

Textile units hit by high input costs

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LUDHIANA, APRIL 26

Rising prices of cotton, acrylic yarn, pure wool, mixed wool, blended wool, which has risen by around 10-30% in the domestic market, have put the Punjab textile industry under strain. In addition to this the hike in cotton prices has left the textile industry more worried.

Rising cotton prices have started affecting the profit margins of textile units and they are left with no other option but to increase the price of their finished goods.

Apparel sales has dived by around 15%. With the decline in clothes sales, the textile units are not unable to increase the prices as a result they have to incur heavy losses.

"The rising cotton prices have made the Indian textile industry uncompetitive in the international market. On the

other hand domestic market is continuously struggling with the escalating prices.

If the situation remains the same it'll result in the closure of textile units in Punjab," said Vinod Thapar, president of the Knitwear Club.

"The reason behind cotton prices in the domestic market being pushed up is the unbridled exports of cotton. The woes of the textile industry include not only prices of cotton but also those of other raw materials prices going through the roof in the recent past," said Santosh Maini, a textile unit owner.

"The rise in raw input prices will naturally result in prices of cotton fabric products going up further. The price hikes will be passed on to consumers as the textile units are finding it hard to absorb the increase in costs of inputs," added another textile exporter.