fustian fabrics were being eclipsed by cotton which became the most important textile.

Innovations in carding and spinning enabled by advances in cast iron technology resulted in the creation of larger spinning mules and water frames. The machinery was housed in water-powered mills on streams. The need for more power stimulated the production of steam-powered beam engines, and rotating mill engines transmitting the power to line shafts on each floor of the mill. Surplus power capacity encouraged the construction of more sophisticated power looms working in weaving sheds. The scale of production in the mill towns round Manchester created a need for a commercial structure; for a cotton exchange and warehousing. The technology was used in woolen and worsted mills in the West Riding of Yorkshire and elsewhere.

The Indus Valley Civilisation (IVC) was a Bronze Age civilization (3300–1300 BCE; mature period 2600–1900 BCE) mainly in the northwestern regions of South Asia, extending from what today is northeast Afghanistan to Pakistan and northwest India. Along with ancient Egypt and Mesopotamia it was one of three early civilizations of the Old World, and of the three, the most widespread. It flourished in the basins of the Indus River, which flows through the length of Pakistan, and along a system of perennial, mostly monsoon-fed, rivers that once coursed in the vicinity of the seasonal Ghaggar-Hakra river in northwest India and eastern Pakistan. Owing to formation of aridity of this region during the 3rd millennium BCE may have been the initial spur for the urbanization associated with the civilization, but eventually also reduced the water supply enough to cause the civilizations' demise, and to scatter its population eastward.

Ancient Technology used in Textile Industry

From the discovery of many spindles and spindle whorls in the houses of Indus valley, it is evident that spinning of cotton and wool was very common. That both the rich and poor practiced spinning is indicated by the whorls being made of the expensive faience as also of the cheap pottery and shell no textiles of any description have been preserved in the Indus valley owing to the nature of the soil. A close and exhaustive examination in the textile laboratory of the pieces of cotton, which were found attached to a silver vase, shows the specimen to be a variety of the coarser Indian cotton, cultivated in upper India today, and not of the wild species. Some more specimens of woven materials adhering to various copper objects have also been found to be mostly cotton, but some were best fibres. There is no indication from the ruins as to the existence of flax, which is largely grown in India at present and was known in ancient Elam and Egypt. The purple dye on a piece of cotton has been taken to have been produced from the madder plant. Dyers' vats found on the site indicate that dyeing was practiced.

Current Technology used in Textile Industry

Textile engineering today is shattering decades old stereotypes of a labor-intensive, factory-based industry in which men and women toiled over looms and spinning jacks. The clang of the early production machinery has been replaced by a computer-driven enterprise that is making significant contributions to fields ranging from athletic performance equipment to human health and rehabilitation. Among other innovations, textile engineers are developing high-tech fibers that are used as substrates in biomedical applications, as well as materials that aid in energy conservation and pollution control."When compared to what was once commonplace in the United States, the golden age of textile manufacturing has ended," says David Brookstein, the executive dean for university research at Philadelphia University and a fellow of ASME. "At the same time, there has been spectacular development of innovative textile materials for a wide range of high-value items."While the textile industry in some parts of the world is labor-intensive, new technology has advanced manufacturing processes in many markets. "Industrial looms today incorporate air-jets to weave at speeds of 2,000 picks per minute," says Jonathan A. Stevens, the president and chief executive officer of the American Textile History Museum in Lowell, MA, and foremost authority on the industry.

In 1980, 200 picks per minute was considered fast."Computer-aided design and computer-aided manufacturing have also impacted textile production, as companies seek efficiency gains to remain profitable and competitive. Machine designs have become increasingly sophisticated and precise, enabling innovations in specialty fabrics used in the biomedical field. In addition to substrates that are used to rehabilitate damage to the human heart and vascular system, other textile innovations include Dupont's Lycra, a specialty material used in compression pants worn by competitive bicyclists

V. Findings

In recent times cotton has successfully withstood the onslaught of man-made fibres. Today's, wrinkle free, shrink-resist and soil resistant cotton has competitive edge over synthetics. Archaeologists have traced the origin of cotton to Indus Valley on India about 5000 years ago. His presumption is based on the discovery of several spindles, and a piece of cotton stuck to a silver vase, at the Harappans sites of the Indus Valley Civilizations.

Segments of Textile Industry

- **The Cotton Sector**: It is the second most developed sector in the Indian Textile industries. It provides employment to huge amount of people but its productions and employment is seasonal 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 the 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.
- **Man Made Fibres**: This includes manufacturing of clothes using fibre or filament synthetic yarns. It is produced in the large power loom factories. They account for the largest sector of the textile production in India. This sector has a share of 62% of the India's total production and provides employment to about 4.8 million people.

Indian government's policy in promotion of Textile Industry

Some of initiatives taken by the government to further promote the industry are as under:

- India's first integrated textiles city, which will largely cater to the export market and build a brand for Indian textiles abroad, is likely to be set up in the state of Andhra Pradesh.
- The Clothing Manufacturers' Association of India (CMAI) has signed a memorandum of understanding (MOU) with China Chamber of Commerce for Import and Export of Textiles (CCCT) to explore potential areas of mutual co-operation for increasing apparel exports from India.
- The Department of Handlooms and Textiles, Government of India, has tied up with nine e-commerce players and 70 retailers to increase the reach of handlooms products in the Indian market, which will generate better prices and continuous business, besides facilitating direct access to markets and consumers for weavers.
- The Union Ministry of Textiles, which has set a target of doubling textile exports in 10 years, plans to enter into bilateral agreements with Africa and Australia along with working on a new textile policy to promote value addition, apart from finalizing guidelines for the revised Textile Up-gradation Fund Scheme (TUFS).
- The Government of India has started promotion of its 'India Handloom' initiative on social media like Facebook, Twitter and Instagram with a view to connect with customers, especially youth, in order to promote high quality handloom products.
- The Revised Restructured Technology Up gradation Fund Scheme (RRTUFS) covers manufacturing of major machinery for technical textiles for 5 per cent interest reimbursement and 10 per cent capital subsidy in addition to 5 per cent interest reimbursement also provided to the specified technical textile machinery under RRTUFS.
- Under the Scheme for Integrated Textile Parks (SITP), the Government of India provides assistance for creation of infrastructure in the parks to the extent of 40 per cent with a limit up to Rs 40 Crore (US$ 6 million). Under this scheme the technical textile units can also avail its benefits.
- The major machinery for production of technical textiles receives a concessional customs duty list of 5 per cent.
- Specified technical textile products are covered under Focus Product Scheme. Under this scheme, exports of these products are entitled for duty credit scrip equivalent to 2 per cent of freight on board (FOB) value of exports.

VI. Conclusion

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. The organized apparel segment is expected to grow at a Compound Annual Growth Rate (CAGR) of more than 13 per cent over a 10-year period. The Union Ministry of Textiles, which has set a target of doubling textile exports in 10 years, plans to enter into bilateral agreements with Africa and Australia along with working on a new textile policy to promote value addition, apart from finalizing guidelines for the revised Textile Up-gradation Fund Scheme (TUFS).The Indian cotton textile industry is expected to showcase a stable growth in FY2017-18, supported by stable input prices, healthy capacity utilization and steady domestic demand. The industry also contributes significantly to the world production of textile fibres and yarns including jute. In the world textile scenario, it is the largest producer of jute, second largest producer of silk, third largest producer of cotton and cellulosic fibre yarn and fifth largest producer of synthetic fibre yarn

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