

Increased Import Duty on China Silk - Shutdown the Handloom Industry

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Abstract

The existence of Handloom dates from times immemorial in India. Though handloom literally refers to a traditional weaving method, symbolically it stands for much more. It represents a philosophy- a way of life. The philosophy is the simple faith of Indian folk artisan- the handloom weaver- the man behind the loom. Handloom stands for the revitalization of traditional creative energies and the certainty that they can be infused into our modern civilization. Though the methods employed in making handloom products are simple, the results are extraordinary. The human effort results in creations, which are both aesthetically delightful and extremely durable.

Hand loom weavers are the back bone of the Indian Economy. Weaving is a family activity that shows the entire family involving the process of weaving of any kind of product. In present the handloom industry has been facing multi dimensional problems specially import duty on china Silk also added to squeeze the industry. This paper focused on effect of march 2013 budget which was increased import duty on china silk from 5 percent to 15 percent how this will be cause to shut down in the Handloom Industry in Madanapalle Mandal , Chittoor district of Andhra Pradesh.

KEYWORDS : Handloom, Weavers, Yarn, Saree

INTRODUCTION:

Indian handloom Industry is the oldest industry since times immemorial handloom Industry has been an integral part of Indian Economy. Handloom Industry not only very ancient but also unique in the sense that in no other country hand weaving is being carried out on a national wide basis. The Handloom Industry is one of the major decentralized industries and it is highly labour intensive which plays a crucial role in the rural economy. Handloom weaving is a cottage industry spread throughout the Indian sub- continent there are almost.

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OBJECTIVES:

- To Analyze the Present position in the handloom cloth in India. .
- To Examine caste, man hours spent on weavers in the study area.
- To Discuss the relationship between before and after increasing Import duty on silk, production cost and profit of product in the study area.
- To suggest few remedies to stand in the industry.

SAMPLE DESIGN: In the Chittoor District , Madanapalle famous for silk saris and silk Zari saris which are marking in different areas of the state and foreign . There are nearly 10,000 looms and nearly 3000 weavers' and weaving related households in the mandal. a sample 50 Handloom weavers are taken for study in the Nirugattu pally, madanapalle mandal.

INDIAN HANDLOOM INDUSTRY: Presently 23.77 lakh handlooms in the country it providing employment to 43.32 lakh weavers , there are nearly 70 percent of women weavers and also 27.83 lakh households engaged in weaving and allied activities and there are 13 percent share in the cloth production in the country in the year 2012 .

Table:1 Handloom Cloth Production Last Five Years:

YEAR	CLOTH PRODUCTION (Million.Sq.Mtrs)
2008-2009	6677
2009-2010	6903
2010-2011	6903
.2011-2012	6901
2012-2013	6936

Source: Annual Reports from 1998-2012

In the above table1 stating that handloom cloth production increased 226 million sq.mtrs, during the 2009-2010 on the base year of 2008-2009. In the period from 2009-2010 to 2011-2012 there is no proper growth in the production, it might be slight variant but during the period of 2012-2013 there is a growth of 35 million sq.mtrs, despite growing competition from mill made and decentralized power loom industry, is heartening.

But in the situation in the Andhra Pradesh specially in study area is not in favour due to multi dimensional problems. in the study area most of the weaver community depends on silk base weaving after the implementation of increased import duty on china silk leading to rise of domestic silk prices also. They are endlessly getting loses ,so it also one of the main reason In this area weavers are not willing to continue to weaving

activity, at present nearly 40 percent looms are not working and nearly 30 percent of the people went for other fields like tomato market labourers, garment factory and other fields, even the weaving houses converted to rented domestic houses. If the situation continues we may not see a single loom in the study area.

2. CASTE:

In Andhra Pradesh there are major weaver castes are Devanga, Padmasali, Thogata, Pattusali, and Kaikala. But in the madanapalle mandal occupied only one weaver community that Thogata and other than few weaver communities also involving the weaving process.

In the table 2. Stating The community background of the respondent weavers are 40 were Thogata caste(80%), 5 Kapu caste (10%) , 3 Kamma caste(6%), and 2 other castes (4.%) Among all communities Thogata weaver community is 80 percent of the population.

Table 2: CASTE- WISE DISTRIBUTION OF RESPONDENTS

S.No	Caste	Frequency	Percentage
1.	Thogata	40	80
2.	Kapu	5	10
3.	Kamma	3	6
4.	Others	2	4
	Total	50	100

Source: Field survey

3. MAN HOURS SPENT ON VARIOUS ITEMS: In the Table3 shows that in the study area there are many weavers are starting weaving in morning 6 A.M to night 9 P.M, in the middle with small half-age brakes. So the weavers in the area weaving average time of a silk saree is nearly 56 man hours ,it may take 5 or 6 days and in a Zari Silk Sree weaving average time is nearly 84 man hours it also may take 7 to 8 days if the weaver works nearly more than 10 hour per day.

Table 3. MAN HOURS SPENT ON VARIOUS ITEM (Per saree)(Nos. In Hours.)

Product	Pre-weaving	Weaving	TOTAL (hours)
1. Silk Saree	4	52	56
2. Silk Zari Saree	6	78	84

Source: Field survey

**4. BEFORE AND AFTER INCREASED IMPORT DUTY ON CHINA SILK :
COST, SELLING AND PROFIT STRUCTURE:**

4.1).Before increasing of import duty on China Silk:

Table 4.1 TOTAL COST, SELLING PRICE AND PROFITS OF VARIOUS ITEMS (Per Saree)

ITEM	PRE WEAVING COST(Rs)	WEAVING COST(Rs)	TOTAL COST(Rs)	SALE PRICE(Rs)	PROFIT / LOSS(Rs)
Silk Saree	1200	1500	2700	3300	600
Silk Zari Saree	1800	2100	4100	4800	700

Source: Field survey

In the table 4.1 Reveals that The total cost (including yarn cost) and selling price and profit margin on two items of handloom sariees. The weavers get a profit of Rs. 600, on Silk Sariee by the time they spent namely 56 hours, in the profit of Rs. 700 on Silk Zari Sariee by spending 84 man hours. Thus it indicates that the weaving of Silk Zari saree was one hundred rupees profit than the Silk Saree

4. 2). After increasing of import duty on Silk from:

Table 4.2 TOTAL COST, SELLING PRICE AND PROFITS OF VARIOUS ITEMS (Per Saree)

ITEM	PRE WEAVING COST	WEAVING COST	TOTAL COST	SALE PRICE	PROFIT / LOSS
Silk Saree	1800	1500	3300	3500	200
Silk Zari Saree	2600	2100	4800	5000	200

Source: Field survey

In the table 4.2 reveals that The total cost (including yarn cost) and selling price and profit margin on two items of handloom sariees . The weavers get a profit of Rs. 200 on silk Sariee by the time they spent namely 56 hours and the profit of Rs. 200 on Silk Zari Sariee by spending 84 man hours. Thus it indicates that the weaving of silk saree and Silk Zari Sariees is the same in the maximum profit but weaving hours may be different. It is evident that Rs 200 is for 6 to 8 days profit means it is nothing but loss.

IDENTIFIED PROBLEMS OF THE HANDLOOM INDUSTRY:

1. **Rising of Raw Material Cost:** Day by day the prices of yarn, chemicals and other related materials are raise more over due to increased import duty the china silk and domestic silk prices also increased, it is the main reason to getting loses.
2. **Financial Assistance:** Most of the weaver communities are financially weak, so getting loan from banks and other financial institutions not easy, so alternatively they can depends only high rate of interest loans from private members. It leads to difficulty to repay.
3. **Lack of modernization:** Most of the weaver community depends only traditional looms like pit-loom, pit-loom with jacquards' which is multi design facility, but it leads low productivity. Technology Up-gradation also big task because of their illiteracy and poverty

REMEDIES:

- It is suggested that the Government should abolish of import duty on silk and to take steps to supply silk yarn at subsidiary rates as demand for silk products is decreasing due to prices of raw silk.
- The Government should educate the weavers in modern methods of dyeing, weaving and designing etc. and also provide the necessary raw materials at concessional rates.
- The Government should provide financial assistance to the Handloom Weavers especially in the non demand seasons to meet their needs. The given finance assistance is repayable in small installments to the Government
- The Handlooms Sector facing severe competition from the power-loom large scale textile units in promoting the products. To solve this problem the Government should provide more sales outlets and purchase their requirement from the wavers.

CONCLUSION:

The handloom sector is next to agriculture in respect of employment potential and with dealing trend in the handloom sector the problem of unemployment will agitate. If the Government neglecting the sector it may be cause of increasing poverty and unemployment , so it leads to damaging in the society also .So that the Government should change the tax policies and import duty policies towards handloom related products .

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