



"AN ANALYSIS OF INDIAN TEXTILE INDUSTRY: A LITERATURE REVIEW APPROACH"

Mohammad Rashid, Research Scholar, C.M.P Degree College, A Constituent College of University of Allahabad, Prayagraj.

Dr.R.B.L Srivastava, Associate Professor, C.M.P Degree College, A Constituent College of University of Allahabad, Prayagraj.

Subhash, Research scholar, L.B.S.P.G. College, Gonda, Affiliated to Dr.Rammahohar Lohia Avadh University, Ayodhya.(U.P).

ABSTRACT

The labor-intensive and highly fragmented textile industry in India. Small and medium-sized businesses and the unorganised sector currently control the textile industry. One area of concern is that foreign investors are not making investments in the textile industry. The tax code and government policies do not favour this industry. The highly competitive textile industry requires businesses to compare their goods to the best available globally and work to improve both product quality and manufacturing methods. The purpose of the paper is to shed light on the Indian textile industry. The article makes an effort to explain India's textile industry.

KEYWORDS: *textile, Industry, economy, growth*

INTRODUCTION

The oldest industry in India is the textile sector. It started the nation's industrial revolution. It holds a prominent position in the national economy. It has made a sizable contribution to industrial production, employment, and export revenue. The second-largest producer of textiles and apparel in the world is India. In terms of textile exports for apparel, home goods, and technical products, it ranks sixth. India accounts for 4% of global textile and apparel trade. The textile and apparel sector contributes 12% of exports, 13% of industrial production, and 2.3% of the nation's GDP. Around 45 million people are employed in the textile industry, including 3.5 million people who work on handlooms. India exported \$44.4 billion worth of textiles and apparel (including handicrafts) in FY22, a 41% YoY increase. By FY26, total textile exports are anticipated to reach US\$65 billion. By 2025–2026, the Indian textile and apparel market is

projected to grow at a 10% CAGR, totaling US\$190 billion. In 2020, the Indian apparel market was worth \$40 billion USD, and by 2025, it is anticipated to be worth \$135 billion USD. The PLI scheme, worth Rs. 10,683 crore (\$1.44 billion), is anticipated to have a significant positive impact on the textile industry. The programme aims to promote MMF (man-made fibre) clothing, MMF fabrics, and ten categories of technical textiles products.

Steady recovery in textile manufacturing to aid growth

Despite the pandemic, India's textile industry has been gradually recovering, and the seven mega textile parks announced in the Union Budget for 2022–23 should draw in investors. It is interesting to note that textile will soon be added to the educational curriculum, even though the government is working to improve technical and MMF textile companies by scaling up its infrastructure. The National Institute of Fashion Technology (NIFT) will work to introduce technical textiles as an academic subject in the near future, according to an announcement made by India's Ministry of Textiles in April 2021. According to Mr. Piyush Goyal, Minister of Textiles, Commerce and Industry, Consumer Affairs & Food and Public Distribution, the government intends to introduce a second PLI scheme for the apparel and textile industry because the first one received such positive feedback. In September 2021, Mr. Piyush Goyal, the minister of textiles, commerce and industry, consumer affairs & food and public distribution, urged state governments to assist businesses in acquiring land, power, and other utilities for the construction of mega textile parks at competitive prices.

OBJECTIVE

- To understand, review and analyse the textile industry in India.

RESEARCH METHODOLOGY

The study presented in this paper is supported by secondary data that was gathered from books, journals, research papers, websites, and news articles.

REVIEW OF LITERATURE

Nandhakumar and Magesh (2017) conducted a literature review to examine the performance of the textile and apparel industry in India based on a number of variables, including market size, investment, government initiatives, and important export markets. The author draws the conclusion that the Indian textile and apparel industry is expanding and that the government is offering a number of facilities to support this industry, including the establishment of an integrated textile park, a technology fund for advancement, and 100% foreign direct investment. **Gupta** (2017) used the liquidity, solvency, profitability, and managerial effectiveness of textile companies to evaluate their performance. Concluded that Return on Capital Employed, Net Profit Margin, Current Ratio, Debt Equity, and Fixed Turnover Ratio all differ significantly from

one another. **Mohammed** (2017) looked at the financial performance of four public sector textile units (Barshi Textile Mills, India United Mill No. 5, Polar Mills, and Tata Mills). The author looked into the factors that might be slowing Maharashtra's textile industry's expansion. The profitability of a few selected textile units in Maharashtra is found to be significantly impacted by solvency ratio and liquidity, but not by turnover ratio. **Das et al.** (2017) used the Augmented Dickey Fuller unit root test and the Granger causality test to estimate the causal relationship between time series of employment, productivity, and wages for manufacturing industries in India over a 16-year period, from 1998 to 2014. **Nindi and Odhiambo** (2014) looked at saving and investment in Malawi to determine whether there was a causal relationship between them between 1973 and 2011. The findings showed that savings and investment have a two-way causal relationship. **Sharma and Sharma** (2014) compared the causal relationships between the gross domestic product and the receipts from the tourism industry in India and Pakistan. They used the Granger causality test to determine the causality of their findings. The findings indicated that there was a single, direct causal link between GDP and tourism revenue. **Rahim and Abedin** (2014) used the Granger causality methodology over a 40-year period, or F.Y. 1970–2011, to examine the effects of trade liberalisation and financial development on economic growth in Malaysia. Financial development has been found to be a single-direction causal link between economic growth and liberalisation. **Verma** (2002) conducted a thorough investigation with the aim of assessing the export competitiveness of the Indian textile and apparel industry. The study is focused on cotton textile and clothing and examines the entire value chain from fibre to garment and retail distribution because the textile and clothing industry in India is predominately based on cotton. The study's focus is on Indian exports that have experienced a promising value increase. India's textile industry was the subject of a thorough study by **Simpson and Shetty** (2001). The goal of the study is to examine the structural issues, barriers to market access, and government actions taken to improve the competitiveness of the textile and apparel sector in India in the post-Multifibre Agreement (MFA) era. The study evaluates the potential of the textile and apparel market in India as well as trade and investment opportunities for American businesses as India transitions to a more open and transparent trading environment. In his article, **Verma** (2001) focused on the effects of quota elimination on the Indian textile and clothing industry. It claims that in order to stay competitive in the global market, Indian textile and clothing exporters must make the necessary changes to their production processes, management style, capacities, marketing expertise, and productivity level. Additionally, it placed particular emphasis on the size of Indian textile units in comparison to their Chinese counterparts. **Meenakshi** (2003) conducted a thorough analysis of the opportunities the WTO would offer the Indian textile industry. In order for India to fully benefit from new capacity installations and compete favourably with other countries, it must be a true gainer. The profit margins available to Indian textile and clothing producers will be higher because the country's own consumption per capita is also increasing along with income levels

and consumption patterns. However, in the export market, prices will be influenced by global factors, and profits will face pressure. Therefore, the exporters may have to adopt a strategy that involves both partial exports and partial domestic sales. **Chugan** (2005) emphasised the need for change in the Indian textile industry if it wants to become more competitive over time. This paper emphasises that having cost competence alone is insufficient to maintain the lead and that Indian companies must have a perspective on global competitiveness. **Singh and Kathuria** (2006) went into great detail in his article about the difficulties faced by Indian garment exporters under the post-quota regime. The study focuses on the examination of the issues faced by Delhi- and Ludhiana-based garment exporters. It highlights the factors that hinder the expansion of garment exports from the region and serve as significant determinants in raising the region's export share. **Venkatachalam and Palanivelu** (2010) conducted a thorough investigation into the marketing tactics used by Tirupur's garment exporters. The authors of this paper highlight the issues facing the apparel industry and suggest solutions to address them. **Sekar et al.** (2012) conduct research on health and welfare measures. Finding the degree to which workers and employees in Tamilnadu's spinning mills are satisfied with their welfare offerings is the study's main goal. In order to choose samples for the study, stratified random sampling was used. According to the Anova test, there is no statistically significant difference between respondents with different income levels and levels of satisfaction with the company's services. According to the study, businesses may upgrade medical facilities to better serve their employees. **Rajasekar and Gurusamy** (2011) used a systematic sampling method to analyse the motivational factors and issues faced by exporters in the karur district of Tamil Nadu in their study, "Analysis of Cotton Textile Industry in Karur District Tamilnadu." According to the results of the Kendal test, exporters of different age groups rank factors affecting motivation such as a lack of funds and workers, poor quality yarn, and an increase in yarn price in various ways. The study's findings suggest that in order to address the labour shortage, proper training for seamstresses is required.

CONCLUSION

India has a thriving natural resource economy, manufacturing eco system, extensive geographic infrastructure, etc. India is a significant global centre for the textile industry. India is unquestionably prepared to change the narrative and the general pessimism in the global economy by focusing on social quality, long-term objectives, and investments in social and human capital. The Indian government has opened a completely new narrative through its recent initiatives in the textile and apparel sector a narrative of optimism, increased exports, job creation, and social transformation. However, it plays a crucial role in social responsibility, which is why this sector is primarily unorganised. The Indian textile industry has a bright future ahead of it, supported by strong domestic and export demand. Since several foreign companies,

including Marks & Spencer, Guess, and Next, entered the Indian market, the retail sector has grown quickly due to rising consumerism and disposable income.

REFERENCE

1. Kumar, R. Nandha and Magesh, R., "The Performance of Textile & Apparel Industry in India and its Future Prospects", International Journal of mechanical Engineering and Technology, Vol. 8(9), 2017, 357-362.
2. Gupta, Varsha, "A Study on Performance Evaluation of Select Textile Companies -An Empirical Analysis", IOSR Journal of Business and Management, Vol. 19(1), 2017, 54-58
3. Mohammad, "Financial Development, Trade Openness and Economic Growth: Evidence from Sultanate of Oman (1972-2012)", Journal of Economics and Sustainable Development, Vol. 5(23), 64-75
4. Das, Panchana, Base, Reetwika, Halder, Abhishek, "Employment Wage and Productivity Analysis of Trend and Causality in India Manufacturing Industry", The Journal of Industrial Statistics Vol. 6(1), 2017, 41-56
5. Rahim, Noor Hasvenda Abd, Abedin, Nur Fadhlina Zainal, "Trade Liberalization, Financial Development and Growth in Malaysia", Research Management Institute and Research, International Linkage & Alumni Universiti Teknologi, MARA, Vol. 74(7), 2014, 38-42
6. Sharma, Asha, Sharma, R.B., "A Comparison of Financial Performance in Textile Industry", International Journal of Business Management, Economics and Information Technology, Vol. 3(1), 2011, 175-181.
7. Verma, S. (2001), "Impact of WTO Agreement on Indian Textile and Clothing Industry" in Chadha, G. K. ed., WTO and the Indian Economy, Deep & Deep Publications, New Delhi
8. Verma(2002)EXPORT COMPETITIVENESS OF INDIAN TEXTILE AND GARMENT INDUSTRY,INDIAN COUNCIL FOR RESEARCH ON INTERNATIONAL ECONOMIC RELATIONS.
9. Simpson and Shetty (2001), "India's textile and apparel industry: Growth potential and trade and investment opportunities", Washington DC: U.S. International Trade Commission, Publication No. 3401, 2001.
- 10.Sekar.M. ShunmugaSundaram., Subburaj (2012), health and welfare measures in Tamilnadu spinning mills India. Indian streams Research Journal., vol.2, no.10, pp.1-6.
11. S Venkatachalam, P Palanivelu.(2010) MARKETING STRATEGY OF GARMENT EXPORTERS IN TIRUPUR DISTRICT.Global Management Review 4 (2), 2010. 1, 2010 ; Work Life
- 12.Rajasekar.N and Gurusamy.M (2011) "Analysis of cotton textile industry in karur district Tamilnadu", vol.1, no.2.