



## INDIAN ECONOMY AND ROLE OF TEXTILE INDUSTRY

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### ABSTRACT :

*The Indian textile industry is highly fragmented and labour intensive. The textile industry is dominated by unorganized sectors and small and medium enterprises. Foreign investors do not invest in the textile sector. This is a matter of concern. Government policies and tax structures are not favourable to the industry. The textile industry is highly competitive and the current situation demands that companies should benchmark the best products in the world and try to improve quality and production processes. This paper attempts to give an insight into the Indian textile industry. The article seeks to explain opportunities, challenges and suggestions.*



**KEYWORDS :** *Indian textile industry , best products , production processes.*

### INTRODUCTION

Indian textile industry is the second largest after agriculture in terms of economic share and employment generation. Today, India has great faith in inviting outsiders for investment as well as employment. The textile industry is one of the oldest in India, with a large cultural heritage that has a wide range of textile materials, techniques and types that reproduce the variety of people and customs of the country. The industry involves a wide range of hand-woven, unorganized segmentation and moving towards a deep technology segment of capital. India is the world's leading jute producer and the second largest producer of silk and cotton in the world. The textile sector offers huge employment opportunities for the Indian people, especially in rural areas. Industrial production in the textile and textile sectors accounts for 14%, India's gross domestic product (GDP) contributes 4%, and accounts for 15% of the country's exports. The textile industry and textile sector is the second largest employer providing employment to nearly million people and indirect employment to 68 million people in 2015-16. India's textile exports totalled \$40 billion in Textile 2015-16. India's fibre production in the year 2015-16 is 1 million tonnes and it is likely to reach ten million tonnes in 2017-18. India's total fabric production in India is 9 billion-billion billion sq. India textile industry is being rehabilitated by providing good facilities in cottage based habits like handloom, handicraft, jute and wool and trying to access the entire chain. In this way, the government encourages textile manufacturers and producers of raw materials in the textile industry. Subsidies for raw materials to farmers, grants for upgrading of handloom technology, minimum price bands have been fixed to facilitate trade. Plan to celebrate National Handloom Day for the promotion of this area so that everyone can come to know about the area. It delights the younger generation to wear more handloom products; that is why the market for these products is growing. Other sectors like the energy industry are also gaining access to finance for technology upgrades.

**DEVELOPMENT OF TEXTILE INDUSTRY:**

India's textile industry is the world's largest raw material and textile manufacturing base. The textile industry has a huge expansion in India because of the huge availability of raw materials such as cotton, wool, silk, jute and man-made fibres. Furthermore, skilled manpower and the major textile manufacturers in the manufacturing sector benefit the manufacturer in terms of production costs. The industrial and manufacturing sector accounts for 14% of the fabric and clothing segment 4% of India's gross domestic product (GDP) and 15% of the country's exports. The textile industry and textile sector is the second largest employer providing employment to nearly million people and indirect employment to 68 million people in 2015-16. Cotton exports totalled \$ 40 billion 15-16. The production of fibre is 1 million tonnes in the next 2-3 years and it is expected to be 3 million tonnes in 2017-18. Total fabric production is expected to increase to million square meters in fabric 2017-18, which is 66 sq. m. India became the largest cotton producing country with 5984 million kg in 2015-16. In jute sector also produced about 1710 kg. 2013-14 India has become the second largest producer of silk in the world by 28 million kg of silk in 2014-15. Speaking of wool production in this area, wool production has also become the world's largest producer of man-made fibre and filament in the world. The growth of this industry is broadly dependent on two main factors; one is the government's policy: geographical climate and the land for raw materials for the production of fabric. Another factor behind the growth of the industry plays an important role is that government policies are very conducive to the growth of the textile industry. Currently, the government is focusing on creating all kinds of value chains from fibre chains, textile materials and textile products across the country. Like Bangladesh, Vietnam, especially the market has been developed for traditional skill areas. That is, handlooms and handicrafts to enter the market including South Korea, Japan, Asian, Chile, as well as negotiations with Australia, the European Union and the process of financial partnership in this country is underway.

**ROLE OF TEXTILE INDUSTRY IN THE ECONOMY OF INDIA:**

India's textile industry contributes a lot to GDP. The industry is providing the second largest employment after the agricultural sector. And thus the development of this industry has a direct impact on the Indian economy. By 2024-25, India's textile exports are aiming to reach \$ 185 billion. By 2014-15 Exports of textiles to reached \$41.67 billion, an increase of 3%. In comparison to INR 2.55 lakh croreRs. 2.48 lakh crore in the previous year, the growth in such sector was 18%, 14%, 13%, respectively, such as handicrafts, mats and readymade garments, the Indian textile industry accounts for 6% of the world.

**INDIA POSITION IN THE WORLD TEXTILE INDUSTRY:**

The Indian textile industry is the second largest producer of raw cotton, the same place in cotton yarn production, the same in cellulosic fibre yarn, the largest producer of jute in silk production and fourth in synthetic fibre.

**Table 1.1 Top export countries in Textile and Apparel Exports (Lac Crore)**

Sr. No	Countries	Year				
		2005	2010	2011	2012	2013
1.	China	107.5	198.9	239.8	245.0	283.9
2.	<b>India</b>	<b>17.0</b>	<b>27.1</b>	<b>33.4</b>	<b>32.7</b>	<b>40.2</b>
3.	Bangladesh	7.7	17.9	23.8	23.8	25.5
4.	Vietnam	5.3	13.5	17.4	18.0	19.3
5.	Spain	8.3	11.3	13.3	13.4	15.5
6.	Netherlands	7.6	10.2	13.6	12.3	13.1
7.	Australia	3.3	3.3	5.5	5.8	5.4
8.	Poland	3.6	5.2	5.9	5.4	6.0
9.	Cambodia	2.2	3.1	4.0	4.3	4.6
10.	Sri Lanka	2.9	3.6	4.3	4.1	4.4

11.	Pakistan	10.3	11.6	13.6	12.9	13.7
12.	Rest	265	258	295	277	288
<b>Total</b>		<b>440.7</b>	<b>563.7</b>	<b>669.6</b>	<b>654.7</b>	<b>719.6</b>

Source: Economy Trade of UN

The above table 1.1 describes about the top export countries in textile and apparel exports since 2005 to 2013 and it was observed that china is in number one position with 107.5 lack crore in 2005 with increasing of 283.9 by the year 2013, whereas India is in second rank with the export of 17.0 lack crore in 2005 and 40.2 lack crore by the year of 2013. The total export of textile and apparel from all the countries is 440.7 lackcrore in the year 2005 with 719.6 lack crore in the year 2013.

### Indian Textile Sector Importance:

- Textile and clothing are second only to China
- The world's largest cotton producing country
- India's second largest employer after agriculture direct employment 35 million People
- Exports about 12% of India's exports
- Contribution of 14% to industrial production
- It contributes about 4% of GDP
- Since the launch of the TUF scheme, the investment in the textile sector has been Rs. 208000 crore as of June 2010

It has a production area of 26%, 14% from industrial production and it provides 14% industrial employment while direct employment is paid 45 million. In addition, it earns 17% from export activity. Textile industry contributes% to GDP.

There are some social cultural schemes, insurance protection, field development as well as out-dated instruments, tax benefits and publishing auxiliary sectors, which give women all kinds of technology plans, and hope to improve the situation. Longitudinal system of winkers. Indian e-commerce tourism technology value-added agreement signed there are. Their life span is mainly to create and stone all-round craftsmanship and wickerwork. Introduction of Knot Entertainment Technology, Text Park, Text Processing Machinery, Carpet Development, etc... is a reconciliation agreement of Rs.8,835crore(US \$ 1.3bn). UNESCO for the on-going supervision of textile industry in Meghalaya Government of India will provide Rs. 32crore. In addition, the Indian government also plays a role in social media such as Facebook, Twitter and Instagram, while there are 35 million new Nokia jobs available to find the country's stupid empire. Art is worth \$180-200 billion worth of investigations. Satisfactory training technology campaign is underway.

The main objective of TMTT is to promote technological textiles worldwide by providing world-class quality that can be fully indigenous. The Ministry of Textiles has devised a plan to encourage the study of geotechnical textiles in the North Manufactured Area so that they can become productive. Scheme was started in 2014-15, this scheme will be Rs. 427 crore. Technical textile is one of the most promising and fastest growing regions in India. It has verified India's growth rate with an average rate of 8%. The sector is expected to increase CAGR by 16% to \$ 31 billion by 2020-21. Technology textile industry is playing a vital role in boosting our economy which helps to spend on public facilities like health care, roads, highways etc. The Ministry of Textiles has prepared various schemes like improved restructuring for textile development. The Government of India provides assistance for the park's infrastructure under this scheme. Integrated textile gardens will benefit from which 1.5 million people will be trained in skill development scheme which includes all sectors of textile industry such as handicraft, handloom, silk industry, jute, textile and the apparel etc...

**Table 1.2 Export of Textile 2000-01 to 2010-11 (Million \$)**

Sr. No.	Year	Export	Growth
1.	2000-01	11285	
2.	2001-02	10227	-10
3.	2002-03	11617	14
4.	2003-04	12732	10
5.	2004-05	13555	6
6.	2005-06	16402	21
7.	2006-07	17373	6
8.	2007-08	19426	12
9.	2008-09	20016	3
10.	2009-10	19853	-1
11.	2010-11	23312	17

Source: Fieldwork

### INDIAN TEXTILE INDUSTRY DIFFICULTIES:

India's textile industry is playing a very important role in terms of employment generation, production and income abroad. The textile industry is constantly striving to maintain its number one position in the world, not only maintaining its position but also developing many problems. True, the textile industry is facing problems and Make in India is coming up with a concept.

1. **Knowledge:** Domestically, we find a lack of technology and technology development that knowledge has left our textile industry behind compared to other countries' textile industry. Another thing is that the shortage of homemade shuttle-looms and spindles that delays production due to the time of order is far too long to complete. The Department of Science and Industrial Research, Ministry of Science and Technology, Government of India states that the capacity of the used spindle is 25 years old, it is clear that they offer poorly functional and chip quality products. In addition, the lack of information about investment in the research sector of the textile industry can lead to the import of foreign machinery to compete in the textile industry. Imports of textile machinery have doubled in recent two years. New technology has to be introduced for long-term benefits. Government of India has launched a Technology Upgrade Fund Scheme (TUFS) from April 1, 1999. The scheme opened the door for those eagerly waiting funding for technology upgrades.
2. **Electricity:** There are many states where there is a problem of electricity shortage, and so it has to deal with manpower and low production. Fibre to Fashion has done research that names the states that are facing electricity shortages; Tamil Nadu and Andhra Pradesh are unable to produce as per their capacity due to irregularities in power supply and are losing Rs.303 crore per day. They are mandated to use manual machines for production which ultimately increases production costs and lags behind other manufacturers in the country. Uninterrupted power supply is essential to support the country's textile industry.
3. **Traditional Handloom:** The Indian traditional handloom field is very famous in the world. Due to the implementation of contemporary technology it should be retained but there are risks. The area has a wide variety of quality, handloom designs, intertwines and designs that are endless. The major threat to the handloom sector is the power organizations. The Power Loom Association has asked for a sari suit. This law has been protecting the handloom sector since 1985, with the reservation of articles of products. Handloom weavers, especially sarees, have been protected, copied by opponents through machines and power looms. As a judge, the matter is in court. Another problem with credit facilities was the need for the Twelfth Five Year Plan. It was reported in the Planning Commission's report that due to funding constraints, credit growth did not make the report necessary. Weavers are not the path to a formal financial system because they are far from an easy market system. The Make in India handloom sector has been emphasized on marketability and stability of traditional weavers. Chennai Start the handloom day celebration in Chennai on August 1,

2015 and the handloom brand was given the brand value of handloom products, the foundation for the handloom product was laid and November was put on the spot in Varanasi. An integrated office is also established. Give all stakeholders the same platform.

4. **Worker Concern:**The large population of India is always in the mood to find work. The textile industry has taken this opportunity and provided them employment in different fields of work requirement and established them in small industries. There are many problems related to labour. Such as: safety and health issues, child labour, unskilled labour, stricter labour law and worse environment.
5. **Shortage of Raw Material:**Cotton is the mainstay of the textile industry although consumer preferences are growing and growing in contemporary man-made fibre. The industry is always experiencing a scarcity of quality raw materials to meet demand. Another factor is fluctuation, supply uncertainty and availability directly resulting in low production and mills illness. To overcome this situation it is necessary to introduce high yielding cotton varieties, so that demand can be reached.

### CONCLUSION:

The textile industry's contribution to the Indian economy is remarkable. While waiting for a growing area such as demographic change, it provides a larger market that absorbs additional manpower and eventually creates employment. The emerging culture embodies the fashion consciousness that will make the fine textile industry more powerful in the coming decades.

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