

A Study On Cotton Textile Industry In India

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ABSTRACT

Cotton plays an important role in the Indian economy as the country's textile industry is predominantly cotton based. India is one of the largest producers as well as exporters of cotton yarn. The Indian textile industry contributes around 5 per cent to country's gross domestic product (GDP), 14 per cent to industrial production and 11 per cent to total exports earnings. The industry is also the second-largest employer in the country after agriculture, providing employment to over 51 million people directly and 68 million people indirectly, including unskilled women. The textile industry is also expected to reach US\$ 223 billion by the year 2021. The objectives of the study are, to discuss about recent growth and development of cotton textile industry of India, to estimate the economic importance of the industry and to study the various policies implemented by the government to promote the industry.

KEY WORDS: Textile Industry, Unskilled Women, Implemented, GDP

1. INTRODUCTION

India is one of the important cotton-manufacturing countries of the world. Both short-staple and long-staple cotton is grown in the country. Cotton textile industry is one of the important and largest industries in India. It accounts for a large portion of the total industrial output in the country each year. This cotton textile industry is now in a position to meet the total demand for textiles in the home market and to leave a sufficient surplus for foreign export. The industry also contribute towards the total foreign income of our country and engage millions of people. "India is emerging as a favourable destination for Latin American countries as they want to reduce their dependence on Chinese markets for imports and are looking towards diversifying their markets," said R Vishwanathan, marketing consultant, former Indian Ambassador. The objectives of the study are, to discuss about recent growth and development of cotton textile industry of India, to estimate the economic importance of the industry and to study the various policies implemented by the government to promote the industry. "You can tell the condition of a nation by looking at the status of its women" Jawaharlal Nehru India is the world's second largest producer of textiles and garments after China. It is the world's third largest producer of cotton—after China and the USA—and the second largest cotton consumer after China. The textile and garment industry in India is one of the oldest manufacturing sectors in the country and is currently its largest. The textile and garment industry full fills a pivotal role in the Indian economy. It is a major foreign exchange earner and, after agriculture, it is the largest employer with a total workforce of 35mn. In 2009 textiles and garments accounted for about 16per cent of industrial production and 18 per cent of export earnings. The industry covers a wide range of activities. These include the production of natural raw materials such as cotton, jute, silk and wool, as well as synthetic filament and spun yarn. In addition an extensive range of finished products are made. The Indian textile industry

accounts for about 24 percent of the world's spindle capacity, making it the second highest after China, and around eight per cent of global rotor capacity. Also, it has the highest loom capacity including hand looms—with a 63 per cent share. India accounts for about 14 per cent of the world's production of textile fibres and yarns. This includes jute, of which it is the largest producer. In Tamil Nadu, the textile industry is female dominated. There are certain unskilled and semi-skilled job categories which are specifically earmarked for women. It was found that if there is a temporary shortage of women workers, available male workers with similar background demand a higher wage. The predominance of small firms, low qualification of the workforce and limited trade union presence, contribute to the fact that exploitation and discrimination particularly in terms of women, continues to exist in the textile and garment industry. In Tamil Nadu majority of the textile and garment workforce is women and children. Among them women workers in Textile mills are about 65% mostly unskilled workers. The age group of the workers is predominantly in the range of 14 to 21 years. There are child labourers both girls and boys in the age group of 11 to 14 years and workers in the age group of 21 to 30 years are in fact a minority segment among the total workforce. Over the decades, women have been gradually replaced by men in most of the mills. The decline of women's employment has been gradual but quite steep in the textile sector. There are, however, regional variations. The economic conditions of women have profound effect not only on women's own but also on that of their children and families and on subsequent generations. Textile Industry of Tamil Nadu is the forerunner in Industrial Development and in providing massive employment in the State. It is predominantly Spinning-oriented. The State Textile Industry has a significant presence in the National economy also. Out of 2049 large and medium textile mills in India, 893 mills are located in Tamil Nadu. Similarly, out of 996 small units in India, 792 are located in Tamil Nadu. The 893 large and medium textile mills include 18 Cooperative Spinning Mills, 17 National Textile Corporation Mills and 23 Composite Mills. The society and the family are two crucial influences that can raise the status of the Working Women in India. The husband and other family members need to be supportive of the woman's work outside the home. They need to share the household responsibilities in order for woman to be able to utilize her skills outside the home. India is a traditionally patriarchal and male-dominated society. The expansion in women's ability to make strategic life choices in a context where this ability was previously denied to them." We have to examine the different facets of empowerment such as personal, familial, economic, political and entrepreneurial. Government of India has shown increasing concern for women's issues through a variety of legislation promoting the education and political participation of women (Collier, 1998). International organizations like the World Bank and United Nations have focused on women's issues especially the empowerment of poor women in rural and urban areas. Nongovernmental organizations (NGOs) have also taken on an increased role in the area of women's empowerment (Sadik, 1988). NGO's, previously catering to women's health, entrepreneurial and educational needs have moved beyond this traditional focus to addressing the underlying causes of deprivations through promoting the economic and social empowerment of women. (McNamara: 2003). Economic participation and participation in decision-making progress are the two important results expected out of empowerment process. This study aims at exploring the economic activities of SC community women for their individual as well as family growth.'

2. OBJECTIVES OF THE STUDY

- To study the socio-economic, demographic, educational, and occupational profile of women engaged in textile industry in Thoothukudi District of TamilNadu the growth of textile production since 2001-02 to 2009-2010

- To study the occupational impact on health hazards of women textile labourers
- To arrive some suitable policy recommendations to promote economic and health status of women textile labourers in general and Thoothukudi district Textile units in particular.

HISTORY OF COTTON TEXTILE INDUSTRY

The production of cotton, hand spinning and weaving has been practiced in India from immemorial times. However, the factory production of cotton goods dates from the middle of the 19th century. The cotton textile industry in Indian was initiated with the establishment of the first cotton textile factory at Ghosuri near Kolkata in 1818. However, it was closed down very soon due to the shortage of raw material. Actual development of the industry had been taking place since 1859 with the establishment of cotton mill at Mumbai which is located in the cotton growing region of Western India. Since then there has been rapid growth of the industry around Mumbai and Ahmadabad. Industry has made rapid progress since 1880. The cotton mill industry made phenomenal progress during the period of 40 or 45 years since 1880. In the beginning, yarns spinning developed a great deal. There was an export trade in yarn with China. Now, however, both yarn and cloth are manufactured for home-consumption.

RECENT GROWTH TRENDS AND DEVELOPMENT

The industry size has expanded from USD 37 billion in 2004-05 to USD 49 billion in 2006-07. During this era, the local market witnessed a growth of USD 7 billion, that is, from USD 23 billion to USD 30 billion. The export market increased from USD 14 billion to USD 19 billion in the same period. The production of cotton in India is estimated to increase by 9.3 per cent year-on-year to reach 37.7 million bales in FY 2017-18. The total area under cultivation of cotton in India is expected to increase by 7 per cent to 11.3 million hectares in 2017-18, on account of expectations of better returns from rising prices and improved crop yields during the year 2016-17. During the last 16 years, area of cotton production has doubled with about 10 million farmers producing cotton in India. Without being affected by the inconsistent weather conditions, the cotton sector is assertive of a 12 pc increase in production during 2017-18. The Indian textile industry is also estimating cotton production at 380 million bales against 340 million bales produced last year. "We expect India's 2017-18 cotton production to be more by about 10 pc to 12 pc this year. It may hit 380 million bales from 340 million", said Sandeep Bajoria, chairman, All India Cottonseed Crushers' Association, according to an Indian daily.

However, though the country produces good quality cotton, it is sold at a discounted price because of unwanted constituents and contaminants. Thus, during the Textiles India 2017 meet in Gujarat earlier this month, ways to popularise aspects of environment-friendly cotton based textiles, threats that cotton sector faces from other fibers, improving per hectare yields of cotton, and reducing contamination, were discussed along with the importance of using biotech and better irrigation and mechanisation in the textile industry.

For the cotton industry to regain its edge, grouping of cotton cultivars based on quality is essential to permit cultivars to grow cotton based on economic regions. Also, the concept of group-farming for uniform collection of cotton would also be helpful via reducing the strain on logistics in the cotton value chain.

During April–December 2016, India's cotton yarn exports slumped by 12 pc to 872.19 million kg from 987.21 million kg in the corresponding period last year. However, cotton yarn exports from India rose by a marginal 4.29 pc at 1,307.11 million kg for the financial year 2015-16 from 1,253. In the past one year, there has been a massive upsurge in the textile industry of India

The above table shows that the production of raw cotton during FY period. In FY7 the production of raw cotton is about 28 million Bales and it has been increased to 39.8 Million Bales. In FY14 periods it drastically fallen to 35.1 Million. It reveals that the government should take much more efforts to develop the cotton growth of India.

TOP 10 COTTON PRODUCING STATES : 2014-2015

S.NO.	STATE/ UT	COTTON * (TH. TONNES)
1	Gujarat	11089
2	Maharashtra	7019
3	Andhra Pradesh+ Telangana	6641
4	Haryana	2300
5	Karnataka	2200
6	Madhya Pradesh	1750
7	Rajasthan	1600
8	Punjab	1600
9	Tamil Nadu	786
10	Orissa	400

TABLE NO 1

The above map shows that the top ten leading cotton producing states of India. Gujarat is the top most producer of cotton. It produced 11089 TT in 2014. Secondly Maharashtra produced 7010 TT Odisha produced 400 TT of cotton.

ECONOMIC IMPORTANCE OF COTTON TEXTILE INDUSTRY

Cotton plays an important role in the Indian economy as the country's textile industry is predominantly cotton based. India is one of the largest producers as well as exporters of cotton yarn and the Indian textile industry contributes about 11 percent to industrial production, 14 per cent to the manufacturing sector, 4 percent to the GDP and 12 per cent to the country's total export earnings. The cotton cultivation in India in 2013-14 was estimated at 37 million bales (170 kg each) of cotton, making it the second largest producer of cotton worldwide. During 2013-14 in India, cotton yarn production increased by two per cent and cloth production by mill and power loom sector increased by five per cent and six per cent respectively. The states of Gujarat, Maharashtra, Andhra Pradesh (AP), Haryana, Punjab, Madhya Pradesh (MP), Rajasthan, Karnataka and Tamil Nadu (TN) are the major cotton producers in India. Indian khadi products sales increased by 33 per cent year-on-year to Rs 2,005 crore (US\$ 311.31 million) in 2016-17 and is expected to exceed Rs 5,000 crore (US\$ 776.33 million) sales target for 2018-19, as per the Khadi and Village Industries Commission (KVIC).

Role of cotton Textile Industry in India GDP has been quite beneficial in the economic life of the country. The worldwide trade of textiles and clothing has boosted up the GDP of India to a great extent as this sector has brought in a huge amount of revenue in the country Without being

affected by inconsistent weather conditions, the cotton sector is assertive of a 12 pc increase in production during 2017-18. And with the Indian textile industry estimating cotton production at 380 million bales against 340 million bales last year, the domestic and international cotton yarn demand has also revived.

Since the Indian textile industry is primarily cotton-centric, the presence of the fibre is dominant in the Indian economy. India is among the largest producers and exporters of cotton with the textile industry contributing approximately four pc to the Gross Domestic Product (GDP), 14 pc to industrial production and 15 pc to total export earnings.

The export of raw cotton from India has witnessed a significant increase in past years, along with decreased cotton imports into the nation. The country is now the second largest textile and clothing exporter in the world, contributing around 5 pc to the global textile and clothing trade. So much so, various international clothing brands including Gap, H&M, Levi Strauss, Marks & Spencer, Nike, Reebok and Tommy Hilfiger, among others, import Indian textile products.

And as the Chinese cotton auction started at a 25 pc premium over the prevailing fibre rate in India, Indian exporters are holding high hopes on a revival in cotton yarn exports.

KEY MARKETS AND EXPORT DESTINATIONS

- India exported cotton of worth US\$ 9,925.85Mn in 2013-14.
- India has overtaken Italy and Germany, and is now the second largest textile exporter in the world.
- India was the third-largest supplier of textiles and clothing to the US in 2013, contributing about 6.01 per cent of its total imports.
- China is the biggest importer of raw cotton from India. The other major cotton importing countries from India are Bangladesh, Egypt, Taiwan, Hong Kong among others.
- Total value of textiles and clothing exports from India stood at US\$ 36.8 billion in 2015-16.
- During April-December 2016 total Cotton yarn exports goes down by 12 per cent from 987.21 million kgs in the corresponding period previous year to 872.19 million kgs.
- The value of cotton yarn exported from India in 2015-16 stood at US\$ 3.6 billion, while export of cotton fabrics, cotton madeups and raw cotton stood at US\$ 2.1 billion, US\$ 5.2 billion, and US\$ 1.9 billion respectively.
- India has overtaken Italy and Bangladesh, and is now the second largest textile & clothing exporter in the world, contributing around 5 per cent to the global textile and clothing trade.
- USA is the biggest importer of cotton textiles from India with a share of 22.7 per cent, followed by China (13.9 per cent), Bangladesh (9.0 per cent), UAE (5.7 per cent) and Germany (3.1 per cent), among others.

LIST OF TOP INDIAN TEXTILE MANUFACTURING COMPANIES

- Textile plays a major role in the Indian economy. It contributes 14 per cent to industrial production and 4 per cent to GDP (ii) With over 45 million people, the industry is one of the largest source of employment generation in the country
- The industry accounts for nearly 15 per cent of total exports

- The size of India's textile market in 2016 was around US\$ 137 billion, which is expected to touch US\$ 226 billion market by 2023, growing at a CAGR of 8.7 per cent between 2009-23E
- As of June 2017, the central government is planning to finalize and launch the new textile policy in the next three months. The policy aims to achieve US\$ 300 billion worth of textile exports by 2024-25 and create an additional 35 million jobs.

COTTON TEXTILE EXPORT PROMOTION COUNCIL

The Cotton Textile Export Promotion Council (TEXPROCIL) takes part in national and international events to enhance the visibility of Indian products, advertises and promotes Indian products in various media vehicles such as fashion magazines, event-related pull-outs, India reports and leading trade magazines, and organises buyer-seller meets (BSM) and trade delegation visits.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 per cent from 2013 to 2016, mainly led by bedding bath and home decor products and textiles. The Cotton Corporation of India was founded in 1970 under the Companies Act 1956, and it is the single largest cotton trading company in the world. It operates more than 300 procurement centres throughout India and helps in maintaining the quality of cotton and related products.

THE IMPORTANT BENEFITS OFFERED BY THE INDIAN TEXTILE INDUSTRY ARE AS FOLLOWS

- India is known to be the third largest manufacturer of cotton across the globe
- India claims to be the second largest manufacturer as well as provider of cotton yarn and textiles in the world
- India holds around 25 percent share in the cotton yarn industry across the globe
- India contributes to around 12 percent of the world's production of cotton yarn and textiles

SCHEME FOR INTEGRATED TEXTILE PARKS

This policy provides world class infrastructure to new textile units. As of now, some 57 Textile Parks have been sanctioned. By 2017, 25 more Textile Parks are to be sanctioned. Further, the Budget 2014-15 also provided for Rs.200 crore to set up mega textile clusters at Bareilly, Lucknow, Surat, Kuttch, Bhagalpur and Mysore and one in Tamil Nadu.

3. CONCLUSION

The Indian cotton industry not only provides employment to farmers but it also provides employment to workers in fabric manufacturing companies and textile companies, where workers are engaged in spinning, weaving, dyeing, designing, sewing, and tailoring of semi-finished products. To ensure that the prices of cotton and its related products are competitive, and that the interests of cotton farmers are protected, the Indian government established the Cotton Corporation of India, under the Ministry of Textiles. Cotton production and productivity has increased to 4.6 and 3.4 times respectively. This increase in production and productivity is more prominent than increase in cotton area during (1980-81 to 2010-11). Highest instability is

observed for production during 1980-81 to 2010-11 compared to area and productivity. A slight increase in area and remarkable increase in productivity has contributed to the production of cotton for the year 1980-81 to 2010-11. Noteworthy boost in production during 2000-01 to 2010-11 is due to introduction of Bt cotton. During 2000-01 to 2010-11, production, consumption and export of cotton has increased which explains that with increase in domestic consumption cotton is moving to value chain and export of cotton means earnings of foreign exchange. Due to different objectives, profit and cost structure of Garment Company varies. Garment market is highly fluctuating. Demand for products is unpredictable as it is highly fashion oriented. On the other hand home furnishing market is comparatively stable. In India after 2000 many large companies have come up in home furnishing industry and supplying high valued product in bulk and thus earning good profit. The value generated from cotton to yarn is 3 to 6 times, from cotton to greige fabric 5 to 10 times, cotton to processed fabric 8 to 16 times and more, cotton to garment 12-28 times and from cotton to home furnishing 16 to 24 times

Agriculture extension programme designed for the cotton farmers needs to be more effective and suitable crop management is required. To increase cotton production horizontal expansion of area is not an alternative option as other crops are also in priority list. Cotton productivity has to increase in order to augment overall production. Yarn production increases over time in India. Production utilization of spindles is also (85-90) %. But yarn of higher counts lags far behind the other counts. Besides volume technology up gradation and enhancement of value addition is mandatory to match international demand. Spinning industry invest huge amount of fixed cost in spindles as these are imported. If India could have strong base in research and development it would have manufactured spindles domestically and fixed cost would have been reduced.

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