

Connecting Dots

Rashmi Khungar

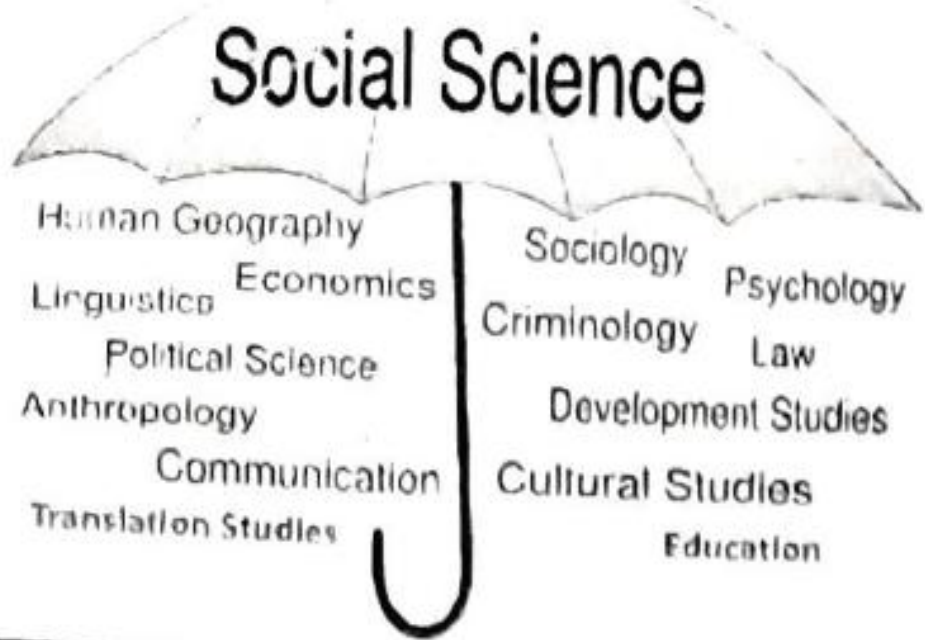
Manufacturing Industries Mob. 97850-32080

Manufacturing : Production of goods in large quantities after processing the raw materials into more valuable products is called manufacturing. e.g. ^{Aluminium from Bauxite} paper from wood, ^{sugar from sugarcane}

- Importance of manufacturing** : [manufacturing as backbone of development] * It contributes in the development of other sectors & even reduces dependence of people on other sectors - e.g. Green revolution is the outcome of industrialization [Primary & Secondary sectors move hand in hand]
- * It helps in eradication of unemployment & poverty by creating large job opportunities
 - * It expands international trade & commerce
 - * Expands Globalization by earning foreign exchange
 - * Structural change is the demand of the hour for national prosperity
 - * Flow of information & goods
 - * Develops IT & CT industries
 - * Improves quality of life
- Contribution of industry to National Economy**

- * Share in GDP remain stagnant at 17% over the last two decades
- * 10% comes from mining, quarrying, electricity & gas
- * Since 2003, the growth rate has been a so 10% per annum

* National Manufacturing Competitiveness Council [NMCC] has been set up with the objectives of improving productivity through proper policy interventions by the Govt. & renewed efforts by the industry.



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Industrial location : a. Availability of raw materials
 b. Availability of labour
 c. Availability of Capital
 d. Availability of power
 e. Availability of market
 f. Infrastructure

Physical factors - raw material ; Climate ; Water
Human factors - Labour, Capital, Power, market, transport, Govt. Policies
Key factors - Least cost

Agglomeration economies : Localized economy in which a large number of companies, services & industries exist in close proximity to one another.

Classification of Industries

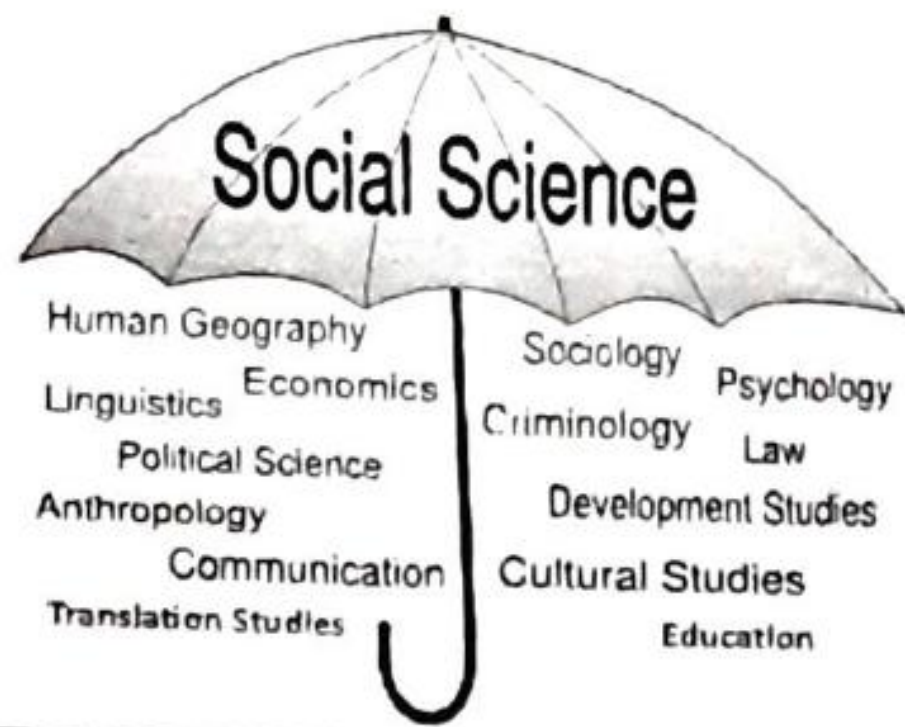
On the basis of raw material
 * Agro-based
 * Mineral based

On the basis of their main role
 * Basic / Key industries
 * Consumer industries

On the basis of capital investment
 * Large-scale
 * Small scale

On the basis of ownership
 * Public * Joint
 * Private * Co-operative

On the basis of weight of raw material & finished goods
 * Heavy industries
 * Light industries



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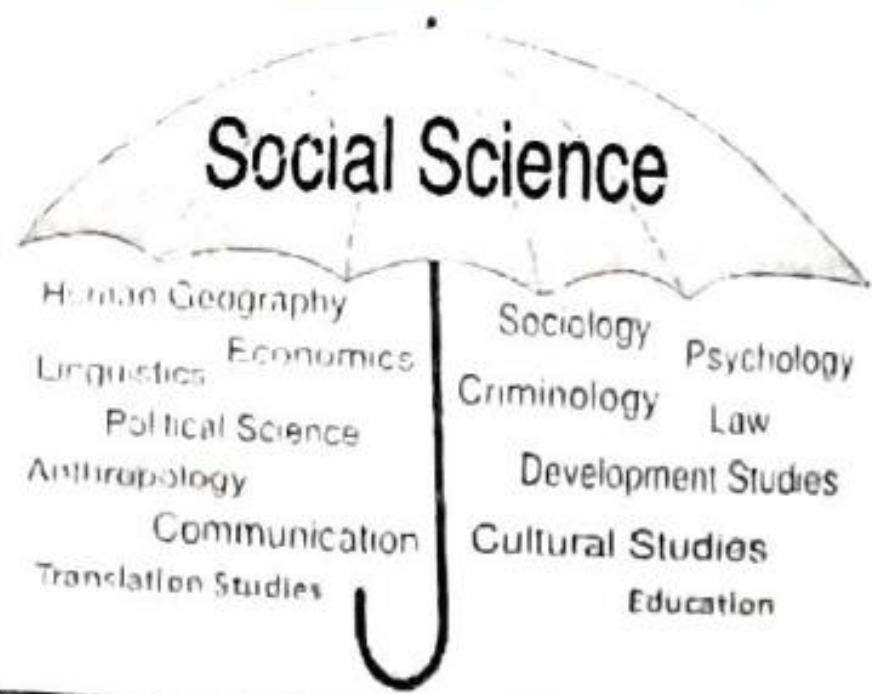
Agrico Based Industries : Cotton, jute, silk, woollen textiles, sugar & edible oil, etc. Industries are based on agricultural raw materials.

Cotton Textiles - Cotton textile were traditionally produced with hand spinning and handloom weaving techniques. Power-looms came into use after the 18th century. During the colonial period, the competition of mill-made cloth from England destroyed the Indian textiles industry.

At present, there are 1600 cotton and synthetic textile mills in India. Almost 80% of them are in the private sector. The rest are in the public sector and cooperative sector. Additionally, there are several thousand small factories with four to ten looms.

Location of Cotton Textile Industry : The industry was earlier concentrated in the cotton belt of Maharashtra and Gujrat. Availability of raw materials, port facilities, transport, labour, moist climate, etc. were in favour of these locations. The industry provides a source of livelihood to farmers, cotton boll pluckers and workers engaged in ginning, spinning, weaving, dyeing, designing, packaging, tailoring and sewing. This industry supports many other industries : like chemical & dyes, mill stores, packaging materials and engineering works.

Spinning still continues to be centralized in Maharashtra, Gujrat & Tamil Nadu. However, weaving is highly decentralized & there are many weaving centres in the country.



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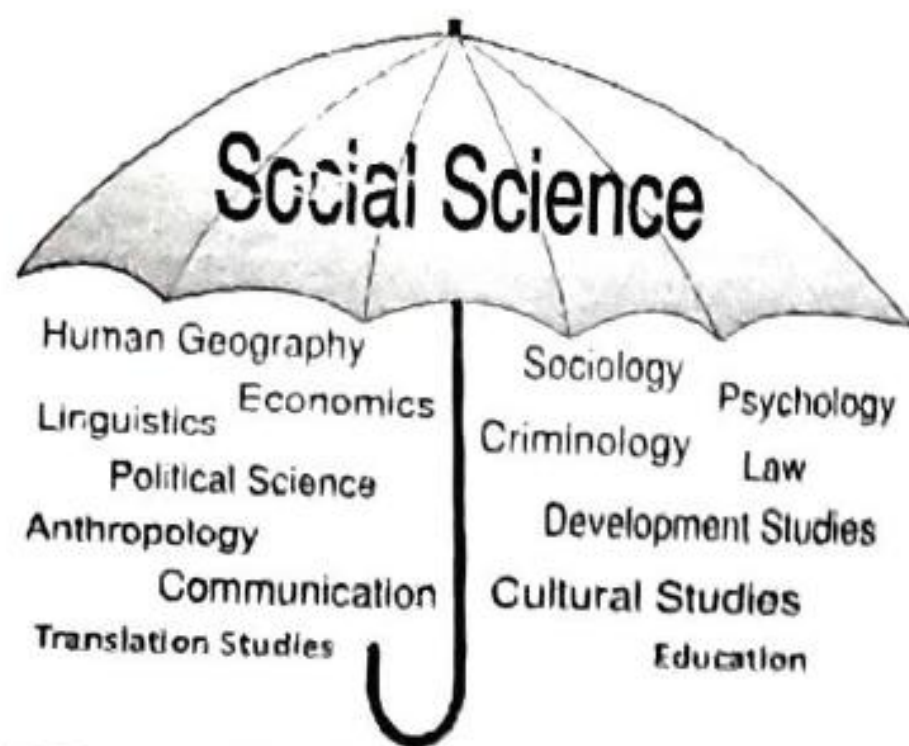
India exports cotton yarn to Japan. Cotton goods are also exported to USA, UK, Russia, France, East European countries, Nepal, Singapore, Sri Lanka & African countries.

At around 34 million, India has the second largest installed capacity of spindles in the world; after China. India accounts for one fourth of the world trade in cotton yarn. However, India's share in garment trade in the world is only 4%. Our spinning mills are globally competitive and can use all the fibres we produce. But the weaving, knitting and processing units can't use much of the high quality yarn produced in the country.

Problems in Cotton ~~textile~~ textile industry: 1. Erratic power supply & 2. obsolete/old machinery are the major problems. 3. Low output of labour and 4. stiff competition with the synthetic fibre are the other problems.

Why is it important for our country to keep the mill sector loomage lower than power loom & handloom?

Ans - In our country, many artisans and weavers work independently along with the family on handlooms & power looms. Most of these are poor and have only one mill. It is the only source of income for them. If the mill production is increased to meet the demands of the people then these weavers and artisans will suffer as their sales will be affected. This will lead largely to several unemployment and decline in standard of living.



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Jute Textiles : India - largest producer of raw jute and jute goods and stands at second place as an exporter after Bangladesh. West Bengal - most of the jute mills present

→ 80 jute mills in 2010-11 [mostly located in West Bengal]
 → Availability of jute, waterways network & cheap labour

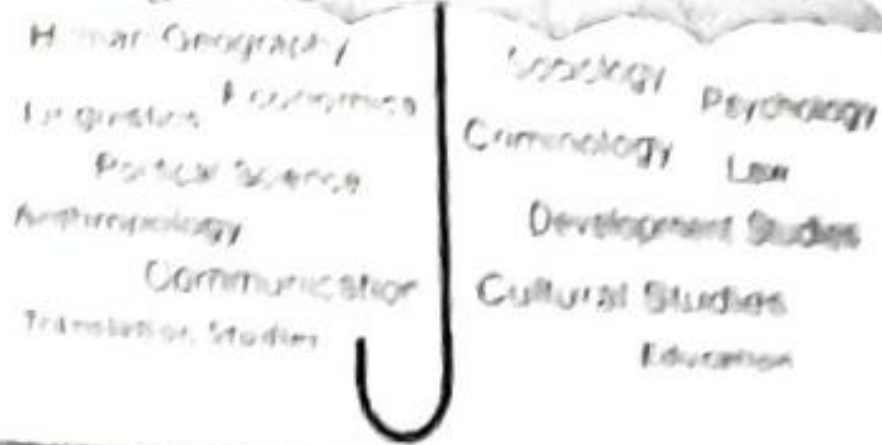
→ First jute mill - Kolkata in 1859 at Rishra

Factors responsible for jute textile industries location in Hugli basin -

- ① proximity of the jute producing areas;
- ② inexpensive water transport;
- ③ supported by a good network of railways, roadways & water ways to facilitate movt. of raw material to the mills;
- ④ abundant water for processing raw jute;
- ⑤ cheap labour from West Bengal & adjoining states of Bihar, Orissa & UP;
- ⑥ Kolkata as a large urban centre provides banking, insurance and post facilities for export of jute goods.

Challenges - ① stiff competition in the International market from synthetic substitutes & from other competitors like Bangladesh, Brazil, Philippines, Egypt & Thailand;

Bright Future - mandatory use of jute packaging;
 eco-friendly; biodegradable
 National Jute Policy 2005
 growing global concern for environment.



Sugar Industry : India - 1st in production of gur & Khandsari ; 2nd world producer of sugar
 -> 2010-11 [62 sugar mills]
 -> Industry is seasonal

* In recent years, there is a tendency for the mills to shift & concentrate in the southern & western states, especially in Maharashtra. This is because the cane produced here has a higher sucrose content. The cooler climate also ensures a longer crushing season. Moreover, the cooperatives are more successful in these states.

Challenges - seasonal nature of industry;
 old & inefficient methods of production;
 transport delay in reaching cane to factories;
 need to maximize the use of baggase

* India's first cotton mill was established in 1854

* " " " " Jute " " " " " " " " 1859

* " " " " Sugar " " " " " " " " 1903