

## ANALYSIS OF DATA

### (TREND OF PRODUCTION, EXPORT, IMPORT & DEMAND OF TEXTILE PROCESSING MACHINES FOR THE LAST TEN YEARS)

Ten years trend reflecting in table-II and the charts that follow this analysis (Display 1 – 11) indicates the following pattern :-

**(A) Production**

For the first three years (1996-97 to 1998-99) the production of textile processing machines increased gradually (Rs.905.28, 980.22 and 1020.69 million respectively ). There was a decline in 1999 – 2000 (Rs.843.3 Mn) followed by recovery in 2000 – 01 (Rs.911.35 Mn). Then a steep decline in 2001 – 02 to 2002 – 03 (Rs.786.91 and 731.91 mn respectively). Year 2003 – 04 recorded phenomenal increase in production of textile processing machines, surpassing the trend during the last seven years. The production of textile processing machines in the year 2003 – 04 was highest at Rs.1109.19 mn as against maximum of Rs.1020.69 mn during the last 7 yrs. This growth continued further. In the year 2005 – 06, 78% growth in production was observed as against 2004 – 05. This speedy growth in production of textile processing machines could be attributed to the spontaneous growth of textile industry in view of the developments taking place worldover, in WTO regime, Indian Government incentives and picking up of Technology Upgradation Fund Scheme including 10% capital subsidy for specified hi-tech processing machines, during the last three years.

**(B) Export**

During the first two years (1996-97 and 1997-98) of ten years period, the textile processing machines worth Rs.438.75 and Rs.414.95 million respectively, were exported. Subsequent three years recorded more than 50% decline in export of textile processing machines. In the year 2001 – 02 situation improved and the textile processing machinery sector recorded an export worth Rs.274.41 million, followed by the export worth Rs. 324.41 million in the year 2002 – 03. In the year 2003 – 04, synchronising with the phenomenal growth in production, the export of textile processing machines also recorded a growth of about 57% over the preceding year (2002 – 03). In

the year 2004 – 05 however, the textile processing machinery export again declined (Rs.317.50 mn) almost to the level of 2002 – 03 (Rs.324.41 mn). Year 2005 – 06 recorded the same trend as in the year 2003 – 04 and the export of textile processing machines during the year 2005 – 06 was almost equal to the year 2003 – 04 (Rs.504.80 million). Going by the situation of Indian textile machinery manufacturing industry with almost negligible R & D for innovations, and the developments in textile processing machines technology taking place at very fast speed in developed countries, whatever performance in the area of export of textile processing machines was observed is the matter of satisfaction but there is definitely more scope of increasing the export of Indian textile processing machines to the developing and least developed countries.

**(C) Import**

The year 1997 –98 recorded a growth of around 25% in the import of textile processing machines over its preceding year (1996 – 97). Then there was a decline of about 43% during the next year (1998 – 99), reflecting the same trend as in case of export. There was surge in import during the year 1999 – 2000 and 2000 – 01, with textile processing machines worth Rs.2140.01 and Rs.2337.85 million respectively imported in the country. Years 2001 – 02 and 2002 – 03 reflected the same trend as in respect of production. Import declined and remained almost steady both the years, recording a figure of Rs.1843.29 and Rs.1812.23 million respectively. The last three years i.e. 2003 – 04 to 2005 - 06 recorded a spurt in import of textile processing machines with about 97% growth in 2004 – 05 over its preceding year (2003 – 04) and about 136% growth in the year 2005 – 06 over the year 2004 – 05. This quantum jump in import could be attributed to the spontaneous growth in textile industry supported by various schemes of Govt. of India, including import of high tech machines under 10% capital subsidy scheme of Technology Upgradation Fund.

**(D) Demand**

Demand pattern has been worked out by adding import figures to the indigenous production of textile processing machines and subtracting the export. 10 years demand pattern of textile processing machines almost reflected the same trend as that of production and import. There was 25% growth in demand in 1997 – 98 over 1996 – 97, reflecting the trend of increase in import and production. Then there was a decline in demand of about 30% in the year 1998 – 99 over its preceding year (1997 – 98). Subsequent two years recorded a growth in demand as in case of import. Demand of textile processing machines was worth Rs.2825.74 and Rs.3088.20 million respectively in the year 1999 – 2000 and 2000 – 01 respectively. The year 2001 – 02 and 2002 – 03 recorded substantial decline in demand of textile processing machines as happened in case of production and import of textile processing machines and the demand of textile processing machines in the year 2001 – 02 was Rs. 2355.79 million and in 2002 – 03, it was Rs.2217.93 million. The last three years i.e. 2003 – 04 to 2005 – 06 recorded quantum jump in demand as in case of the production and import of textile processing machines. The growth in demand of textile processing machines in the year 2004 – 05 was about 92% over its preceding year showing almost same trend as in case of import (97% growth). The growth in the year 2005 – 06 over the preceding year was around 125%, almost equivalent to what was observed in case of production and import of textile processing machines (136% growth).

**(E) Percentage demand of processing machines as against all machines**

Pattern was more or less same as in case of production, import and demand. During the first two years, share of demand of textile processing machines as compared to all machines increased. Then there was a decline in share during the year 1998 – 99 followed by substantial increase during the year 1999 – 2000 (13.24% as against 10.60% in the preceding year). This was maintained during the year 2000 – 01 also (13.91%). In the year 2001 – 02 again there was a decline (to the level of 11.55%) in share of textile processing machines over all machines, followed by steep decline to the level of 7.98% during the year 2002 – 2003. In the year 2003 – 04 there was a slight recovery to the level of 8.52%. Years 2004 – 05 and 2005 – 06 recorded substantial

increase in share of demand of textile processing machines as against all machines. In the year 2005 – 06 the share of demand of textile processing machines (13.28%) had almost reached the level of what it was during the years 1999 - 2000 and 2000– 01.

The above analysis of production, export, import and demand of textile processing machines reflects that the year 2001- 02 and 2002 – 03 were bad years for the growth of textile processing industry in India and therefore there was a steep decline in production, import and demand of textile processing machines. Three years period from 2003 – 04 to 2005 –06 could be termed as best in the last ten years, when there was a substantial spurt in the production, import and demand of textile processing machines. As regards to the share of demand of textile processing machines as against the total textile machines, the demand share of textile processing machines was at its highest level during the years 1999 – 2000, 2000 – 01 and 2005 – 06. Trend therefore shows that the textile processing industry is picking up substantially from the year 2003 – 04 onwards.