



CHALLENGES IN FRONT OF TRADERS DURING AND AFTER LOCKED DOWN IN TEXTILE MARKET

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ABSTRACT:

The global spread of the coronavirus and lockdown had greater impact on textile and fashion market. A numbers of major event has been canceled due to COVID-19. many peoples are going virtual to go forward with their pre-planned events and trades show. Retailers have to shutter their doors due to this pandemic. In last few months , a numbers of major retailers and brands announced their temporary closures in many countries. The fashion industry is facing very problem because 40 million garments workers are out of the supply chain around the world due to closures of factories. Many factories of garment producing countries are already closing due to the shortage of raw material from China and declining orders from Western clothing brands. The textile industry is facing some unique challenges due to COVID-19 as lockdown has brought the entire textile supply chain to almost grinding halt. The government is trying and making all efforts to continue the steady supply of essential to the 1.3 billion people of India. At micro level GDP of our country has been shifted to 4.7% in October- December 2019. Due to lockdown all sorts of textile related factories are closed and it is difficult to say that when every will become normal. Workers have been running here and there due to confusion. The business community is scared on account of cash, supply chain disturbance and manpower related problems. In this research paper we are going to discuss about the impact of COVID-19 on textile industry. In this paper we are going discuss challenges in front of traders (wholesale and retailers) in textile industry and suggest how they can overcome with this problem.

Key words: - Textile industry, Supply chain, COVID-19, Wholesaler and Retailers

INTRODUCTION:

Indian rating expect huge fall in the revenue of textile industry in the first half of 2020-2021 due to the economic slowdown. Decline in domestic demand and export due to lockdown come as double blow for textile companies. The agency say that there will be huge fall in textile industry during the month of April to September and moderate recovery in the period of October to March. With the shortage of labour due to lockdown textile sector revenue had reached to its bottom. Garment sector is also carry high debts on account of stretched working capital. According to agency experts the working capital cycle will stretch over the period of nine months due to delays in collection and a longer inventory. Demand growth is depended on discretionary spending and likely to raise gradually through household income in second half of FY21. Holding stock could only provide a short term relief as some inventories are expected to be export. The textile sector is

labour intensive in nature and at this time most of the labour are headed to their hometown due to which sector companies could face challenges to operate even at low capacity.

COVID-19 is the battle with invisible enemy. This virus started in China's Wuhan has now been affected in all parts of the world. Almost all the major economics including China, USA, India has been affected. The demand of textile products from abroad and domestic sale have been affected due to the panic situation of COVID-19 .India has more than 2000 spinning mills with different capacity, in big units major of the workers are from Bihar. U.P, Orissa and other states. Due to this pandemic many workers had lost their job and forced to stay back their , only due to absence of transport facilities. The textile sector is severely hit all over the world. Stores, shops, malls are closed and almost all buyers are cancelling or postponing their demand for future. There are also many

other issues like what will happen to the goods that are in process, all shipping are on hold etc. in present time volume of sale comes down but will not disappear once the situation become normal , people are expected to shop after months of lockdown and depression.

According to the recent survey by the international Textile Manufacturers Federation (IMF), on an average 8% order has been drop down world wide . But some new challenges are in front of traders are safety, lack of safety and demand in addition to liquidity. A new opportunity for textile market is for medical textile products. Indian government had already started its production but it may take longer time to recover almost 6 months to see business back for normal.

Objectives

1. To study about the Textile Sector
2. To find the impact of COVID-19 on Textile Sector.
3. To understand the challenges faced by traders as well as normal people due to lockdown .
4. To analysis the new emerging trends that take place during lockdown.
5. To know about the new opportunity for textile market after CONID-19.
6. To provide conclusion and some suggestions how to overcome from the problem faced by trader in Textile Sector.

Challenges for Trader in Textile Sector due to COVID-19

- 1) As Indian Textile industry contributes almost 7% to total industrial output, 2% to the GDP, and 15% to the country's export earnings. But due to the lockdown Indian textile market is facing major problems.
- 2) This sector provide job to 45 million people yearly in the country but due to lockdown many worker had to move their native places as they have no jobs and no money to survive.

3) The major part that was affected due to COVID-19 in textile market is export. About 60% orders of the total export from textile sector have been cancelled and created the problem of inventories.

4) Not only export domestic consumption is also affecting the market.

5) New stores opening have been stopped, new production has been stopped as there is shortage of raw material.

6) Domestic prices could be negatively impacted if exporters dumped their inventories and payments from last few months.

7) At present many companies are grappled with sharp decline in yarn export, unavailability of cheaper imports, profitability issue, currency fluctuation, order cancellation, deferring shipment, inventory piles, increase in working capital and wage payments.

8) it may lead to less profit margin.

9) Due to COVID there is constraints in cash flow. Many peoples are not getting there

10) According to the report by Wazir Advisors impact on COVID-19 scenario on European and US consumption has fall to about US\$308 billion , 40-45% lower than 2020 projected consumption.

11) Many global buyers are expected to file for bankruptcy and go for liquidation.

12) Even government has announced that trader can back to work but with their 50% of their worker.

13) Circulation of money flow is very less in the country it means trader has to work mostly though credit.

Action to be taken to overcome this problem

1) Productivity has been reduced but many enterprises are trying to adopt different digital tools for managing their operations. They are mainly doing their work from home.

2) Government had already reduced the bank rate of interest and given extension of soft loan and asked for moratorium for repayment of

principal and interest amount to the bank for four quarters.

- 3) Local market should be target instead of going for branded products.
- 4) Resources should be utilized as per the demand. As we all can see that demand for masks and PPE Suite are increasing so production should be diverted towards it.
- 5) Trade should be increased through online.
- 6) IES benefits for all textile and clothing sectors export to 5% and reduces the bank interest rate by 3%.
- 7) The confederation of Indian Textile Industry has requested to the government to provide immediate relief packages for textile sector.
- 8) People should find there new ways of earning instead of depending upon government relief.
- 9) Industry must push their bank loans for mudra loan to increase their bank limit.
- 10) Even our Prime Minister had told that we should seek opportunity in this condition..., and even we can grow our economy, only we have to change the directions.
- 11) Special packages should be announced for workers how had suffer a lot due to this lockdown.

CONCLUSION:

- 1) COVID-19 is a dark cloud that came suddenly and destroyed the balance in the economy.
- 2) There is greater impact on textile sector in our economy because after agriculture , textile is the main sector for earnings in our country.
- 3) We have to increase trade but not on stake of lives of our people so any decision taken by government should be carefully taken.
- 4) Many worker had lost their job and even their is no money with them for survival.
- 5) Poverty and unemployment level is increased due to this pandemic .

6) Demand and supply circle has been slow down which affected the circulation of money supply.

7) Due to COVID-19 our economy has to face tough period of business cycle.

8) Wholesalers and retailers of textile sector has to face many problem of credit due to less demand and supply of cloths in the market.

SUGGESTIONS:

- 1) To come out from this condition everyone has to seek new opportunity for their own instead of depending on government package relief.
- 2) Government should provide easy loan packages for exporter as export sector is one of the main sector of the earnings in India.
- 3) Bank rates and easy payment facilities should be increased by the government.
- 4) New ways of manufacturing and promotion of trade should be increased by government by giving trainings to the workers.
- 5) Market should be unlock but all safety rules should be followed by the people.
- 6) Shift all the manufacturing according to the demand as there is already less resources available .
- 7) As the COVID-19 crisis is unique there are opportunities for a quantum leap in systemic crisis management to be better prepared for next time and it shows how to face this challenges.

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