

## **B.Com 2<sup>nd</sup> Year**

### **Planning and Economic Development of India**

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### **Large Scale Industries: Cotton Textile Industry**

#### **Introduction**

India held world monopoly in the manufacturing of cotton textiles for about 3,000 years from about B.C. 1500 to A.D. 1500. In the middle ages, Indian cotton textile products were in great demand in the Eastern and European markets.

The muslins of Dhaka, chintzes of Masulipatnam, calicos of Calicut, baftas of Cambay and gold-wrought cotton piece goods of Burhanpur, Surat and Vadodara acquired a worldwide celebrity by virtue of their quality and design.

This industry could not survive in the face of strong competition from the modern mill industry of Britain which provided cheap and better goods as a result of Industrial Revolution in that country. Moreover, the British textile industry enjoyed political advantage at that time.

The first modern cotton textile mill was set up in 1818 at Fort Glaster near Kolkata. But this mill could not survive and had to be closed down. The first successful modern cotton textile mill was established in Mumbai in 1854 by a local Parsi entrepreneur C.N. Dewar. Shahpur mill in 1861 and Calico mill in 1863 at Ahmedabad were other landmarks in the development of Indian cotton textile industry.

#### **PRESENT POSITION**

Cotton production in India increased from 119 lakh bales in 1991 - 92 to 345 lakh in 2016 - 17, a growth of 190%. Nearly two - thirds of cotton production in India comes from the states of Maharashtra, Gujarat, Andhra Pradesh and Telangana - collectively known as the Cotton Basket of India. In FY 2017, India contributed 26% to total global harvested cotton. It ranked before China, which supplied 21%. Approximately 62% of India's cotton is produced in rainfed areas, and 38% on irrigated lands. India grows all four known species of cultivated cotton.

The cotton industry in India leans towards apparel exports, contributing approximately 51% to overall apparel exports in FY 18. Approximately 74% of the apparel exported from India is made of cotton.

Cotton is freely exportable from India, with major export destinations being US, Bangladesh, China, Vietnam, Pakistan, Indonesia, Taiwan and Thailand, among others. Bangladesh has been the largest importer of Indian cotton since FY 2015. India's cotton exports are expected to jump 43% to 10 million bales (of 170 kg each) in 2018 - 19; this is due to strong overseas demand, especially from China.

Cotton made - ups (\$ 47.03 bn) accounted for 40.10% share in the global trade of cotton textiles. Meanwhile, cotton fabrics (\$ 56.53 bn) and cotton yarns (\$ 13.73 bn) accounted for 48.19% and 11.71% of total world trade in these items respectively. Between Apr - Oct 2018, total textile and clothing exports stood at INR 1.52 tn (\$ 21.95 bn). During the same period, exports of raw cotton including waste, cotton yarn, cotton fabrics and cotton made - ups grew by 26.01%, to \$ 6,893.05 mn from \$ 5,470.20 mn.

## **PROBLEMS**

Although cotton textile is one of the most important industries of India, it suffers from many problems. Some of the burning problems are briefly described as under:

### **1. Scarcity of Raw Cotton:**

Indian cotton textile industry suffered a lot as a result of partition because most of the long staple cotton growing areas went to Pakistan. Although much headway has been made to improve the production of raw cotton, its supply has always fallen short of the demand. Consequently, much of the long staple cotton requirements are met by resorting to imports.

### **2. Obsolete Machinery:**

Most of the textile mills are old with obsolete machinery. This results in low productivity and inferior quality. In the developed countries, the textile machinery installed even 10-15 years ago has become outdated and obsolete, whereas in India about 60-75 per cent machinery is 25-30 years old.

Only 18-20 per cent of the looms in India are automatic whereas percentage of such looms ranges from cent per cent in Hong Kong and the USA., 99 per cent in Canada, 92 per cent in Sweden, 83 per cent in Norway, 76 per cent in Denmark, 70 per cent in Australia, 60 per cent in Pakistan and 45 per cent in China.

### **3. Erratic Power Supply:**

Power supply to most cotton textile mills is erratic and inadequate which adversely affects the production.

### **4. Low Productivity of Labour:**

Labour productivity in India is extremely low as compared to some of the advanced countries. On an average a worker in India handles about 2 looms as compared to 30 looms in Japan and 60 looms in the USA. If the productivity of an American worker is taken as 100, the corresponding figure is 51 for U.K. 33 for Japan and only 13 for India.

### **5. Strikes:**

Labour strikes are common in the industrial sector but cotton textile industry suffers a lot due to frequent strikes by a labour force. The long drawn strike in 1980 dealt a severe blow to the organised sector. It took almost 23 years for the Government to realise this and introduce legislation for encouraging the organised sector.

### **6. Stiff Competition:**

Indian cotton mill industry has to face stiff competition from powerloom and handloom sector, synthetic fibres and from products of other countries.

### **7. Sick Mills:**

The above factors acting singly or in association with one another have resulted in many sick mills. As many as 177 mills have been declared as sick mills. The National Textile Corporation set up in 1975 has been striving to avoid sick mills and has taken over the administration of 125 sick mills. What is alarming is 483 mills have already been closed.

## **CONCLUSION:**

Cotton textile is the major industry in India and it is facing a stiff competition from the synthetic fibres. It needs to keep reinventing itself in order to keep its hold on the market.