

Q6 → Explain the Problem of cotton textile industry in India.

Ans → The cotton Industry:-

The organized cotton textile industry is one of the our oldest and firmly established major industries. There are about 1100 mills in the country with 28 million spindles and 2 Lakh Room

Problem of cotton Textile Industry:

1. Government control and heavy Excise Duty:-

The cotton textile has suffered, badly due to wrong and often confused Policies of the government. In the past government had an sought control of price, distribution of yarn, Pattern of production

2. Problem of Raw material:-

The industry faces the Problem of building up a regular supply of its raw material, cotton in adequate quantities. The latter constitutes the largest source

element in the cost of yarn and cloth production.

3. obsolete machinery and need for modernization:

The mill sector has been working with obsolete machinery. According to one estimate over 80% of the machinery in the cotton textile mill is old and should be scrapped.

4. High cost and competition in foreign market:

The Indian cotton textile industry has been facing increasing competition in world markets. This is largely due to low productivity and high cost and consequently high prices of Indian textiles.

5. competition from the decentralised sector:

Being the small sector, the government allows excise concession and other privileges as exemption from the production of central cloth.