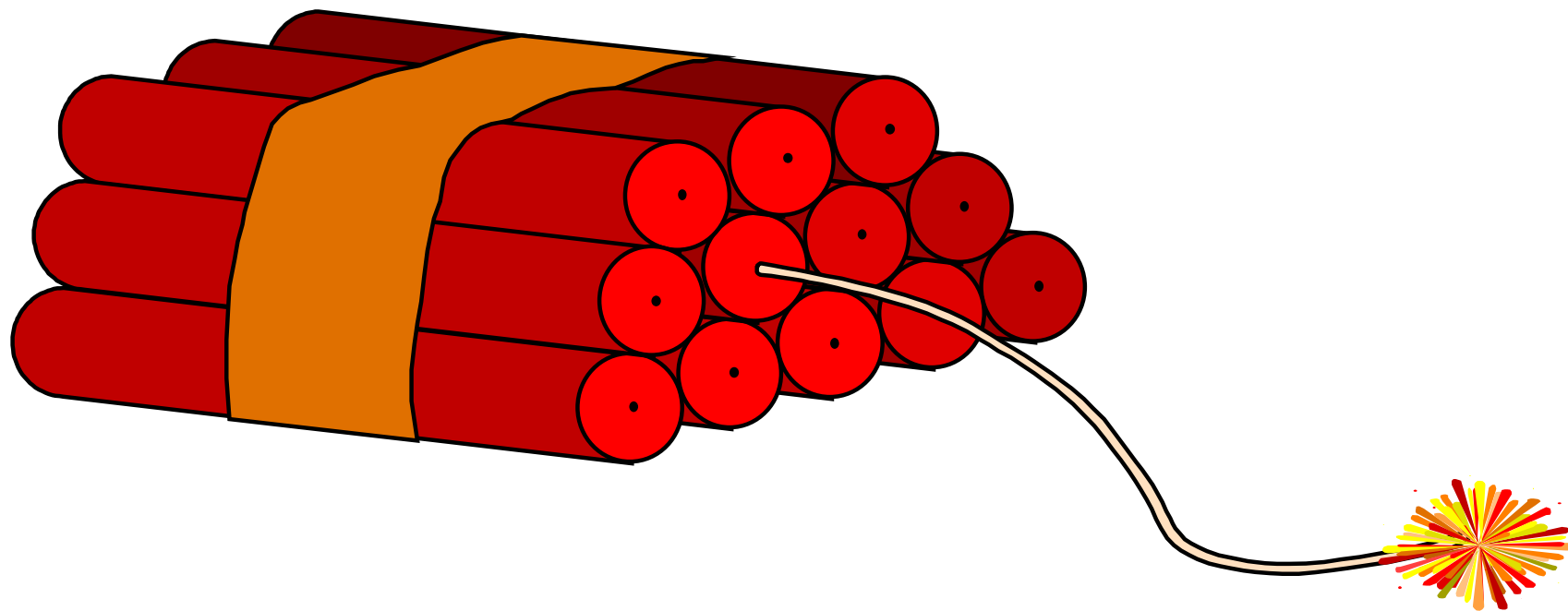
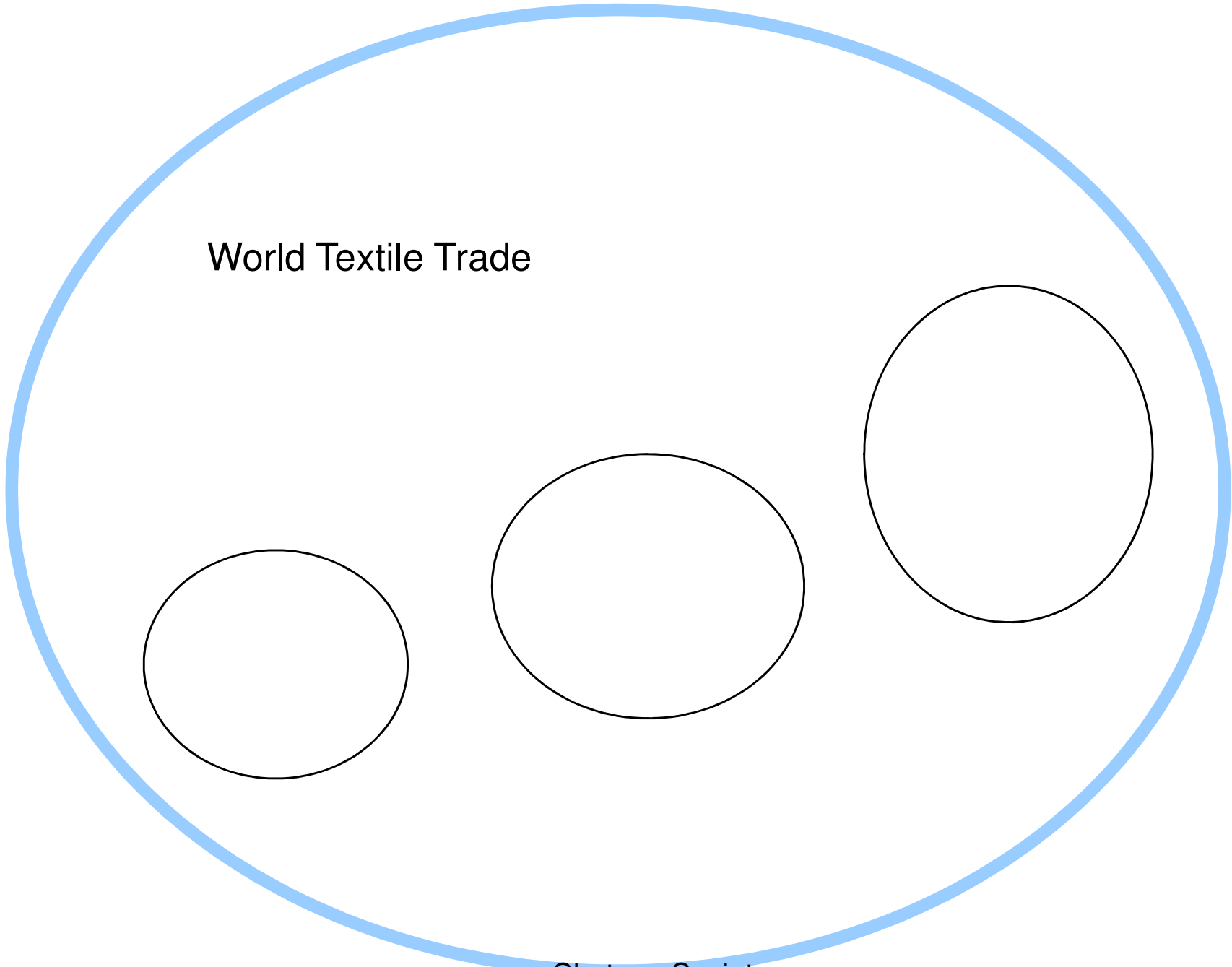


# Handloom Sector in Chandur

Dr. D. Narasimha Reddy  
Chetana Society

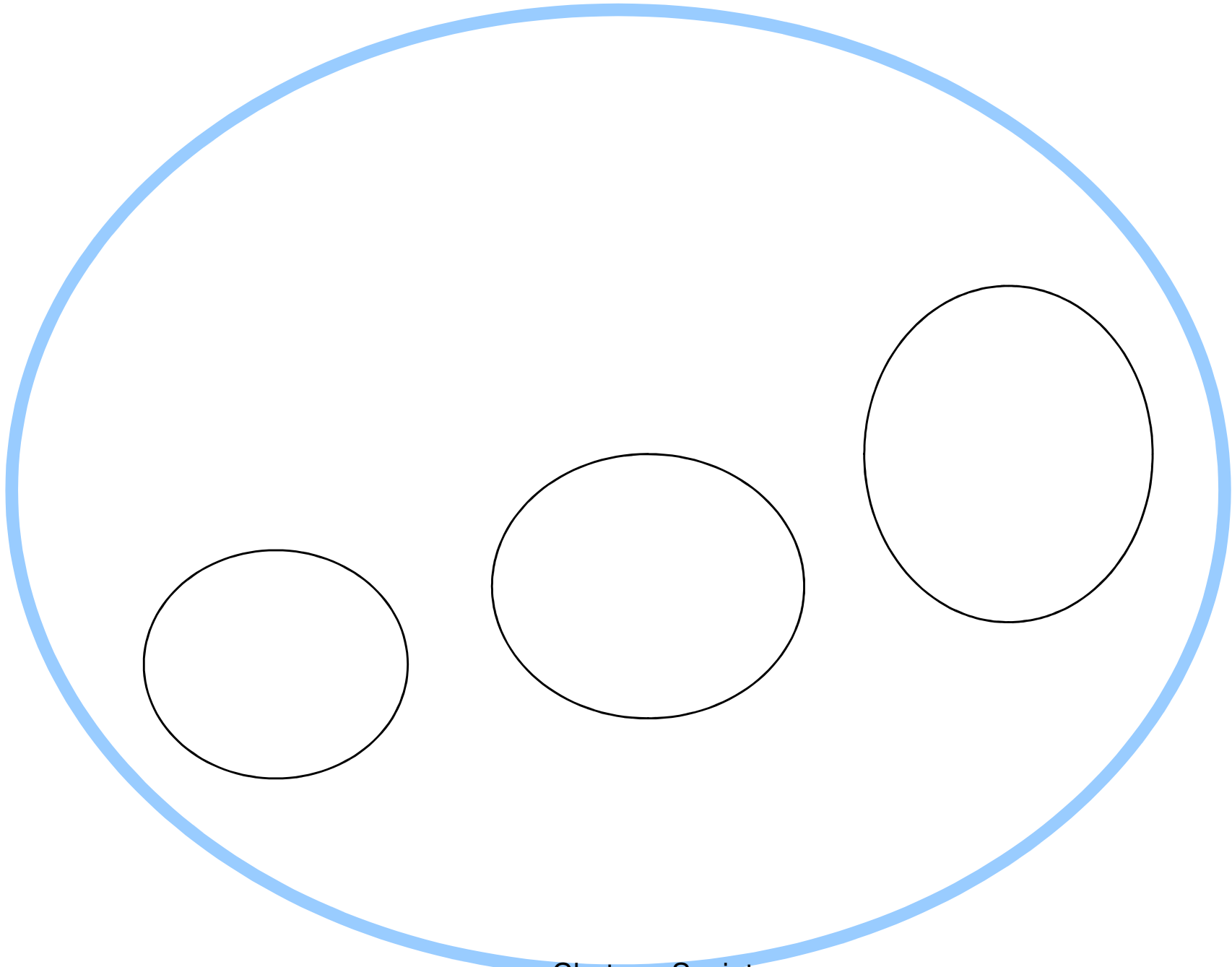
# Handloom Sector??





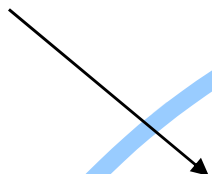
World Textile Trade

Chetana Society

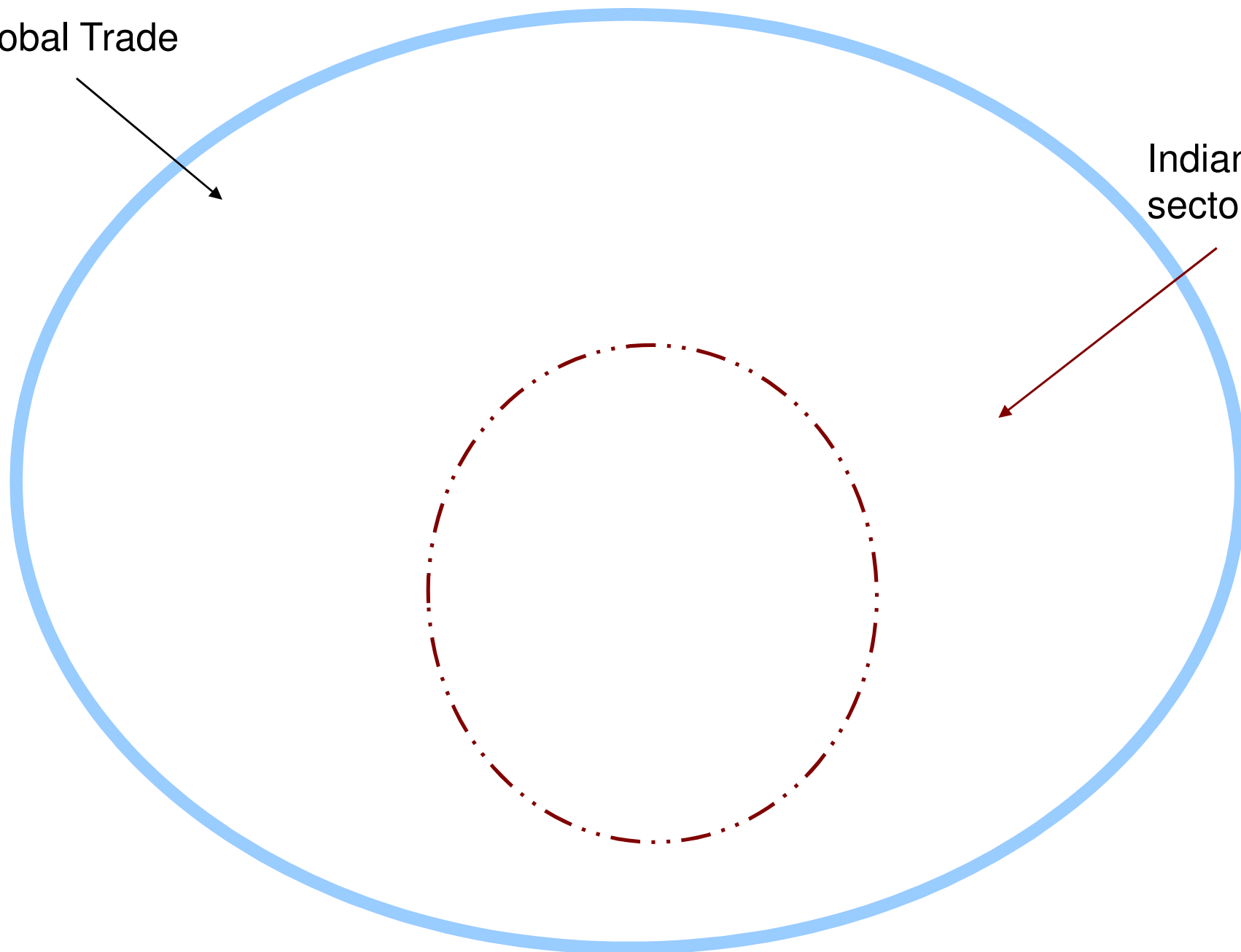
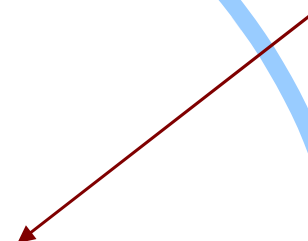


Chetana Society

Global Trade

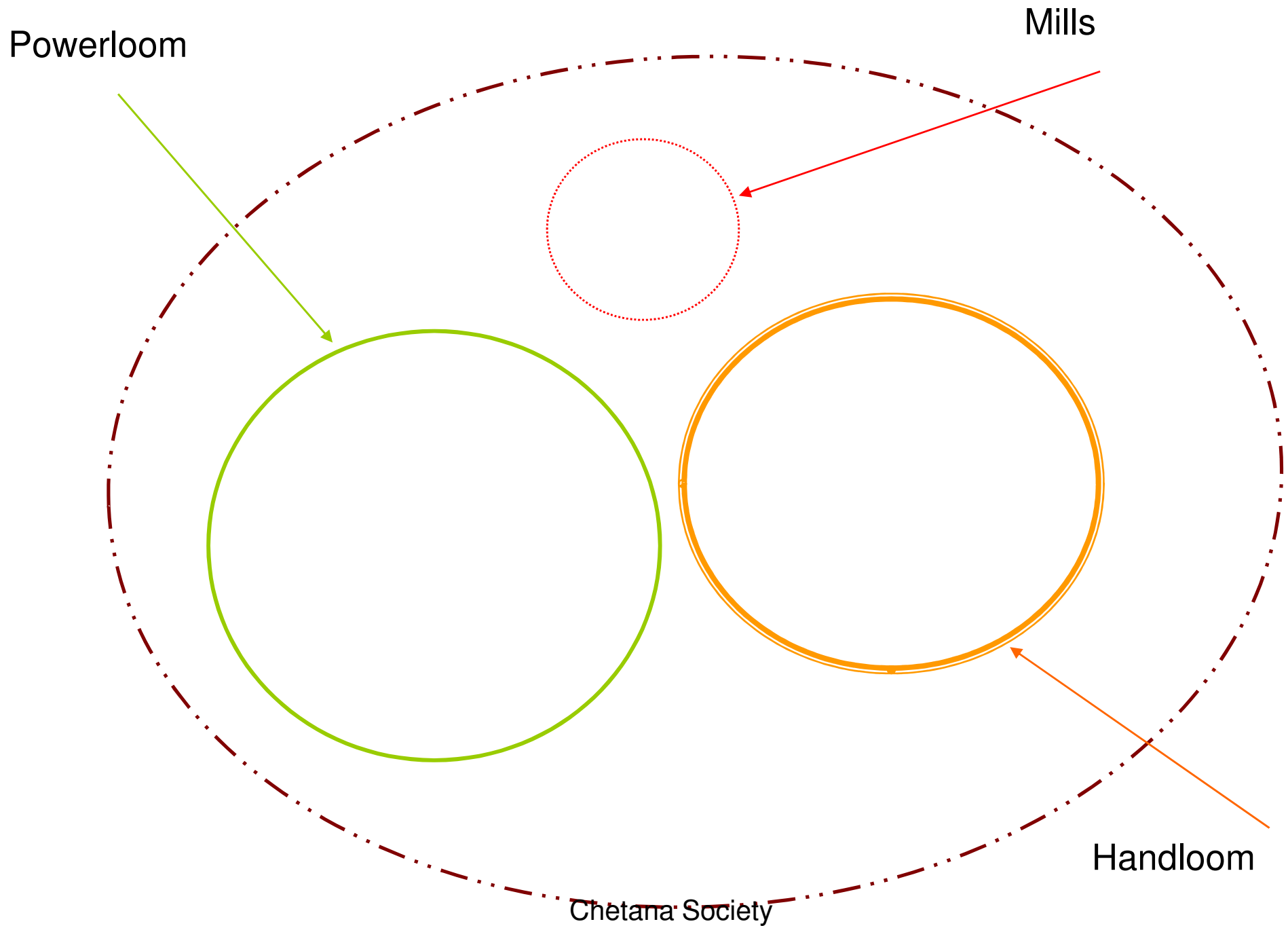


Indian textile sector



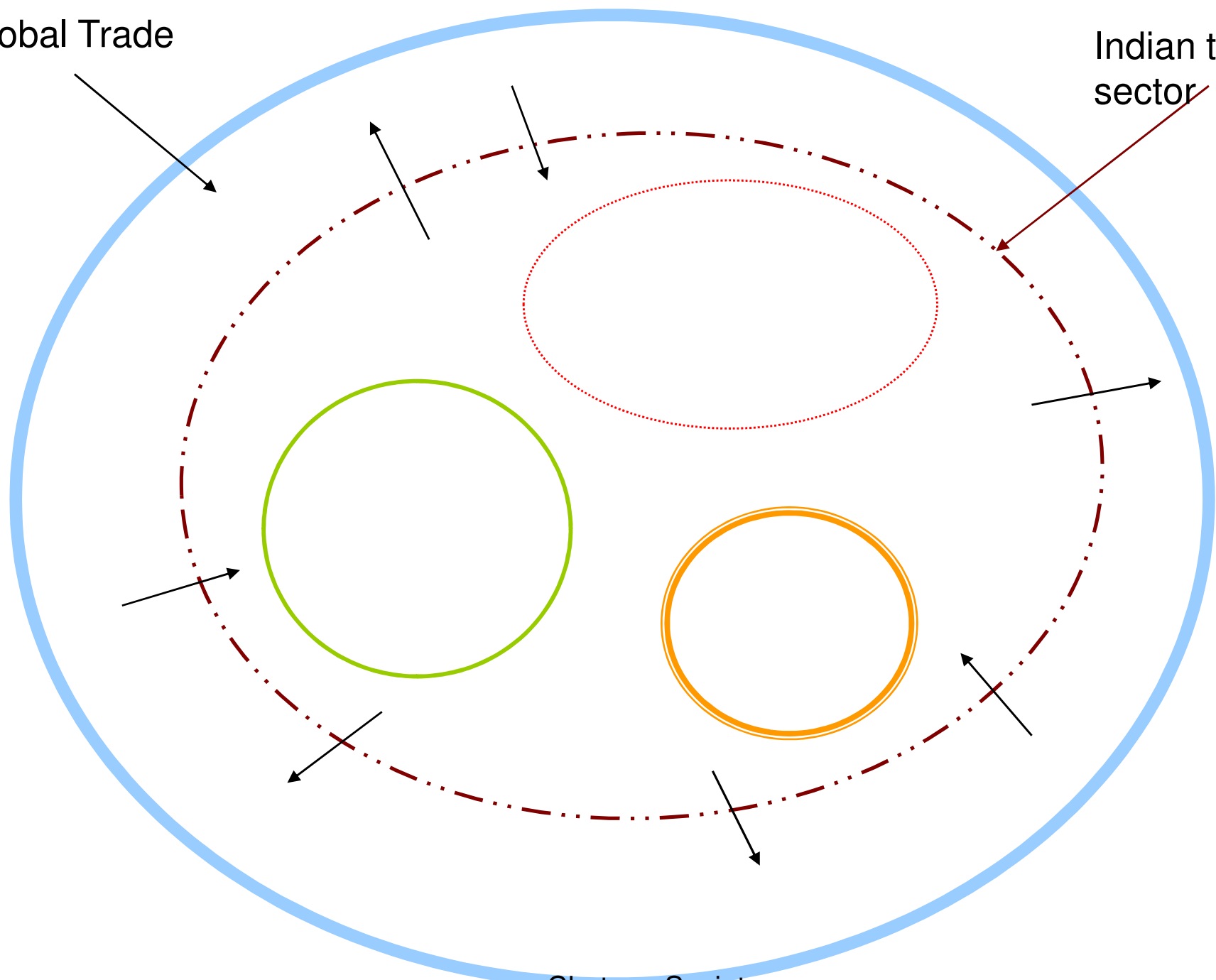
# Contextualizing the Indian Textile Industry

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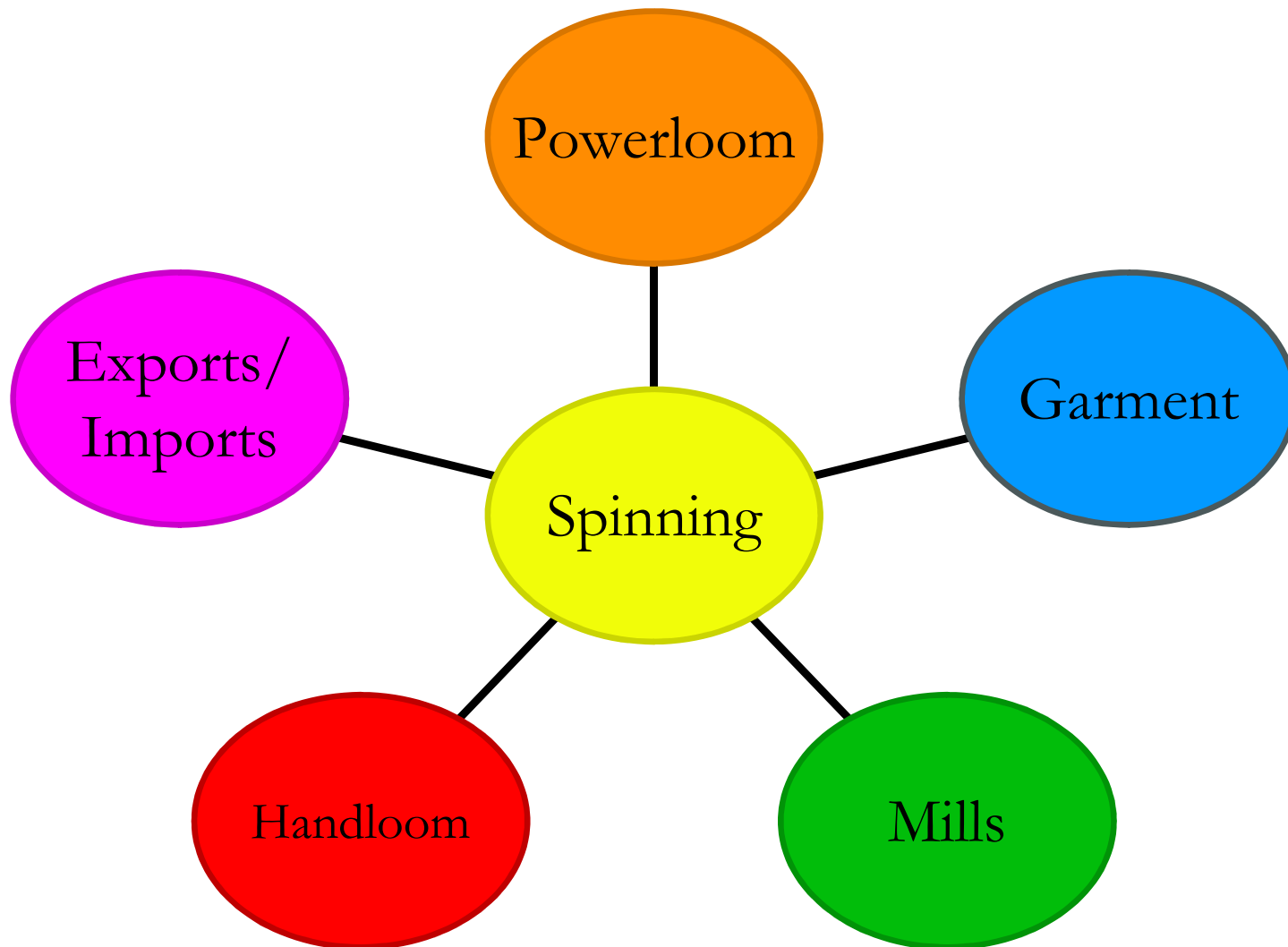


Global Trade

Indian textile sector



Chetana Society



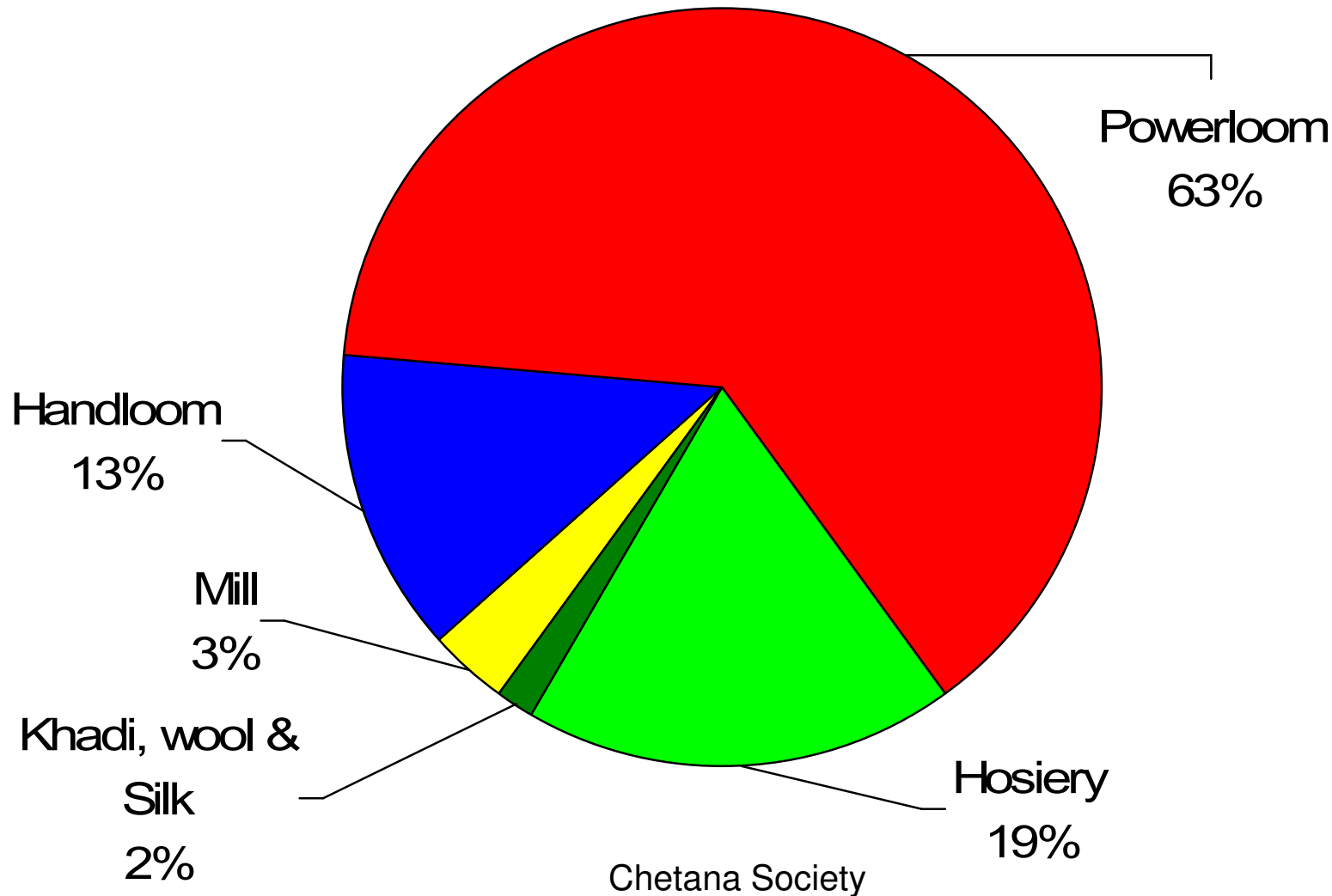


# Basics

- Handloom and powerloom are competing sectors
- Most of the powerloom workers are previously handloom weavers. However, powerloom requires workers than weavers
- Policy makers previously have exhorted handloom weavers to shift to powerloom for enhancing incomes
- Suicides are indicators of a crisis, across the sector, and not specifically related to family issues
- Scale of production does not explain suicides; why now and not before
- Handloom and powerloom are part of a global change process in textiles

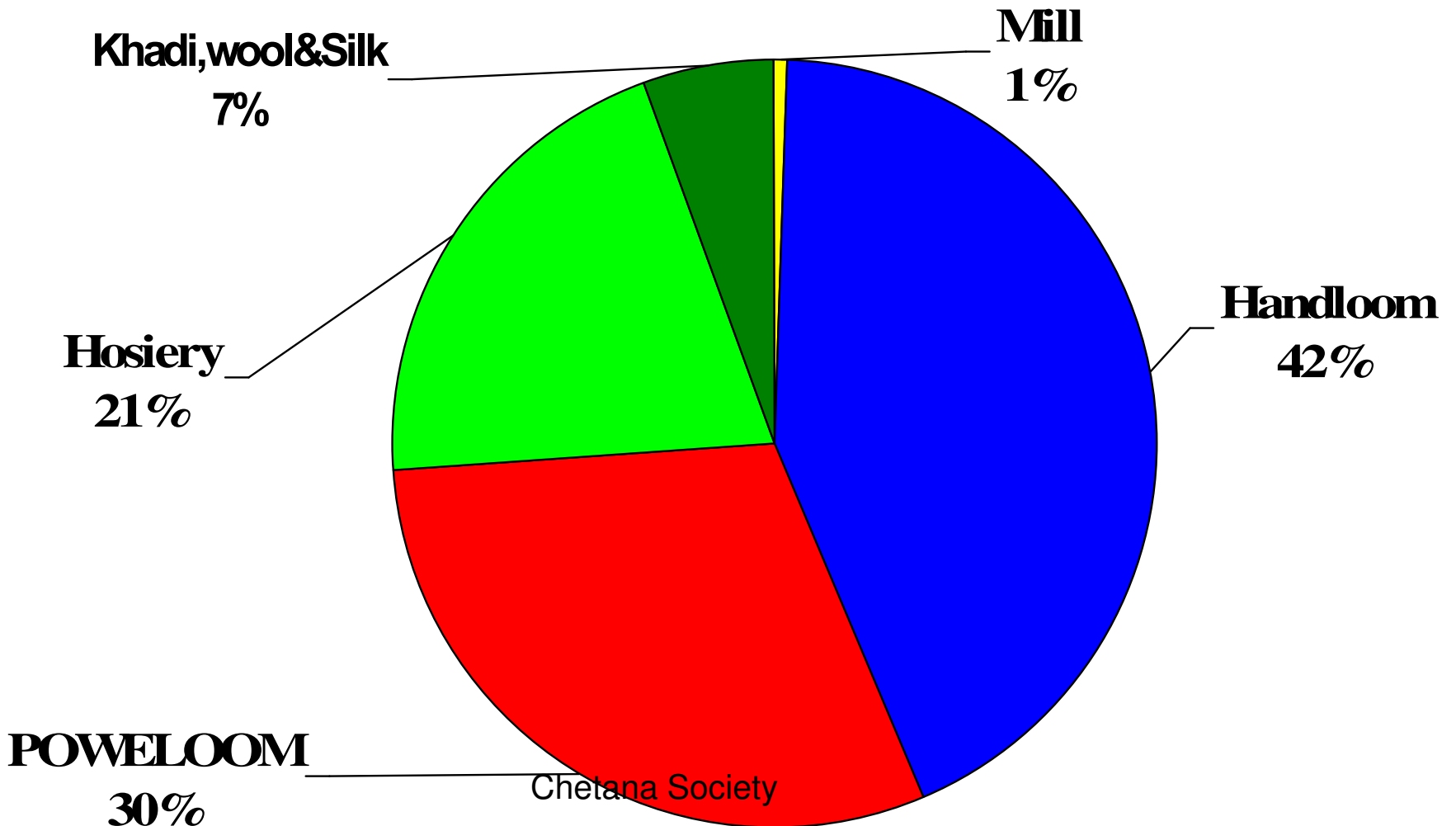
# EXISTING PRODUCTION CAPACITY

## Sector-wise Cloth Production in India in quantity terms



# EMPLOYMENT POSITION

Present Employment Generation in Different Sector of cloth manufacturing



# EXISTING CLUSTERS IN INDIA

## **Handloom**

Shrinagar, Amritsar, Ludhiana, Panipat, Baluchar, Banaras, Bhagalpur, Baluchar, Bhuvaneshwar- Cuttack, Chanderi, Maheshwar, Burhanpur, Lohit (Arunachal Pradesh), Aashval, Patan, Bhuj, Surat, Paithan, Malegaon, Solapur, Kotah, Sanganer, Kanchipuram, Karur, Kannur, Pochampally, Madurai, Nagari, Salem, Rajapalayam, Dharmavaram, Narayanpet, Gadwal,

## **Powerloom**

Amritsar, Ludhiana, Bhagalpur, Burhanpur, Surat, Malegaon, Solapur, Mau, Kanpur, Bhilwara, Kishangarh, Ahmedabad, Ichalkaranji, Erode, Salem, Komarapalayam, Nagari, Bhongir, Sircilla, Bangalore.

# Major Handloom Clusters in AP

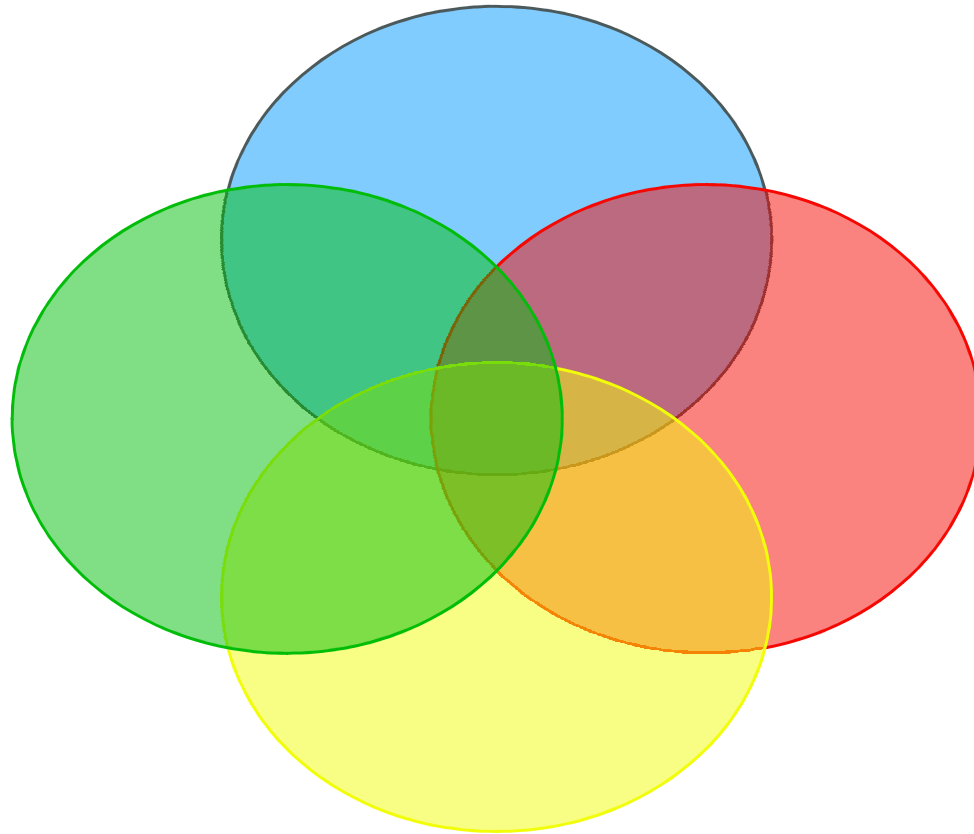
Handloom clusters	Major products
Gadwal, Ghattu, Rajoli, Narayanpet in Mahbubnagar district	Sarees
Pochampally, Koyyalagudem, Choutuppal, Ghattupal in Nalgonda District	Ikat textiles
Mangalagiri in Guntur district	Saris, Dress materials,
Venkatagiri in Nellore	Sarees
Dharmavaram, Peddapappur, Tadipthri, Yadiki in Anantapur district	Silk Sarees
Adoni, Gudur, Kodumuru, Kosagi, Nagaladinna, and Yemmiganur in Kurnool district	Bedsheets, towels, Lungis
Kothawada in Warangal district	Cotton Durries
Chirala, Vetapalem Prakasam district	Sarees, Dress Materials

Mill Sector

Exporter/  
Importers

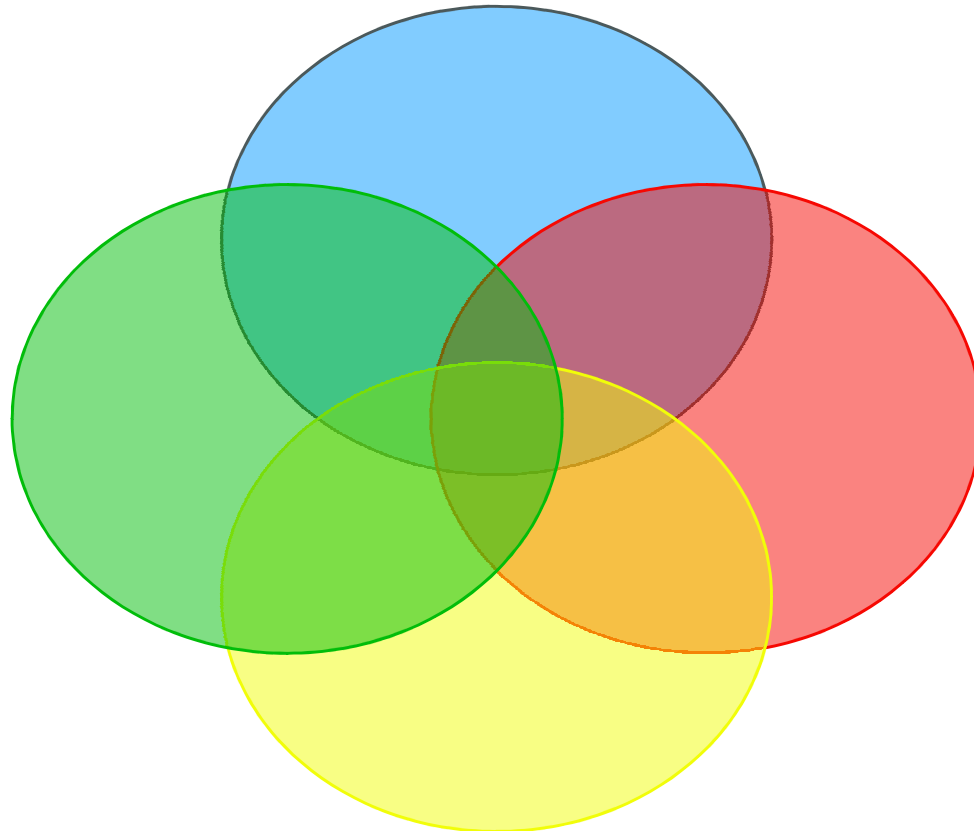
Powerloom

Garment  
Chetana Society



Silk Yarn

Exporter/  
Importers



Cotton Yarn

Man-made fibre  
Chetana Society

# Inter-Sectoral issues: Access to Yarn

- Increasing exports of yarn, especially cotton yarn
- Increasing exports of raw cotton
- Higher custom duties on yarn imports – silk 30 percent, wool 10 percent
- Volatility in yarn prices – upwardly mobile
- Poor sale distribution network
- Closure of cooperative spinning mills

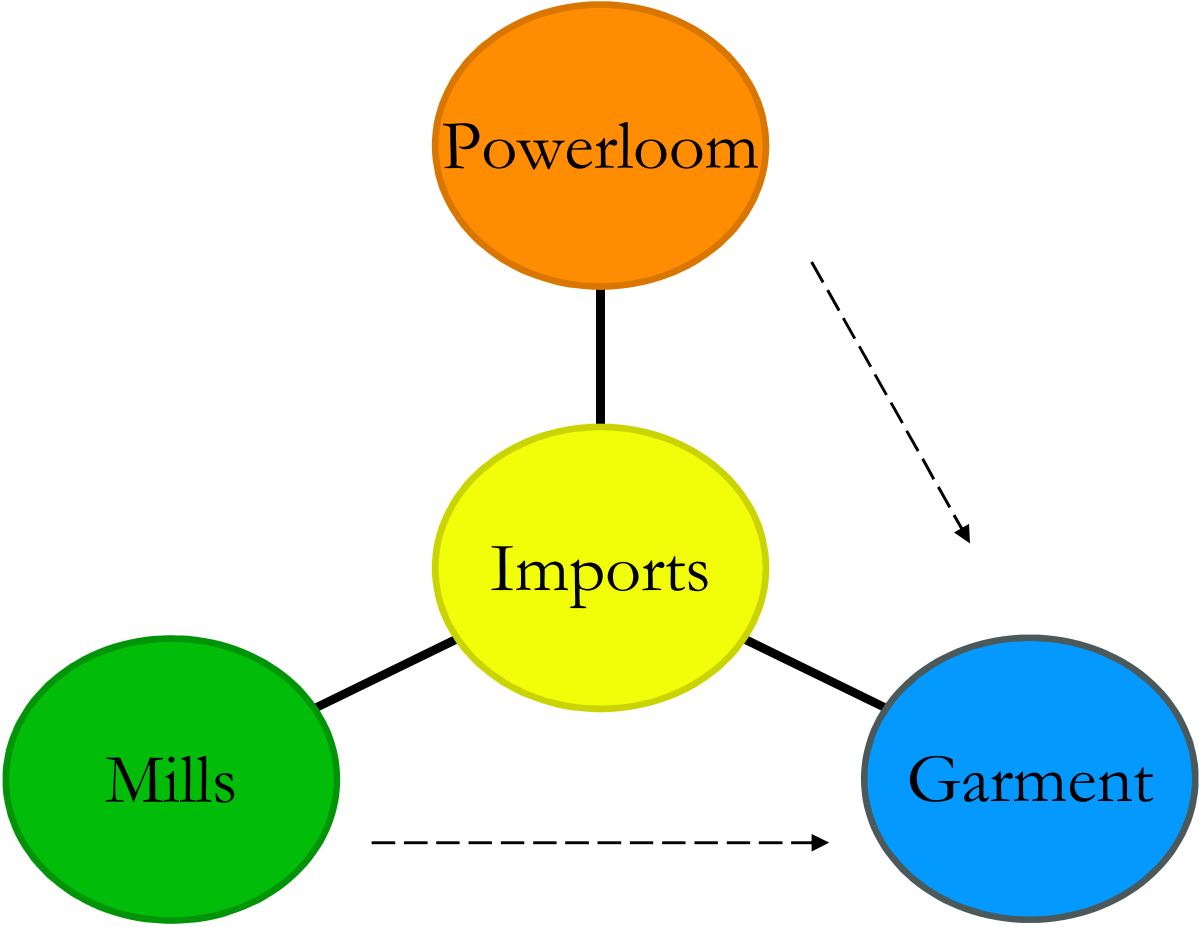


# Sectoral issues: Access to capital

- Decreasing private and public investments for production in specific clusters
- Decline in institutional investment, esp. NABARD
- Burgeoning debts
- No/low loans from scheduled banks

# Sectoral issues: Market distortions

- *Duplicate* handloom products in the market
- No legal protection to market transactions and handloom products
- High disparity in production and marketing prices
- Rising imports of fabrics and finished textiles



# Growth Policies Identified...

- National Textile Policy 2000
- National Foreign Trade Policy
- Eleventh Five-year Plan
- Apparel and Textile Policy of AP, 2005-10
- Annual budgets (State and Central)

# Threats Identified...

- Organised lobby groups such as CITI, AMFI, CII, FICCI, etc.
- Economists and bureaucrats (World Bank trained)
- Lethargy among handloom leaders and groups

# Sectoral Trends

- Policy, Institutional framework, Fiscal Instruments and interventions are straining the handloom sector as a whole
- Select powerloom clusters are reeling under depressed economic conditions due to
  - Increasing input costs
  - Reduced trickling down of value created to the lower end of the chain
  - Limited adaptability and innovation thereby reducing market access both in domestic and international markets

# Sectoral Trends

- Powerloom workers are more stressed than handloom weavers
- In a cost competition scenario, powerloom is unviable, without value addition and government support
- Suicides in handloom sector are happening and are likely to increase. Only better policies can prevent further suicides

# Way Forward

- Review of national textile policy
- Review of AP Apparel and Textile Policy
- Higher budget allocations for handloom in 11<sup>th</sup> five year plan
- Implementation of HR Act
- Enactment of Textile Labelling Act, for non-handloom products
- Review of provisions for handloom in national foreign trade policy



# Way Forward

- Women oriented welfare and developmental programmes
- HS classification for handloom products
- SHGs and cooperatives in remote areas
- Cleaning of handloom cooperatives through gradation
- Handloom products in sensitive and special products

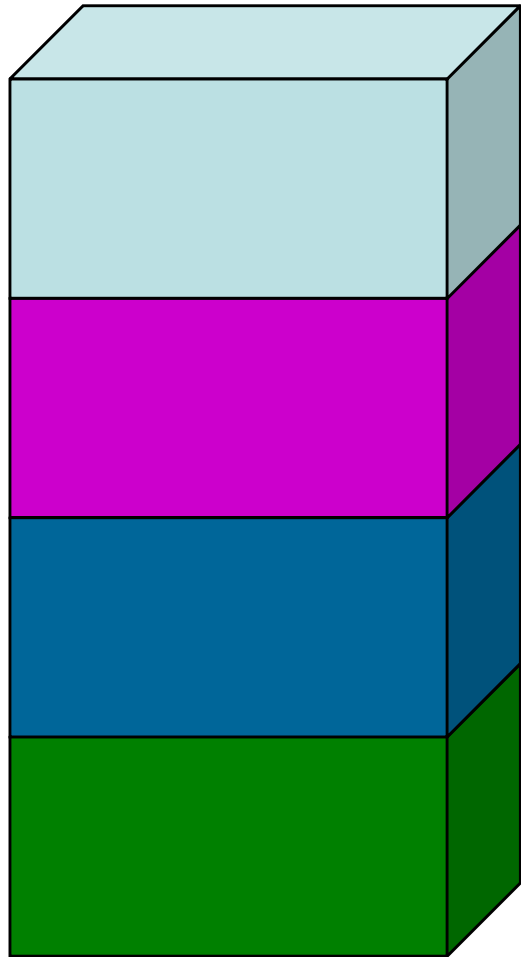
# Way Forward

- Cleaning up of All India Handloom Board and other relevant committees of political and business appointments, with knowledgeable handloom representatives
- Separate handloom growth and development policy
- Establishment of Handloom Chambers of Commerce
- Establishment of HEPC offices in all State capitals
- Review and improvements of handloom institutions, and their performances
- Curtailing of handloom funds diverted to NIET

# Micro factors

- Low incomes due to low, inadequate and inappropriate wages
- Exploitative relations of production
- Lack of markets
- High level of indebtedness
- Increasing output but reducing wages and enhanced vulnerabilities

# Supply Chain Stages in Handloom Products



**Terminal Market to  
Consumer**

**Primary Market to  
Terminal Market**

**Master Weaver to  
Primary Market**

**Production**