

A STUDY ON CHALLENGES AND PROSPECTS OF TEXTILES INDUSTRIES IN TIRUPPUR

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ABSTRACT

The textile industry in Tiruppur, often referred to as the “Knitwear Capital of India,” plays a crucial role in the nation’s economy by contributing significantly to exports and employment. This study explores the challenges and prospects faced by textile industries in Tiruppur, focusing on aspects such as labor shortages, environmental compliance, rising production costs, and global competition. Primary and secondary data were collected to analyze the current industry scenario. The study also examines the opportunities for growth through innovation, sustainable practices, digital transformation, and government initiatives such as the Production-Linked Incentive (PLI) scheme. Findings indicate that while the industry grapples with regulatory and operational hurdles, there is strong potential for expansion through technology adoption and skill development. The research suggests strategic interventions to enhance competitiveness and sustainability, ensuring the long-term growth of Tiruppur's textile sector. This study provides valuable insights for policymakers, industry stakeholders, and investors.

1. INTRODUCTION

The industry in Tiruppur, Tamil Nadu, is one of India’s largest textile and garment manufacturing hubs, contributing significantly to the country’s exports and employment. The textile industry in Tiruppur, known as the "Knitwear Capital of India," is a significant contributor to India's textile exports, particularly in cotton knitwear, and plays a vital role in employment generation and economic development. Despite its prominence, the industry faces numerous challenges, including environmental concerns related to pollution from dyeing units, rising raw material costs that impact profit margins, labor shortages due to dependency on migrant workers, stiff global competition from countries like China and Bangladesh, regulatory issues such as taxation policies and GST compliance, and technological gaps with reliance on traditional production methods.

However, there are promising growth opportunities, including the adoption of sustainable practices like eco-friendly dyeing and wastewater recycling, government support through initiatives such as the Production-Linked Incentive (PLI) scheme and financial aid for MSMEs, expansion into technical textiles such as medical and industrial fabrics, strengthening the export market through trade agreements, and leveraging digital transformation via e-commerce and automation. Addressing these challenges through collaboration between industry stakeholders and policymakers can help Tiruppur

1.1 OBJECTIVES OF THE STUDY

- 1** To analyze the current status of the textile industry in Tiruppur.
- 2** To identify key challenges faced by the textile sector.
- 3** To examine the impact of government policies and regulations.
- 4** To assess the export potential and global market challenges.

1.2 SCOPE OF THE STUDY

This study focuses on analyzing the challenges and prospects of the textile industry, with an emphasis on economic, technological, environmental, and regulatory factors affecting its growth. It explores various segments of the industry, including spinning, weaving, dyeing, printing, and garment manufacturing, while comparing traditional and modern textile production methods. The study also examines the impact of globalization, competition, and labor market dynamics on textile businesses. Key challenges such as rising production costs, supply chain disruptions, environmental concerns, and policy regulations are analyzed alongside potential opportunities, including advancements in automation, sustainable textile production, and the expansion of digital markets. Furthermore, the study evaluates regional and global trends, considering historical developments, the current state of the industry, and future projections over the next decade. By assessing the role of stakeholders such as manufacturers, policymakers, investors, and consumers, the study aims to provide valuable insights into how the textile industry can overcome challenges and leverage emerging opportunities for sustainable growth.

1.3 LIMITATIONS OF THE STUDY

This study on the challenges and prospects of the textile industry in Tiruppur has certain limitations that may affect the scope and generalize ability of its findings. Firstly, the study is geographically limited to Tiruppur,

and its conclusions may not fully apply to other textile hubs in India or globally. The research is also based on a selected sample size, meaning that the perspectives of all industry stakeholders may not be fully represented. Additionally, the accuracy of the data depends on the reliability of responses from survey participants, as some may provide biased or incomplete information.

2. REVIEW OF LITERATURE

Mukherjee, S., & Banerjee, L. (2020).⁵, Technological Advancements and Their Influence on Textile Industry Prospects. The research finds that automation and smart manufacturing have improved efficiency and reduced costs, but the high cost of adopting new technology remains a major challenge.

Adebayo and Jenyo (2013)⁷ Found that an entrepreneur is an individual who has taken risks and started something new. These principles and theories apply also to the indigenous entrepreneurs in the textiles and clothing industries. The focus of this paper was to highlight the history and the background of the evolution of the textile industry and why the industry was badly affected. The paper concluded by making inferences on why some of the industries were still in operation and waxing stronger and stronger, even in the face of so many obstacles to the growth of the textile and clothing industry

Nigeria Ahimbisibwe and Abaho (2013)⁸ In this paper, they stated that the internationalization of business operations had become a crucial element of enterprise-based economics. Therefore, SMEs should be encouraged to always recruit entrepreneurial staff, open up for foreign partnerships and create international operations departments to streamline their export operations whilst committing resources towards the reinforcement of export performance.

Sheela and Singh (2013)¹¹ He wrote India's textile industry, a centuries-old industry employing thousands of people, changed its face the post-1991 post-liberalization era. The policy has been beneficial. for some countries and not for others. The main objective of the study is to analyze the changes in the Indian textile industry in the post-liberalization period. Research shows that while the export momentum of cotton yarn shows signs of slowing down, exports of ready-made garments have increased.

3. RESEARCH METHODOLOGY

This study on the challenges and prospects of the textile industry in Tiruppur follows a structured research methodology to ensure a comprehensive and accurate analysis. The methodology includes the following key components:

Research Design:

The study adopts a descriptive research design to analyze the current state of the textile industry, its challenges, and future opportunities and prospects. Both quantitative and qualitative approaches are used to gather relevant data.

Data Collection Methods:

Primary Data: Collected through structured questionnaires, and surveys with key stakeholders, including textile manufacturers, exporters, workers, employees, and industry experts.

Secondary Data: Obtained from government reports, industry publications, research papers, journals, newspapers, and websites related to the textile sector in Tiruppur.

Sampling Design:

A random sampling and purposive sampling method is used to select respondents: Random Sampling: Used for selecting textile workers and small business owners. Purposive Sampling: Used for selecting industry experts, policymakers, and large textile manufacturers who have deep insights into industry trends. The sample size will include 106 numbers of respondents (to be determined based on feasibility).

SAMPLING TECHNIQUE

The convenient sampling technique is adopted to select the sampling retailers

STATISTICAL TOOLS USED

The researcher has used the following statistical tools

1. Simple Percentage Analysis

4. DATA ANALYSIS & INTERPRETATION

TABLE NO: 4.1 *Major operational challenges respondents faced*

Operational challenges	Frequency	Percentage
Raw materials availability	26	24.3%
Labor shortage	41	38.3%
High production cost	32	29.9%
Power supply issue	7	6.5%
Total	106	100.0%

Source: Primary data

Interpretation:

Out of 106 respondents, most of the respondents are labor shortage 38.3% and thirty two (29.9%) of respondents are high production cost and twenty six (24.3%) of respondents are raw material availability and seven (6.5%) of respondents are power supply issue. This inferred that the major respondents are belongs to Labor shortage.

CHART NO: 4.1 Major operational challenges respondents faced

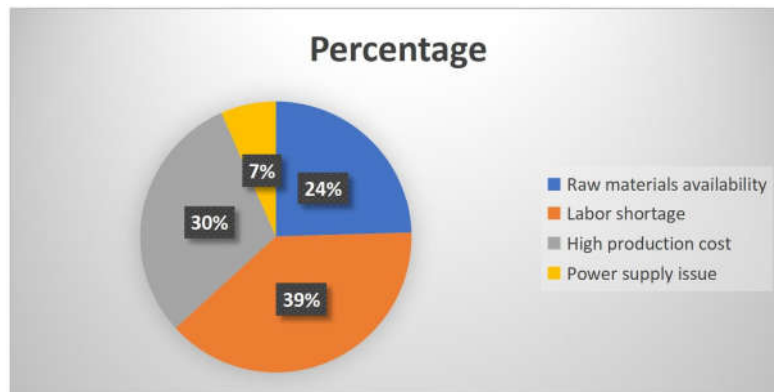


TABLE NO: 4.2 Company's Financial Performance been in last Five years

Financial performance	Frequency	Percentage
Growth in revenue &	42	39.3%

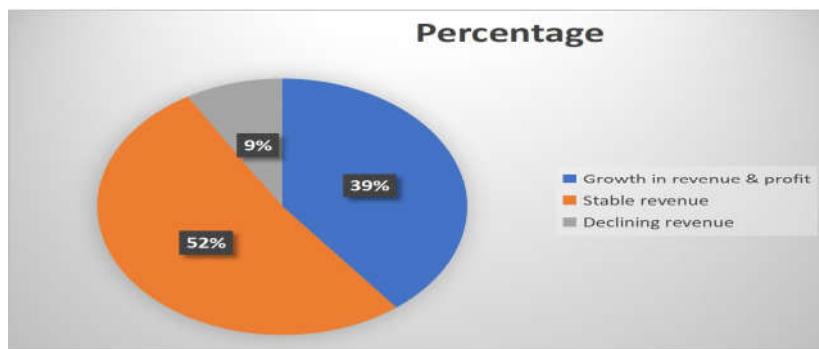
profit		
Stable revenue	55	51.9%
Declining revenue	9	8.5%
Total	106	100.0%

Source: Primary data

Interpretation:

Out of 106 respondents, most of the respondents are stable revenue 51.9% and forty two (39.3%) of respondents are growth in revenue and profit and nine (8.5%) of respondents are declining revenue. This inferred that the major respondents are belongs to stable revenue.

CHART NO: 4.7 Company's Financial Performance been in last Five year



5. FINDINGS

- The Majority of the respondents of operational challenges respondents faced are labour shortage (38.3%)
- The Majority of the respondents of financial performance of last five years are stable revenue (51.9%)
- The Majority of the respondents of Government policies towards the textiles the textile industry in tiruppur are neutral (57.0%)

6. SUGGESTIONS

- Regarding production activities, the regular raw material has to be ensured as it affects timely production. Along with it, issues related to material procurement have to be appropriate, electric

supply, logistic support, and implementation of environmental rules and regulations must be handled properly.

- Regular production helps in generating more profits and reduces the cost of production.
- Electricity problems are the main constraint in Bhiwandi which is affecting the regular production process. So regular and affordable electricity should be provided to the textile manufacturers.
- Pricing policy has to be framed in such a way that it not only covers cost but yields adequate profit from the production. Textile manufacturers have to be technologically sound to reduce cost per unit to increase the margin. Uniform prices may be the no- choice option due to the perfect competition sometimes.
- Therefore, a cost reduction is the only option they have to implement by framing a suitable policy.

7.CONCLUSION

The textile industry in the Thane region is more unorganized even today. Only a few hundred are registered whereas hundreds of small units are scattered all over the district, especially more concentration observed in the Bhiwandi region. There are many problems faced by the manufacturer's right from production, finance, marketing, promotion, labor, and competition to the recent impact of the corona pandemic situation. The majority of the units run their business on borrowed funds from money lenders and therefore are not able to keep their profits high. Issues of electricity, marketing, and labor are severe and manufacturers try to address those all in their capacity. This industry is a 212 good source for self-employment if the government gives attention to it. The study highlighted all the problems faced by local manufacturers in the period of post-globalization.

8. REFERENCES

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