


COVID-19 AND CHANGING BUSINESS DYNAMICS IN TEXTILE & APPAREL INDUSTRY

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Abstract

Textile industry in India is one of the major contributors of Indian GDP. It is one of the oldest sectors of Indian economy. Every sector are badly affected due to COVID-19 including textile industries which is one of the worst affected sector globally. This pandemic made textile industry become standstill. Many workers from this sector either migrated or took up some other odd jobs to have their livelihoods. It becomes very important to understand the impact and to adapt with the situation of before pandemic and after pandemic. This research paper attempts to study the changing business dynamics post COVID-19 and the losses made by textile and apparel industry during the pandemic period. Government has also taken many crucial steps to subsidize the impact of COVID-19 by providing some financial assistance to the various sectors.

Introduction

Indian textile industry is one of the oldest industries in the country. The industry has two broad sectors i.e. unorganized sector and the organized sector. The unorganized sector consists of handloom, handicrafts etc. operating on a small scale, while the organized sectors consists of spinning, garments and apparels which requires modern machinery and techniques.

Textile and apparel industry is second largest sector after agriculture in terms of providing employment. India rank's second in manufacturing textiles and clothing in the world and it is second largest exporter of textile and apparel with a share of 5% of trade globally. Almost 4.5 crore people are directly or indirectly associated with this industry. It has contributed 2.3% to the GDP in the financial year 2019-20 and 13% to the industrial output in the same financial year. Around 12% of India's export came through this sector in the year 2019-20.

One of the benefits which India has is having ample of natural resources and availability of raw material. China and Bangladesh are the largest importers of cotton yarn from India but India has failed to keep the cost of value-added garments low as compared to China and Bangladesh who managed to keep their cost low. It helps them to export this value added garments to other countries at cheapest price as compared to India. China is leading exporter of cotton fabrics due to their upgraded research and technology.

Objectives of the study

Following are the research objectives of this study

- To know the impact of Covid-19 on Textile & Apparel industry.
- To study the mind-set of different traders during lockdown period.
- To study the efforts taken by traders post Covid-19 to improve sales.
- To know the financial assistance given by employers to their employee during lockdown period.
- To know the future of this industry after Covid-19.



Research Methodology & Database

The data for the study is collected from both Primary and Secondary sources. The primary data is first hand data and therefore reliable and has not been altered.

Primary Data – Primary data is collected from the local area with the help of simple questionnaire.

Respondents – 25

Area of study – Local area of Hindmata, Dadar (Mumbai)

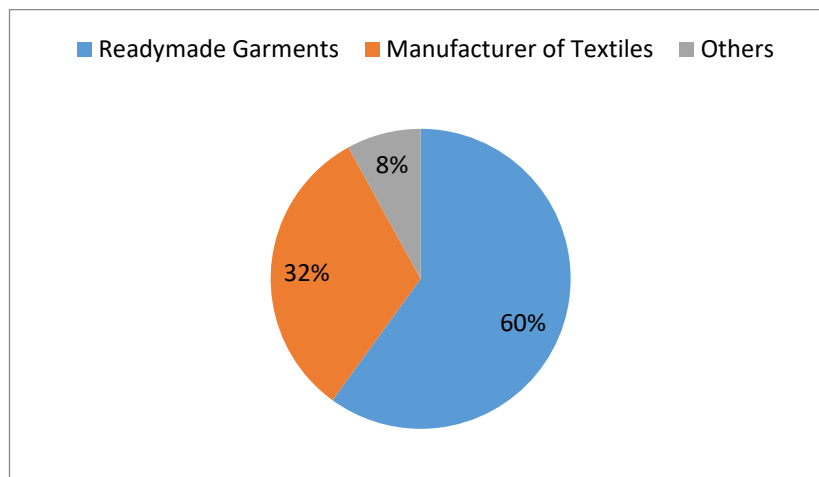
Interviewees of the study – Retailer's and Wholesaler's

Secondary Data – The secondary data is collected from various published books, journals and different websites.

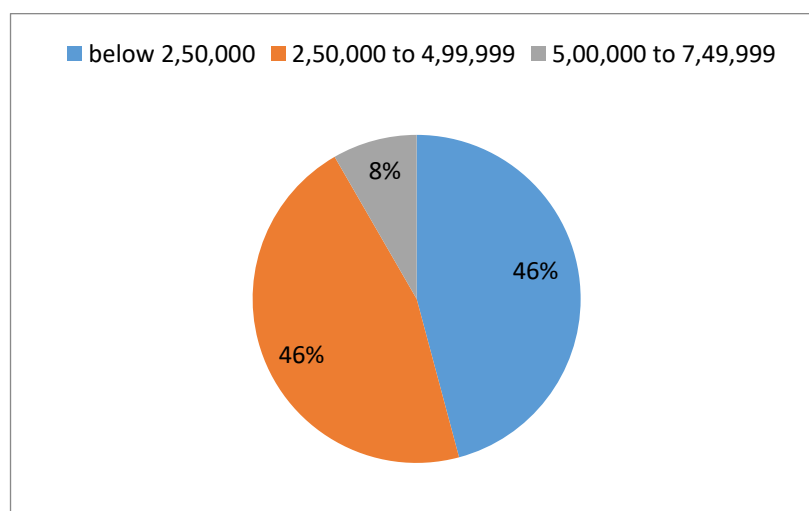
Data Analysis & Interpretation

In order to find out the retailers position before pandemic, during pandemic and after the lifting of lockdown questionnaire form was given to them and same was collected on the same day. All 25 respondents were male and between the age group of 25 years to 70 years.

1. Nature of Business

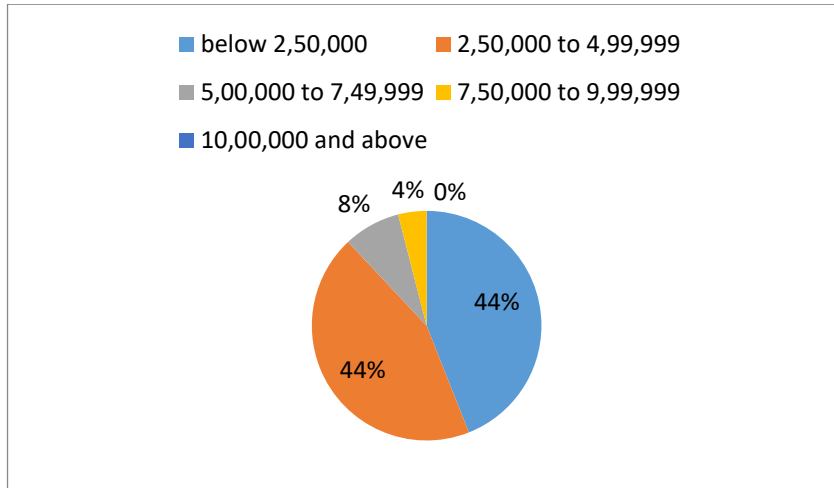


2. Turnover prior to COVID-19

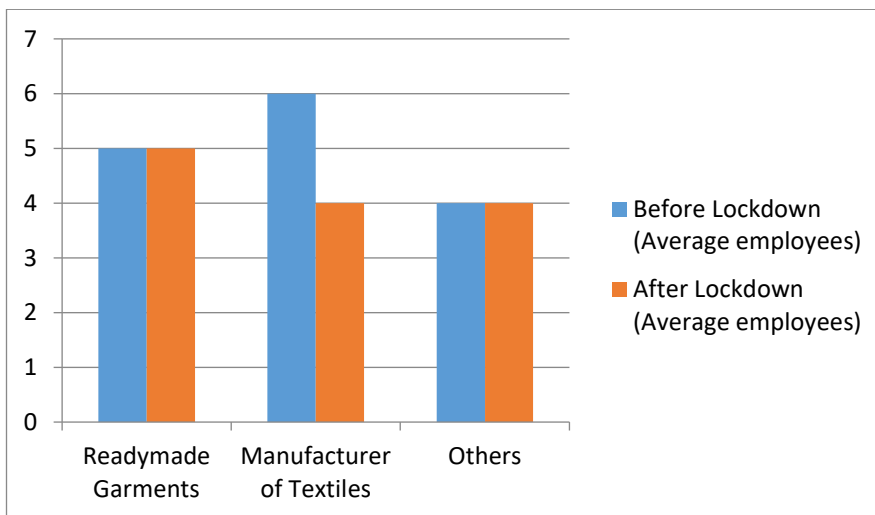




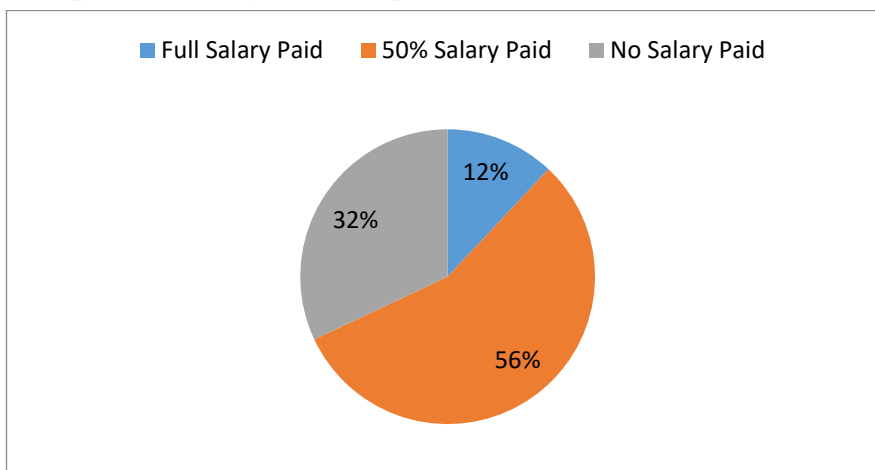
3. Turnover after lockdown



4. No. of employees before lockdown and after lockdown

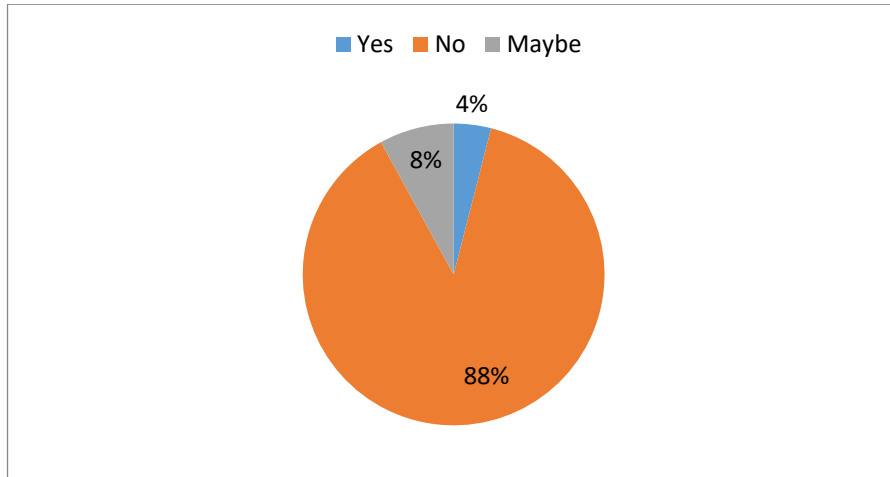


5. Salaries paid to the employees during lockdown period

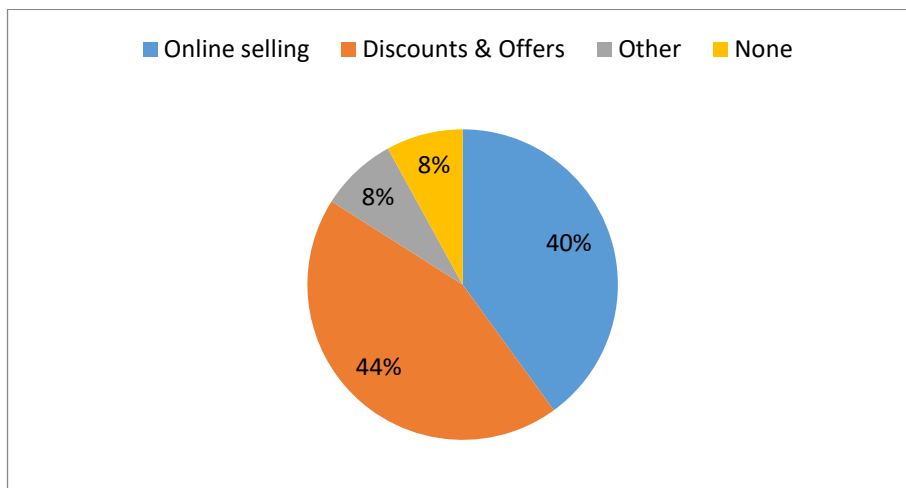




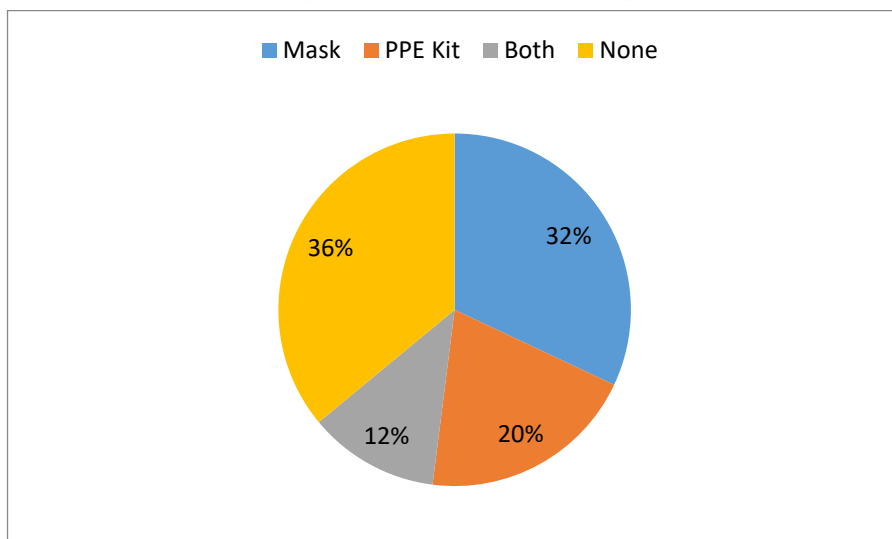
6. Did you plan or think of shutting down the business during lockdown phase?



7. Strategies undertaken to increase the sales post lockdown



8. Whether you have started manufacturing Masks or PPE kit during lockdown?





Findings of the study

- According to the analysis of the data it was found that most of the employees were paid during the lockdown period either 50% of their salary or full which was a big loss for the employers. The employer's response for this question was their good relationship with the employees and just to help them financially during this difficult time.
- Even in the pandemic situation traders were not even thought of closing down their businesses as they were also hoping for lifting the lockdown and support from the state and central government.
- The reason for decrease in number of employees was some of the employees has migrated and some of them choose different sectors to get their livelihood during pandemic period.
- This small traders and manufacturers till now haven't received any amount of relief package which was announced during the lock down period.
- Discounts and offers are given to boost sales and due to the prime location sales is picking up.
- Many of them grabbed the opportunity during this pandemic and started manufacturing Masks and PPE kits which were highly demanded in lockdown.

Limitations of the study

- Couldn't cover full market area due to time constrain.
- Some respondents were hesitating to give figures of the turnover.
- Many respondents were not aware of Budget 2021-22 due to that they replied **NA** for some questions.

Steps taken by Government for Textile & Apparel Industry during COVID 19

- 1.45 lakhs crores was allotted to give boost to manufacturing sectors.
- Finance Minister has proposed National Technical Textile Mission with an outlay of Rs.1,480 crores over 4 years to cut down imports.
- Setting up 7 Mega Integrated Textile Region and Apparel (MITRA).
- Government has proposed to extended 24/7 clearance facility on some of the airports and sea ports for faster clearance of cargo.
- State Governments were instructed to buy finished inventory from handloom weavers/artisans.
- Online marketing opportunities were provided to weaver and handloom producers.

Suggestions & Recommendations

- Traders should strictly follow the SOPs and make sure that customers should also follow the same.
- Urgent relief packages should be given to this small traders and manufacturers.
- Due to presence of large unorganized sector it is very difficult to reach to them so local bodies can help them to get some assistance from government.
- Some online portal has to be provided to them so they can also go for online just like E-Dhaga app.
- Some relief in GST on textile products.

Conclusion

The world is in difficult times as COVID 19 has not left any part of the world. Many lives are lost as a result of pandemic, other largest consequences faced by the world is downfall in economy. With regards to workers, in short term they may face more competition. COVID 19 impact can be seen for few more years on this sector and quick recovery is needed to overcome on it.



Meanwhile government has to play a crucial role in smooth flow of economy. Budget has given some sought of boost to the economy and India is recovering slowly. Sectors like Auto & Banking have bounced back which is visible through share market and their quarterly results. Creation of new jobs is a big challenge for the government as around 1 crore people have lost their jobs due to pandemic.

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