

SPEECH BY TXC ON THE OCCASION OF 25TH ANNUAL GENERAL MEETING OF
PDEXCIL HELD ON 11.12.2020 AT MUMBAI

Dear Chairman, PDEXCIL and Members on and off the Dias

Very Good afternoon to All!

First of All, I would like to congratulate Powerloom Development and Export Promotion Council (PDEXCIL) for the 25th year of its establishment. As such though formally under rationalisation process of Government of India, Government stands dissociated since this August, 2020, yet considering the importance of the segment our office remains actively engaged with the stakeholders in our constant strive to get the best returns for all stakeholders along the Textile Value chain.

I feel happy to be associated with the Indian textile and clothing industry, which is one of the largest in the world, manufacturing the whole supply chain. The industry is contributing about 13% of country's export earnings, with a share of 5% in the global trade of textiles and apparel.

As per baseline survey conducted during 2011-12, there were about 25 lakh powerlooms in India out of which 1.5 lakhs were shuttleless looms, which have been providing employment to about 45 lakh people. With its huge installed capacity, this sector is contributing about 58% of fabric production in India and more than 60% of fabric meant for export is sourced from powerloom sector.

However, there are data issues facing us. The present status of powerloom sectors are not supported with proper data base since installed capacity is available which may not be true as it is incremental registered capacity. How many times same capacity has changed the ownership is not known. After implementation of the GST w.e.f. 01-07-2017, there is shift in business of operation as consolidation of activities has also taken place to mitigate the impact of GST.

As all of us know that this sector grew primarily due to low cost and low overheads. However, state of labour, safety standards, tax compliance, power issues could have had their own contribution, not necessarily positive, in keeping the costs down. Further many of powerloom units are owned and operated by the traditional handloom weavers and their families and are not geared towards modernization due to their limited exposure to the market and capacity in monetary term for investment on capital goods of high end technology.

The Government is well aware of about the problems of the powerloom sector, which are manifold.

All of you would agree that the most critical gap is the prevalent low level of technology. The technology level in most of the powerloom units is so primitive and production process so

inefficient that they have no future in the integrated competitive world market and hence are most vulnerable to the threat of imports. This situation calls for an urgent action plan to upgrade the technology of this segment of the powerloom sector to a minimum benchmark level which will enable them to face the onslaught of more cost effective imported fabrics.

The fragmented nature of the units also deprives them of the benefits of economies of scales and credit facilities from banks. The consolidation of such units will certainly improve their position. Therefore for capacity building, strengthening and modernization of this sector, active involvement of the PDEXCIL is required since it is only one council which has been assigned the role of development of the sector along with increasing the export from powerloom sector. Hence, we sought a time-bound short term, medium term and long term strategic approach note from the council in which outcome may be ensured so that we may propose a scheme to the government, which may be implemented from April, 2021.

I have been informed that there are 1718 members of PDEXCIL from all over India representing all major clusters of Powerloom like Bhiwandi, Ichalkaranji, Solapur, Erode, Karur, Ahmedabad, Surat etc. Maharashtra is the largest cluster of weaving activities with about 13 lakh looms, accounting for 50% of powerlooms in the country, besides spinning and allied activities. All major varieties of fabrics are produced here from grey to yarn dyed and printed fabrics. Bhiwandi is the largest powerloom cluster having about 7 lakhs looms. Ichalkaranji, Erode, Coimbatore being one of the first few clusters of powerloom to adopt modern weaving technology. Solapur is one of the largest hubs of terry towels and designer chaddars and Durries.

I am happy to note that PDEXCIL has been serving the powerloom industry of India from past 25 years and fulfilling its objective of promoting, supporting, developing, advancing and increase powerlooms and export of powerloom fabrics and made-ups through its various activities.

I personally expect that the council should improve its developmental activities for capacity building of small powerloom weavers and should be associated with all cluster level powerloom associations to become sole voice of decentralized powerloom sector for acting as a bridge between the weavers and Government. As an active association, it needs to practice ensure self regulation lest the non compliant practices by some reflect on the initiatives of the segment as a whole. I am hopeful that PDEXCIL will deliver its best services to this sector and lead it towards the growth path.

With these remarks, I now conclude my address with the hope that PDEXCIL will extend its services not only to its members but will facilitate all powerloom weavers in the country for their capacity building and contribute to sectoral initiatives at large.

Namaskaar Jai hind
