Growth of Power Looms Sector - India

Dr. R. Emmaniel
Professor & Head, Dept. of Business Administration,
St. Anns college of Engineering and Technology, Chirala, A.P.

Abstract:

India manufactures 5% of cloth through organized sector, 20% through Handloom sector, 15% through knitting sector and 60% of Indian cloth is produced through decentralized power loom sector. The power loom industry of India is among the biggest contributors to the country's textile industry and makes up the majority of the textiles production. Textile industry being one of the largest contributors to India's economy makes power loom sector important for the country. About 58.4% of the total cloth production in India is through power looms. The readymade garments and home textile sector of the country are heavily dependent on the power loom industry. As of April 2022, India had 385,596 power looms. The majority of the power looms are located in Maharashtra, with about 39% of the total power looms located in the state as of April 2022. Andhra Pradesh, Gujarat, Uttar Pradesh, Karnataka, Tamil Nadu are some of the other top power loom products producing states in India. India is the sixth-largest exporter of textiles and apparel in the world. Country's capital-intensive mill sector is the second-largest in the world. The power loom industry of India produces fabrics ranging from dyed fabrics, cotton fabrics, grey, printed fabrics and a mix of cotton, synthetic and other fibers. India has around 2.6 million power looms distributed throughout the country. As the textile industry employs more than 45 million people in India, power looms are one of the biggest employment providers in the country through direct and allied sectors.

Key Words: Decentralized, Knitting, Capital-intensive, Mill sector

STATEMENT OF THE PROBLEM:

The textile industry contributes a major share to the GDP of India. The power loom sector produces more than 60% of cloth in India and textile ministry's estimation says that more than 60% of the country's cloth exports originated from that sector. With its employment of 4.86mn workersth directly and indirectly. At present the powerloom sector in India facing various problems relating to Poor infrastructure procurement material, labour, credit accessibility, management of finance and marketing. Hence, based on the above issues, the following questions are probed.

OBJECTIVES OF THE STUDY:

The study has been carried out with the objective of to identify the problems faced by power loom industry and to offer suggestions for the betterment of power loom industry.

Introduction:

After independence many units in the mill sector started facing the problems. The technological changes were the need of the time and the mill sector could not meet this requirement. The labor problem also got multiplied due to the non-availability of skilled and trained workers. This resulted in a high cost of production and heavy losses to many units and finally closer to the mills. This adverse situation of mills also helped power looms to prosper fast. The factors like the wars, failure of mills, and the reservation for the handloom s helped power loom units to prosper very fast. All these are the external factors. Some internal factors also helped a lot in the development of these units.

India manufactures 5% of cloth through organized sector, 20% through Handloom sector, 15% through knitting sector and 60% of Indian cloth is produced through decentralized power loom sector. The decentralized powerloom sector is the lifeline of Indian Textile Industry. India is having approximately 19.42 lakhs of powerlooms weaving almost 19,000 million meters of fabric, and provides employment to more than 7 million workers. The industry now produces wide range of fabrics ranging from grey, printed fabric, dyed fabric, cotton fabric, various mix of cotton, synthetic, and other fibres. The country exports Rs. 44,000 million worth of goods to countries like U.S.A., France, Germany, Bangladesh, Hong Kong, Italy etc. Although the growth of power loom industry was slow initially; it has started gearing up now. Number of shuttle less looms has augmented to almost 50,000 and from this about 35,000 looms are working in the decentralized sector.

The invention of the power loom mechanized the process of producing fabric by reducing the need for humans to overlook the process of weaving. The weaving process was sped up by the invention of the power loom that allows the manufacture of fabric at a faster rate and produces more fabric in less time.

Types of Power looms

a) Air jet loom
b)Water jet loom.
c)Rapier loom.
d)Projectile/Missile loom.
e)Multiphase loom.

Problems of Power looms sector

Lack of marketing support

Marketing of the power loom products is one of the main problems which becomes a challenge for the owners of power loom industry. Mostly, the weavers are uneducated or less educated and are unable to estimate the demand of their products

according to the need of the market. They are unaware about economic norms like demand & supply and business ethics. They are dependent on the middlemen to sell their products. The middlemen purchase the products from them at low prices and sell the same at higher prices. The middlemen exploit the power loom owners, the rates of finished products are not measured on the basis of cost of production but by the bargaining of the middlemen i.e. merchants & commission agents. So the main surplus goes to the middlemen. In terms of numbers, the cloth merchants and commission agents are very less as compared to the power loom units. The merchants and agents are united while the power loom owners are dispersed. So, the buyers have more bargaining power and sellers are dependent on the buyers. These middlemen mostly control the situation in their favor to earn significant profit.

Poor infrastructure

Most of the power loom clusters face common problems like poor roads, effluent issues, frequent power cuts, non-availability of water, no warehouses & logistic issues etc.

Unskilled labor

Most of the labors lack good technical knowledge**.** They are working on same age old technology. They are not been trained for increasing productivity & efficiency. The labor trainings play very important role here, but most of investors hesitant to invest into labor training programs.

Problems of workers

The productivity of power loom workers is very low in India as compared to the workers in other countries. In India, a worker can operate two or four ordinary looms and six or eight auto-looms Whereas in Japan a worker can operate 48 automatic looms and in America, 60 automatic looms Of course it is because of the old looms with which our workers have to work but it is also so because the workers are inefficient and illiterate and untrained Labor absenteeism retards the production adversely. Recently workers are becoming more and more aware of their rights and claims Ho doubt it is good, but they are developing a feeling that they have been exploited by loom owners and weavers This feeling of workers is not good for the steady growth of industry It may be true to some extent but generally workers in this sector are fairly treated and remunerated as compared to the workers in the other industries. As there are many spinning mills, processors, sizing units and sugar factories in and around ichalkaranji city, most of the workers are attracted to join for permanent services So workers are not easily available for power loom sector*

Power resources/Power supply

Now-a-days, in Ichalkaranji firewood coal biogas hydro power are used as the sources of power. However power shortage often is the problems in power loom industry in Xchalkaranji city and it affects adversely on productivity. In the sizing units large quantity of fuel i.e. firewood# biogas and coal (for steam making) are necessary# but now-a-days It is therefore equally important that the processing house or processors are also need be modernized simultaneously to provide a better finish for power loom units.

Other problems

Local leader have tried to create stability for this industry. They have held seminars, exhibitions and they have tried to approach the state government and also central govt, for the betterment of this industry. But still the permanent solution has not been found out even by the government. Only assurances have been given by government. The tragedy of the power loom industry in Ichalkaranji is that not a single prominent leader runs the power looms. so there is no patron to uplift the power loom industry in Ichalkaranji city. Most of the 'Pedhiwallas' exploit the poor small power loom owners and 'Kharchiwallas Because they do not give the regular payment, they harass for the payment of power charges, they do not supply sized beams and weft yarn time to time, they cut the payment of 'Kharchiwallas', even for the slightest damage of cloth, most of time 'Pedhiwallas use rude language to the 'Kharchiwallas' as owners. use it to slaves.

Table:1.1

Growth in Power loom sector in India

Year	No. of Power looms in India	Growth percentage
2006-07	19,90,308	-
2007-08	21,06,370	5.8
2008-09	22,05,352	4.7
2009-10	22,46,474	1.9
2010-11	22,82,744	1.61
2011-12	22,98,377	0.68
2012-13	23,47,249	2.08
2013-14	23,67,594	0.86
2014-15	24,47,837	3.39%
2015-16	25,22,477	3.05%
2016-17	26,29,269	4.23%
2017-18	26,66,229	1.10%
2018-19	27,77,575	---

* Annual Report of 2017-18 & 2019-20, Ministry of Textile, Govt. of India.

The table 1.1 gives the details of number of power looms in decentralizedsector.Unlike the handlooms, the power looms are of recent origin. In fact, the growth of power looms was started in the 1960s decade and year after year there is remarkable growth in number of power looms. As a

result presently according to ministry of textiles we have more than 27.77 lakhs power looms. Looking at the speed of increase in number of power looms, one may calculate the good future and prospect for power looms industry. It also shows the data related to growth of power looms in the state of Andhra Pradesh. The entire figure of power looms in the country accounts for 19,90,308in the year 2006-07 and had reached to 25,22,477 in the year of 2015-16 and 27,77,575 in the year of 2018-19.

State wise distribution and employment by Power looms

At present the power looms are also established throughout the country.But more or less states are far ahead in developing power looms. The table2.10 givesthe detailsof statewise registration ofpower loomsand employment in India.

The table 1.2 presents data related to state wise registration of power looms and employment in India. It is observed that 12, 23,957 power looms registered in the state of Maharashtra which is highest among all states and employing 30, 59,893 individuals followed by Tamilnadu with 4, 06,687 looms and anticipated employment is 10, 16,718 persons and third place occupied by Gujarat with 3, 23,384 and employing 8,08,460 persons. In Andhra Pradesh total number of power looms registered is 46044 and provides employment to 1, 15,110 persons. Goa, Jammu & Kashmir and Chandīgarh occupied last place in list in view of looms registered and employment.

Table 1.2

State-wise Registration of Power looms and Employment in India(2013-14)

Sl. No.	State / Union Territories	No of looms registered	Employment (Anticipated)
1	Andhra Pradesh	46044	1,15,110
2	Assam	2738	6845
3	Bihar	2894	7235
4	Delhi	1102	2755
5	Goa	122	305
6	Gujarat	3,23,384	8,08,460
7	Haryana	12293	30733
8	Himachal Pradesh	1461	3653
9	Jammu and Kashmir	65	163
10	Karnataka	81890	204725
11	Kerala	2804	7010
12	Madhya Pradesh	1,26,579	3,16,698

13	Maharashtra	1223957	30,59,893
14	Orissa	3321	8303
15	Punjab	23620	59050
16	Rajasthan	34271	85678
17	Tamil Nadu	406687	1016718
18	Uttar Pradesh	65993	164983
19	West Bengal	6195	15488
20	Chandigarh	42	105
21	Dadar and Nagar Haveli	962	2405
22	Pondicherry	1070	2675
TOTAL		23,67,594	59,18,990

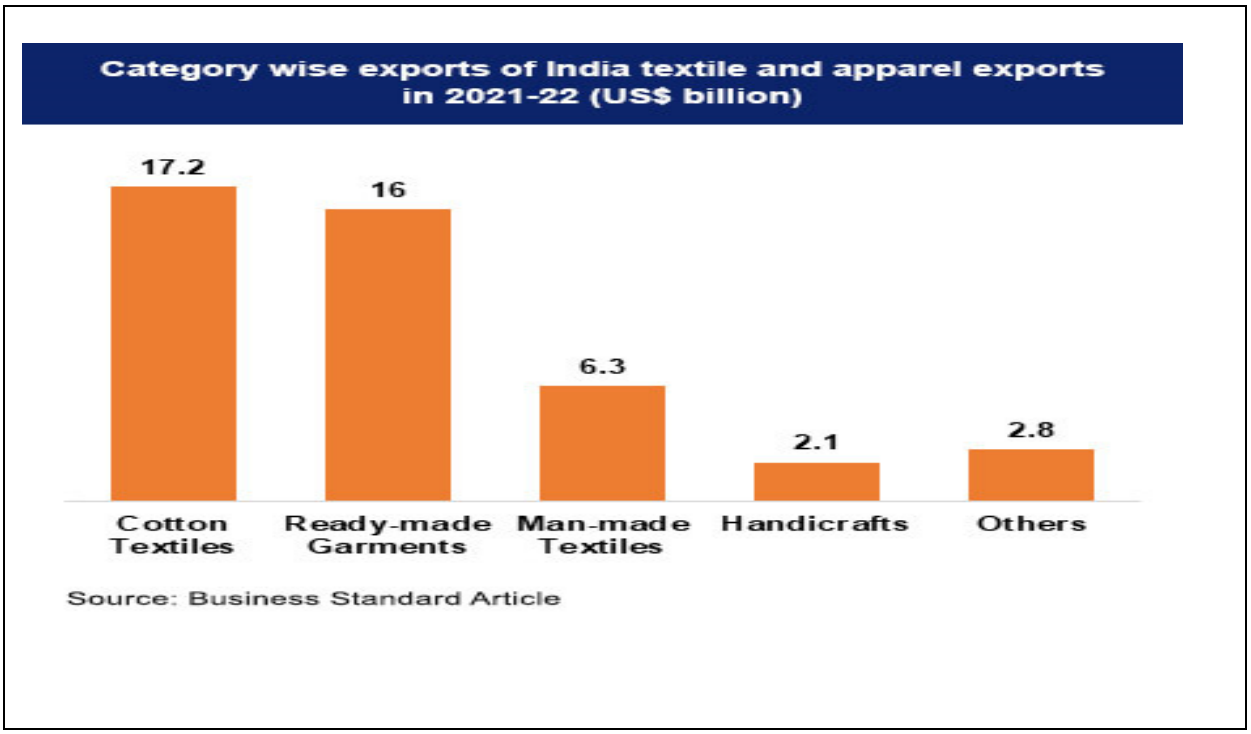
Source: Office of the Textile Commissioner, Mumbai

EXPORT DESTINATIONS

Power loom is essential for India's textile exports as the sector contributes 60% of the fabrics meant for exports. Silk, cotton, jute, synthetic rayon, readymade garments, printed and dyed fabrics and fibres are some of the top products exported out the country.

India makes coir geo-textiles, floor mattings, rugs, etc. from power looms. During 2021-22, India exported coir and coir products worth US$ 1,492 million. India's cotton textile exports during 2021-22 were US$ 17.2 billion, an increase of 54% from 2020-21 and 67% from 2019-20. The country is the largest exporter of sarees and accounts for over half a million shipments annually.

The total export value of textile and apparel during the year 2021-22 was US$ 44.4 billion. This was a substantial increase of 41% from 2020-21 and 26% from 2019-20. The share of cotton textile, ready-made garments, man-made textiles and handicrafts in the exports during the year was 39%, 36%, 14% and 5%, respectively. The exports of ready-made garments, man-made textiles and handicrafts had an increase of 31%, 51% and 22% over 2020-21 and an increase of 3%, 18% and 16% over 2019-20, respectively. Exports of Cotton Yarn/Fabs./Madeups, Handloom products etc stood at US$ 767.50 million in September 2022 and accounts for 2.35% of the total exports of the month.



Business Standard Article- Oct,2021

While Indian textile industry is already largely self reliant due to the presence of raw materials ,affordable local labour and effective supply chains, there is much scope left to elevate India's position to the top textile manufacturer and exported from its current runners-up ranking. This is where government support comes into play. In order to boost power loom, the Government is to ensure conducive policy environment, facilitating in creating enabling conditions for the industry and private entrepreneurs to set up units through its various policy initiatives and schemes such as the

- Technology Upgradation Fund Scheme (TUFS)
- Scheme for Development of Technical Textiles
- Schemes for the Development of the Powerloom Sector
- Scheme for Integrated Textile Parks (SITP)
- Integrated Skill Development Scheme (ISDS)
- Schemes for Development of Silk and Sericulture sectors
- National Handloom Development Programme (NHDP)
- Comprehensive Handloom Cluster Development Scheme (CHCDS)
- Yarn supply Scheme

- National Handicrafts Development Programme (NHDP)
- and North East Region Textiles Promotion Scheme (NERTPS).

Last year, Government of India had notified the Amended Technology Up gradation Fund Scheme (A-TUFS) for technology up gradation in the textiles sector. Government is also implementing the in-situ Up gradation of Plain Power loom Scheme for upgrading the obsolete power looms to semi-automatic and automatic looms.

Boost Power loom Sector With Mega Financial Package

The Indian government is planning a mega financial package for the power loom sector which will include social welfare schemes, insurance cover and cluster development of power looms in India. After Rs 6,500 crore packages announced for garments in June, this will be the second in a series of incentives for the textile sector.India's power loom sector employs almost 65 lakh people. "Their cost of production is high, which has rendered them uncompetitive… tax benefits and marketing support are being considered," the official added. Under the scheme for in-situ upgrading of power looms, units get Rs 15,000 as subsidy for semi automation. The government may also offer loans through the Micro Units Development & Refinance Agency Ltd (MUDRA).The package is being considered as power looms in Maharashtra and Gujarat operate at sub-optimal capacities. High input costs and reduced purchases of fabrics have resulted in the partial stoppage of power looms in some clusters. Power looms, which give 70% of the total jobs in the textile industry, deserve financial support. We request the government to come out with a package similar to garments," said an industry expert.

Conclusion:

The Power loom sector in india is characterized by smaller units. Most of the power looms are currently running on obsolete technology, so the loom speed & production is very low with high maintenance cost. This in turn shrinks the overall profit margins of Power loom sector. The owners should understand the fact that instead of continuing with age old obsolete technology, they should adopt new shuttle-less technology which offers higher speed, low maintenance cost & in turn giving higher profit margins. Most of Power loom industry players only manufactures for job work where middleman/commission agent is involved, hence they hardly have any control over the pricing. The Power loom Industry players should understand the fact that, instead of only relying on job work & supplying grey fabric to the industry, they can do value addition & supply finished fabric where profit margins are higher. It is needed them to market their products directly to the markets rather than relying only traders or middleman who eats most of the profits. This will give them control over prices. All Power loom Industry players should come together & form common platform to address the issues of the industry effectively.

1. Nagen, C. Das (2004), "Development of handloom Industry- organization, production and marketing", Deep and Deep Publications, New Delhi.
2. Satya Narayan Das (1995), "Handloom Industry in India", K. M. Rai Mittal Publications, New Delhi.
3. ShilpaKiranBendale (2001), "WTO Impact on Textile and Clothing", WTO and Competitiveness (challenges for Indian Business and Management education), Excel books, New Delhi, pg. 355.
4. Todaro, M. P., & Smith, S. C. (2009), "Economic Development", New Delhi: Pearson Education.
5. Umeshcharanpatnaik and Aswinikumar Mishra (1997),"Handloom industry in action",M.D. Publication Pvt. Ltd, New Delhi. pg. 10
6. Venkateswara Rao. A (1973), "Handloom Industry in India- A Study", National Co-operative Union of India, New Delhi.
7. Yana, G. V. (2008), "Ancient and Modern Assyrians: A Scientific Analysis", Xlibris Corporation.

Journals, Magazines and Conference papers

8.
9. AkuruthiVenkateswara Rao (1991), "The Craft and Co-operation", Vol.83, No.3, June 1991, pg.148-153.
10. Anjaneyulu, G. Dakshina Murthy, D. (1983), "Handloom Co-operatives in India Consumption Credit", the Co-operator Vol. XXI, No. 12, Dec. 15, pg. 608.
11. Asha Krishna Kumar (2001), "The Crisis in Sirisilla", Frontline, Vol. 18, Issue 8, April 2001.
12. Ashis Mishra (2003), "Media selection decision in social system: a fuzzy goal programming approach", Journal of the academy of the business and economics.
13. Ashoke Chatterjee, "India's Handloom Challenge- Anatomy of a crisis", Economic and Political Weekly, Vol. L, No 2, August 2015.
14. B. Ramakrishna Rao and G. Subarahmanyam (1987), "Handloom industry in Coastal Andhra Pradesh: a Survey", Kurukshetra, Vol. XXXV, No.6, pg. 14-16, 21, 22 & 34.