

## IMPACT OF COVID-19 ON TEXTILE AND FASHION INDUSTRY INDIA: ECONOMIC PERSPECTIVE

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### ABSTRACT

*The covid-19 epidemic is the first and foremost human disaster in 2020. The impact of covid-19 on India has been largely disruptive in terms of economic activity as well as a loss of human lives. Almost all the sectors have been adversely affected. Textile Industry is one among the biggest contributors to the country's exports with around 11.4% share in India's total export earnings for the fiscal period ended 2018-19 valuing to almost USD 37.5 billion (INR 2,596 billion) and growing at a CAGR of seven since 2004-05. The COVID-19 global pandemic has effects on all 7.8 billion folks in similar and unique ways. We are reeling from rising COVID-19 related death rates, broken health systems, hunger and starvation, joblessness, lockdowns of varying severity, a shadow pandemic of force, and this may be just the tip of the iceberg. The style industry has taken a troublesome hit. From the material to the spiritual, the supply chain to the ideological basis of its existence every aspect of the industry is being wrung bent on dry because of what's being called 'fashion's Darwinian shakeout'. The previous number of months has seen fashion houses, retailers, influencers and fashion magazines introspect and pivot, in expected and surprising ways. Some have made small shifts, while others are forced to form more fundamental changes. The Indian fashion industry has responded in thoughtful and interesting ways. The fashion Design Council of India (FDCI), as an example, was amongst the first to announce a COVID-19 Support Fund for tiny businesses and young designers in need. Everyone, expectedly, is manufacturing masks, partly so their business gets to stay open as an 'essential service'. But masks are a controversial 'contribution' to the case, providing it isn't really about how masks look but how they work that's important. Moreover, the kind of mask you wear is an expression of sophistication and establishes exactly where you're located on the social ladder. To wear a designer mask would seem quite tone unheeding the mood at the moment.*

**Keywords:-** COVID-19, Economic, Textile Industry, Fashion Industry, Impact, Export-Import

## INTRODUCTION:

The textile and apparel sector has become the foremost severely affected among manufacturing sectors because of the novel coronavirus pandemic, which has challenged the planet on every front be it economy, health care, politics, planning or social values at large. It's something unprecedented in mankind's history. It's the worst nightmare of policymakers, who on one hand are attempting to slow its spread, and on the opposite, busy in efforts to form it less deadly in terms of its social and economic impact.<sup>1</sup>

When the pandemic struck, the globe was totally unprepared to cope with a contingency of such magnitude and was caught napping. To slow the spread of the virus, lockdown looked as if it would be the sole viable option. India also announced a nationwide lockdown in late March. As per the typical stringency index prepared by the Oxford COVID-19 Government Response Tracker (OxCGRT), India ranked third only after France and Peru. The brunt of this lockdown was born by migrant workers, who in no time saw their dreams and livelihood shattered as factories stood idle. With no add hand, migrant workers started moving back to their native places and therefore the country witnessed a mass exodus of workers from cities and industrial hubs unseen in post-partition era.<sup>2</sup>

The sector severely hit by the pandemic-induced lockdown is that the textile and apparel. It contributes 13 per cent to India's total exports, 7 per cent to the commercial output in value terms, 2 per cent to India's gross domestic product (GDP), 15 per cent to export earnings and offers employment to around 60 million directly or indirectly. The industry was estimated to be worth \$100 billion in January 2020 and includes a large range of players, including manufacturers, retailers, wholesalers and exporters of cotton textiles, handloom and woollen textiles. It also includes those engaged within the manufacturing of capital goods, like textile

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<sup>1</sup>(Jan 02, 2020, 8:08PM) <https://www.fibre2fashion.com/industry-article/8728/indian-textile-apparel-industry-during-pandemic?cv=1>

<sup>2</sup> (Jan 02, 2020, 8:08PM) <https://www.fibre2fashion.com/industry-article/8728/indian-textile-apparel-industry-during-pandemic>

machinery and equipment, dyes and raw materials, finished textiles, fabrics and garments. Exports within the sector from India were projected to succeed in \$82 billion in fiscal 2020-2021 from \$39 billion within the last fiscal.<sup>3</sup>

The pandemic has not only affected the demand for textile and apparel but also its supply. India is one among the key textiles and apparel exporters (around 60 per cent of the country's exports) to thus and therefore the EU (EU) and these markets are hit hard by the virus. Buyers from these markets have either cancelled orders or put them on hold because consumers are locked inside, shopping malls are closed and access to online marketing is restricted.

A report by Wazir Advisors titled Impact of COVID-19 Scenario on European and US Apparel Market estimated that combined US and EU apparel consumption might fall by about \$308 billion, around 45 per cent less than projected in 2020. The spread of the virus has majorly impacted the textile industry as China, thus and also the EU is huge markets for Indian textile products, per T Rajkumar, chairman of the Confederation of Indian Textile Industry (CITI). The cascading effect of external demand shock together with domestic demand slack resulted in lower production. Many firms were close up and production fell drastically.<sup>4</sup>

Retail prices now will see a jump because sanitisation and social distancing measures are visiting augment the prices. This may make deficient demand a perennial phenomenon for the industry. The virus has shattered the availability chain at each level.<sup>5</sup>

Most of employment within the textile and clothing industry is within the informal sector, which generally pays much lesser wages than the formal sector. While the pandemic has affected both formal and informal sectors, the impact is more disastrous for workers within the latter. This sector is characterised by the dearth of social insurance provisions, paid leaves, healthcare provisions and other safety measures, and thus, workers are more vulnerable. Within the formal sector, the increase in contractual workforce, a post-liberalisation phenomenon, has helped

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<sup>3</sup> *Ibid*

<sup>4</sup> *Ibid*

<sup>5</sup> *Ibid*

employers in retrenching workers with ease during the pandemic. This has led to a mass exodus of workers from cities back to their villages.<sup>6</sup>

The Clothing Manufacturers Association of India (CMAI) had projected in April that there may well be employment loss of a crore within the textile sector because of the lockdown. The losses within the textile industry in Punjab has been reportedly pegged at around 2,000 crore to this point.<sup>7</sup>

### *Structural changes resulting from pandemic*

The virus has shown us that the world supply chain is very fragile and fundamentally liable to disruptions. The weaker links within the supply chain can pose a good threat to the complete ecosystem on which the textile business sustains itself. The industry across its supply chain needs reorientation and restructuring towards a more sustainable and resistant web.<sup>8</sup>

Textile Industry is one of the largest contributors to the country's exports with around 11.4% share in India's total export earnings for the fiscal period ended 2018-19 valuing to nearly USD 37.5 billion (INR 2,596 billion) and growing at a CAGR of 7% since 2004-05. The industry is currently pegged at an estimate of USD 150 billion (INR 10,834 billion) with 75% of the total consumption being witnessed in domestic market, while exports accounted for the remaining 25% of the total market size. India ranked 2nd in textile export with 6% of global share and stood 5th in apparel export with 4% of global share. In terms of employment, Indian textile industry is the second largest employer after agriculture, providing direct and indirect employment to nearly 100 million people in India. The sector is broadly classified into three categories, with cotton accounting for 50% share, followed by man-made fibres and jute textiles.<sup>9</sup>

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<sup>6</sup> *Ibid*

<sup>7</sup> *Ibid*

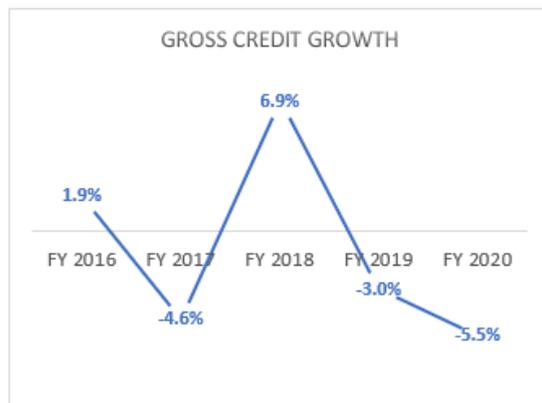
<sup>8</sup> Ahmad Khan Indian Textile & Apparel Industry during Pandemic (Jan 02, 2020, 9:08PM) Tanveer <https://www.fibre2fashion.com/industry-article/8728/indian-textile-apparel-industry-during-pandemic>

<sup>9</sup> Overview of Textiles Industry in India and Impact of Covid-19 (Jan 04, 2020, 9:00PM) <https://www.televisory.com/blogs/-/blogs/overview-of-textiles-industry-in-india-and-impact-of-covid-19>

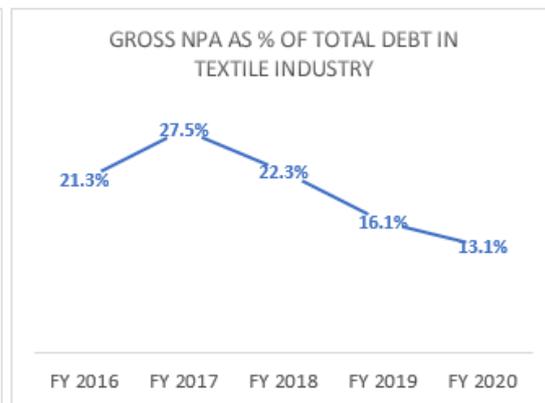
**Scenario 2 (lockdown continues until mid-May 2020): Potential impact on key sectors**

	Output change Q1 FY 2021 vs Q4 FY 2020, <sup>1</sup> %	GDP share, %	Bank credit FY 2019, % <sup>4</sup>	Employment FY 2018, millions
Airlines and hotels	-70 to -75	2	1 <sup>5</sup>	8 <sup>7</sup>
Auto and advanced industries	-50 to -60	2	1	
Construction and real estate	-50	8	11	54
Textiles	-50	2	3	
Freight and logistics	-40 to -45	8	2 <sup>6</sup>	22 <sup>6</sup>
Metals and mining	-35 to -40	7	7	
Oil and gas	-20 to -25		2	
Power	-20 to -25	2	9	3 <sup>8</sup>
Consumer and retail	-20 to -25	11	11	47
Chemicals	-15 to -20	2	1	
Agriculture	-15 <sup>2</sup>	15	18	205
IT services	-10 to -15	5	0	4
Pharmaceuticals	-10 to -15	1	1	
Telecommunications	0 to -5	2	2	1 <sup>9</sup>
<b>Total</b>		<b>67<sup>3</sup></b>	<b>69</b>	<b>402<sup>10</sup></b>

Source: <https://www.mckinsey.com/>(Jan 17, 2020, 9:18PM)



Source: Reserve Bank of India



Despite the large share in the global market and contribution of 2.3% of the Indian GDP, the Textile and Apparel industry has been majorly affected ever since the implementation of the GST, post which the imports in the sector has surged especially due to the apparels from low cost manufacturing destinations like Bangladesh and Sri Lanka. It has been additionally facing hurdles due to decline in exports of yarns amidst withdrawal of various government incentives. The industry is highly capital intensive in nature and is dependent for its capital requirements through borrowings from banks and financial institutions. The industry constituted around 8% of the total gross credit off take from banks and

its share remained constant since May 2014.<sup>10</sup> In terms of the gross value, total outstanding debt for the textile industry stood at INR 23,58,125 million (USD 31,245 million) in FY 2020. Positively, the gross NPA as a % of total gross debt in textile industry has been falling since 2017, when it was as high as 27.5%. The falling trend in the NPA ratio indicates the growing capability of the industry to service its debt obligations within time despite the operational issues.<sup>11</sup>

The widespread impact of the covid-19 which has left no sectors unturned and is expected to decelerate the growth projection of the textile and apparel industry in India, which was once projected to grow at a CAGR of ~12% to reach USD 220 billion (INR 16,637 billion) by 2025-26 (as per the data released by the Ministry of Textiles). Due to the outbreak of the pandemic, it is expected that the domestic market is seen shrinking by around 28%-30% to USD 61 billion (INR 4,163 billion) led by the decline in the sales mostly in the Q1 for the current financial year ending 20-21.<sup>12</sup>

Monthly Export data for Textile and Clothing (Value in USD million)

Export Category	Apr-19	Apr-20	% Change
Cotton Yarn/Fabs/made ups/handloom products	844.22	148.11	-82.46%
Man-made yarn	388.61	61.76	-84.11%
Jute mfg.	22.15	2.08	-90.61%
Carpet	107.26	8.94	-91.67%
Handicrafts, handmade carpet	141.3	11.53	-91.84%
Apparel	1,409.53	126.31	-91.04%
Textile & Clothing	2,913.07	358.73	-87.69%
% of Textile & Clothing in total Exports	11.17%	3.46%	

Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce

Textile & Clothing Index of Industrial Production Growth Rates (% , Y-o-Y)

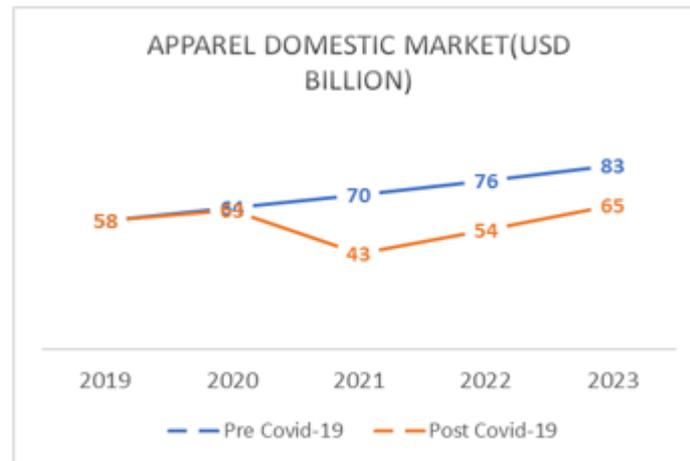
Sector	Mar-19	Mar-20
Textiles	1.10%	-13.10%
Wearing Apparel	14.40%	-20.50%

Source: Ministry of Statistics Planning & Implementation

<sup>10</sup> Vikas Kumar and Sanjeev Kumar, Impact of Covid-19 on Indian Economy With Special Reference to Banking Sector: An Indian Perspective, *International Journal of Law Management & Humanities*, Vol. 4 Iss 1; 12, (2021), 12 - 20

<sup>11</sup> *Ibid*

<sup>12</sup> *Ibid*



Source: Technopak Analysis

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Despite the large share in the global market and contribution of 2.3% of the Indian GDP, the Textile and Apparel industry has been majorly affected ever since the implementation of the GST, post which the imports in the sector has surged especially due to the apparels from low cost manufacturing destinations like Bangladesh and Sri Lanka. It has been additionally facing hurdles due to decline in exports of yarns amidst withdrawal of various government incentives. The industry is highly capital intensive in nature and is dependent for its capital requirements

<sup>13</sup> *Supra* note 5

through borrowings from banks and financial institutions. The industry constituted around 8% of the total gross credit off take from banks and its share remained constant since May 2014. In terms of the gross value, total outstanding debt for the textile industry stood at INR 23,58,125 million (USD 31,245 million) in FY 2020. Positively, the gross NPA as a % of total gross debt in textile industry has been falling since 2017, when it was as high as 27.5%. The falling trend in the NPA ratio indicates the growing capability of the industry to service its debt obligations within time despite the operational issues.

The widespread impact of the covid-19 which has left no sectors unturned and is expected to decelerate the growth projection of the textile and apparel industry in India, which was once projected to grow at a CAGR of ~12% to reach USD 220 billion (INR 16,637 billion) by 2025-26 (as per the data released by the Ministry of Textiles). Due to the outbreak of the pandemic, it is expected that the domestic market is seen shrinking by around 28%-30% to USD 61 billion (INR 4,163 billion) led by the decline in the sales mostly in the Q1 for the current financial year ending 20-21.

According to the data released by the Confederation of Indian Textile Industry (CITI), the recovery for the domestic market is expected to be quite steep post pandemic with domestic market estimated to reach USD 120 billion (INR 9,074 billion) by 2024. Apparel retail is even projected to contract by ~USD 27 billion (INR 2,042 billion) in FY 2020-21 as compared to Pre Covid-19 projections for the same period against the ~USD 20 billion (INR 1,512 billion) from the base of FY 2019-20.

The measures taken by the Central Government to combat the impact of the Covid-19 including the INR 3,000 billion collateral free automatic loan for businesses, including the MSME is expected to rejuvenate the critical sectors of the economy and provide the benefit to ~4.5 million small businesses including many small Textile and Apparel units as well. With the extension granted by the Government and RBI, pertaining to 6 months moratorium for interests and for 4 years repayment period including one-year postponement for MSME segments for Covid-19 loans, would provide the much-needed upliftment to the textile industry. Against the backdrop of further impact that the low margin capital-intensive textile industry could face because of the pandemic, the Confederation of Indian Textile Industry (CITI) has approached RBI for one-time loan restructuring, citing a 25-30% drop in the overall

demand in FY21. It remains to be seen how RBI would respond to the proposed plea from the CITI for the loan restructuring at a time when the Indian Banking sector is already reeling under the stressed bad loan due to Covid-19 induced stress.

Demand for Textile goods and products was suddenly NIL domestically and internationally. COVID-19 has not spared any industry, so within the case of Textiles, it's no exception. Textile Industry in India is that the second largest employer after agriculture, direct and indirect both, hence it's one among the worst hits. Textile sector may be a major contributor in Export in India e.g. 11.4% in total export earnings in 2018-19, valuing USD 37.5 Billion. India had a worldwide share of 6% in export before the pandemic. Textile industry in India, once projected to grow approx. CAGR 10-12%, to achieve USD 220 Billion in 2025-26 but now things aren't certain as industry has shrunk approx. 30% domestically within the half-moon and impact on export is additionally very huge. The International Textile Manufacturers Federation (ITMF) has found in a very survey that 8% avg. orders have dropped worldwide and are expected 10% down from 2019. The workforce is that the worst of all to be hit by pandemic. People were left high and dry and also the future was uncertain. While many NGOs and individuals took responsibility for the migrant workers, not every worker could be reached and hence most of them with unknown future were forced to go away for his or her native places. Now as things are gradually opening, the industry is facing workforce crunch, broken supply chain, lack of funds and loss of confidence. Workers are returning to the cities as they may not find work opportunities back home. Employers also are extending a aid to them to spice up their business. In recent times, hygiene has become the foremost important factor. Textile industry is going to be benefited with this new opportunity. PPE kits, masks, disposable towels, disposable bed sheets etc. are new areas where Indian manufacturers can take the lead. There's a giant export marketplace for these products. India has become the second largest manufacturer for PPE kits with quite 600 certified companies for its manufacturing. The Central government has announced many schemes to spice up the economy, especially for small-scale sectors including textile industry.<sup>14</sup> Government has allowed 100% FDI by automatic route within the textile sector, it's speculated to attract USD 140 Billion foreign

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<sup>14</sup> Panigrahi A, Ashutosh K, Mehta S, Pasricha S. Impact of Coronavirus Outbreak on Indian Textile Sector. J Manag Res Anal. 2020;7(2):76-83.

investment within the coming years. Government is additionally moving with Integrated Textile Parks (SITP) and Technology Up gradation Fund (TUF). In step with India Brand Equity Foundation, Twenty-one readymade garments manufacturing units in seven states were announced for modernization and boosting the economy of the textile sector. As textile could be a consumer driven industry, it largely depends on the health of the economy and that we should be optimistic for growth of industry in coming years. Though growth will lag within the coming months, remains expected, since India has potential to achieve USD 70 Billion approx. in export by 2024 and can have rather more global share<sup>15</sup>

Indian Textiles and Apparels (T&A) industry accounts for roughly 4% of the worldwide T&A market. The T&A industry is one in all most vital the biggest and also the foremost important sectors for the Indian economy in terms of output, interchange earnings and employment. The industry contributes approximately 7% to industrial output in value terms, 2% to the GDP and 15% to the country's export earnings. The Indian economy has been hit hard by COVID-19. Because of the countrywide lockdown various transport facilities including trains and flights are suspended which is predicted to harm domestic operations in India. With the virus now also affecting and disrupting global supply chains and economy for almost 3 to six months now, a thing incorporates a severe implication on the Indian economy further. The areas which are able to face the crisis created by Covid-19 pandemic are:<sup>16</sup>

*Labour force and employment:* T&A provides direct employment to over 45 million people but the nationwide lockdown have led to a brief closure of factories and lay-offs have already begun among low wage worker.

*Import & Exports of material and readymade garment:* The COVID-19 pandemic is primarily expected to adversely impact exports and with second-order impact on the domestic markets with both exports likewise as domestic sales falling. The pandemic has affected the bulk of India's export market (the US and EU together constitute for about, 60% of the whole apparel exports from India in value terms), causing order

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<sup>15</sup> (Jan 02, 2020, 9:08PM) <https://www.financialexpress.com/lifestyle/world-textile-day-on-october-24-effects-of-covid-19-on-indian-textile-industry/2112550/>

<sup>16</sup>Coronavirus-Impact on Textile (Jan 02, 2020, 1:08PM)  
<https://economictimes.indiatimes.com/topic/Coronavirus-Impact-on-Textile-Industries>

cancellations/deferral of order resulting in inventory build-up and expectation of slower realization of export receivables resulting in higher assets requirements. Apparel exports are expected to fall due to desiccation of order within the half-moon of FY20, assets issues and lack of clarity on the duties and incentives especially when exporters from Bangladesh, state and Vietnam receive preferential access. Additionally, domestic consumption is additionally getting impacted thanks to all India closure. New store openings have stopped and even domestic stores face a list build-up because of apparel sources for the upcoming summer season, Further, domestic prices could be negatively impacted if exporters dump their inventories within the domestic market resulting in even reduced margins. This might cause short term blips like reduced employment of casual labour (factory closures and folks moving back to their home towns) and reduced consumption.<sup>17</sup>

*Cash flow constraints:* The sector has been grappling with profitability issue due to a pointy decline in yarn exports, cheaper imports etc. these issues only look to induce aggravated further with this crisis.

*Supply chain disruption:* The Garment manufacturers should examine local sourcing opportunities, due impact on import and export.

*Consumer sentiment:* If nationwide lockdown continues and thus the case persists, will impact consumer sentiment on the highest, due to closure of market and mall also to maintaining the social distancing, safety and health. The extent of the outbreak and lockdown would directly impact the length of the recovery cycle. However, to attenuate the impact the Confederation of Indian Textile Industry (CITI) has requested the govt to right away announce a relief package for the textile and apparel sector to mitigate the crisis being faced by the capital and labour-intensive textile Industry, post the corona virus spread.<sup>18</sup>

### *Government Initiatives*

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<sup>17</sup> *Ibid*

<sup>18</sup> Impact Of COVID-19 On The Indian Apparel & Textile Industry (Jan 05, 2020, 9:08PM)  
<http://www.businessworld.in/article/Impact-Of-COVID-19-On-The-Indian-Apparel-Textile-Industry>

- Indian government has come up with several export promotion policies for the textiles sector. It has also allowed 100% FDI in the sector under the automatic route.
- Initiatives taken by Government of India are:
- Government launched production linked incentive scheme to provide incentives for manufacture and export of specific textile products made of man-made fibre.
- On September 2, 2020, the Union Cabinet approved signing an MOU between textile committee, India and M/s Nissenken Quality Evaluation Centre, Japan, for improving quality and testing Indian textiles and clothing for the Japanese market. This India-Japan pact on cooperation in textiles will facilitate Indian exporters to meet the requirements of Japanese importers as per the latter's technical regulations.
- Under Union Budget 2020-21, a National Technical Textiles Mission is proposed for a period from 2020-21 to 2023-24 at an estimated outlay of Rs. 1,480 crore (US\$ 211.76 million).
- In 2020, New Textiles Policy 2020 is expected to be released by the Ministry of Textiles.
- CCEA approved mandatory packaging of foodgrains and sugar in jute material for the Jute Year 2019-20.
- In September 2019, textiles export witnessed a 6.2% increase post GST as compared to the period pre-GST.
- The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from 2% to 4%.
- The Government announced a special package of US\$ 31 billion to boost export, create one crore job opportunity and attract investment worth Rs. 80,000 crore (US\$ 11.93 billion) during 2018-2020. As of August 2018, it generated additional investments worth Rs. 25,345 crore (US\$ 3.78 billion) and exports worth Rs. 57.28 billion (US\$ 854.42 million).
- The Government of India has taken several measures including Amended Technology Up-gradation Fund Scheme (A-TUFS), estimated to create

employment for 35 lakh people and enable investment worth Rs. 95,000 crore (US\$ 14.17 billion) by 2022.

- Integrated Wool Development Programme (IWDP) was approved by Government of India to provide support to the wool sector, starting from wool rearer to end consumer, with an aim to enhance quality and increase production during 2017-18 and 2019-20.
- The Cabinet Committee on Economic Affairs (CCEA), Government of India approved a new skill development scheme named 'Scheme for Capacity Building in Textile Sector (SCBTS)' with an outlay of Rs. 1,300 crore (US\$ 202.9 million) from 2017-18 to 2019-20. As of August 2019, 16 states signed pacts with the Ministry of Textiles to partner with it for skilling about four lakh workers under the scheme.

Textile sector is highly unorganized sector. The government has initiated special measures to help ameliorate the conditions in textile sector due to Covid pandemic and to boost production, marketing and job opportunities in the sector. The government has conducted a study viz. 'Impact of Covid-19 pandemic on Indian silk industry' to ascertain the crisis caused to the sector. The industry has faced various problems of production, cocoon and raw silk prices, transportation problem, non-availability of skilled workers, sale of raw silk and silk products, working capital and cash flow, reduced export/import orders, besides restrictions. The last three month orders and supply as given below shows declining trend in jute production during the peak Covid-19 period which is substantially improving now.<sup>19</sup>

Month	Order	Supply by Mills
June 2020	2.75 bales	1.78 bales
July 2020	3.59 bales	2.48 bales
August 2020	3.52 bales	2.32 bales

<sup>19</sup> Panigrahi A, Ashutosh K, Mehta S, Pasricha S. Impact of Coronavirus Outbreak on Indian Textile Sector. J Manag Res Anal. 2020;7(2):76-83.

Ministry of Textiles has taken following initiatives for the benefits of handloom weavers and artisans across the country: <sup>-20</sup>

- i. To support the handloom and handicraft sectors and to enable wider market for handloom weavers/artisans/producers, steps have been taken to on-board weavers/artisans on Government e-Market place (GeM) to enable them to sell their products directly to various Government Departments and organizations.
- ii. To promote e-marketing of handloom products, a policy frame work was designed and under which any willing e-commerce platform with good track record can participate in online marketing of handloom products. Accordingly, 23 e-commerce entities have been engaged for on-line marketing of handloom products.
- iii. A social media campaign #Vocal4handmade was launched on the 6<sup>th</sup> National Handloom Day by the Government, in partnership with all stakeholders, to promote the handloom legacy of India and to ensure people's support for the weaving community. It has been reported that the social media campaign has resulted in renewed interest of the Indian public in handlooms and several e-commerce players have reported increase in sale of Indian handloom products.
- iv. The Ministry of Textiles has requested the Chief Ministers of all States and UTs to instruct their State Handloom Corporations/Co-operatives/Agencies to make purchases of the finished inventory available with the handloom weavers/artisans so as to put some ready cash in the hands of the weavers to enable them meet their household needs.
- v. In the face of the unprecedented Covid-19 pandemic, it is not feasible to hold conventional marketing events such as exhibitions, melas, etc. To deal with this crisis, the Government endeavors to provide online marketing opportunities to our weavers and handloom producers.
- vi. Taking a step towards realizing "Aatma Nirbhar Bharat", the vision of our Hon'ble Prime Minister, Handloom Export Promotion Council has endeavored to virtually connect the Handloom Weavers and exporters from different corners of the country with the International Market.

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<sup>20</sup> Ministry of Textiles [https \(Jan 05, 2020, 11:00PM\)](https://www.pib.gov.in/PressReleasePage.aspx?PRID=1657698)  
[www.pib.gov.in/PressReleasePage.aspx?PRID=1657698](https://www.pib.gov.in/PressReleasePage.aspx?PRID=1657698)

- vii. With more than 200 participants from different regions of the country showcasing their products with unique designs and skills, THE INDIAN TEXTILE SOURCING
- viii. FAIR was organized on 7, 10 and 11th August 2020. The show has attracted considerable attention of the International Buyers.
- vi. Design Resource Centres are being set up in Weavers Service Centres (WSCs) through NIFT with the objective to build and create design-oriented excellence in the Handloom Sector and to facilitate weavers, exporters, manufacturers and designers for creating new designs.
- vii. Apart from the above initiatives, Ministry of Textiles is implementing various schemes through the Offices of Development Commissioner (Handlooms) for overall development of handlooms and welfare of handloom weavers across the country. The Scheme details are as under: -

- National Handloom Development Programme (NHDP)
- Comprehensive Handloom Cluster Development Scheme (CHCDS)
- Handloom Weavers' Comprehensive Welfare Scheme (HWCWS)
- Yarn Supply Scheme (YSS)

Under the above schemes, financial assistance is provided for raw materials, purchase of looms and accessories, design innovation, product diversification, infrastructure development, skill up gradation, lighting units, marketing of handloom products and loan at concessional rates.<sup>21</sup>

## CONCLUSION:

In order to make the textile sector competitive by rebating all taxes/levies in international market, the Government has decided to continue the RoSCTL (Rebate of State and Central Taxes and Levies) scheme until such time the RoSCTL scheme is merged with Remission of Duties and Taxes on Exported Products (RoDTEP) scheme. For this purpose, the Government has approved adhoc allocation of funds of Rs. 7398 crore for FY 2020-21 for issuance of duty credit scrips under RoSCTL scheme. Further, in order to boost exports in MMF sector, Government has removed

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<sup>21</sup> *Ibid*

anti-dumping duty on PTA (Purified Terephthalic Acid), a key raw material for the manufacture of MMF fibre and yarn. To mitigate the effect of the COVID-19 pandemic on trade, this Ministry has taken up the various trade facilitation related issues raised by the industry stakeholders from time to time with the concerned Ministries for early redressal.

A special measure to alleviate the difficulties of beneficiaries under Amended Technology Upgradation Funds (ATUFS) was initiated in the Ministry of Textiles during the COVID pandemic. Under this measure, an option has been extended to the applicants, where the physical examination of the machineries by Joint Inspection Team (JIT) has been completed, to avail their subsidies released on submission of Bank Guarantee. The advance release of subsidy against bank guarantee is met from the regular budget allocation under ATUFS.

The Government of India has also announced a special economic package viz. Aatma Nirbhar Bharat Abhiyaan for boosting economy of the country and making India self-reliant. Relief and credit support measures have been announced for various sectors. The weavers & artisans can avail benefits of these relief and credit support measures to revive their businesses which have suffered due to lock down necessitated by Covid-19 pandemic.

