

## New Trends in Handloom Textiles

Annual production capacity in the handloom sector has been estimated at 93 million yards of textiles. This rated capacity belonged to about 110,000 handlooms in both the private and public sectors. With the change of government in 1977 a new economic policy was introduced with the hope of freeing the economy of the country from the various constraints to its growth and an important feature of this policy was the liberalisation of imports in November of that year.

Apart from the facility afforded to the textile trade to import textiles, and to bring in ready-made garments upto a certain limit; the government also appointed Salu-Sala as the sole importer of a range of fabrics including sarees, sarongs, printed fabrics and trousered materials with a duty of only 25 percent. This factor resulted in a considerable quantity of imported textiles coming into the local market in 1978-79. The trade also resorted to various devices to bring in textiles and garments through incoming passengers and the parcel post. All this led to not only meeting the pent up demand of consumers but also to a fair stock of textiles piling up, particularly those produced by local manufacturers.

Customs data reveals that the value of textiles and textile products imported has risen from Rs. 459 million in 1977 to Rs. 1,218 million in 1978, recording a 158 percent increase over that of 1977; while in 1979 imports went up to Rs. 2,323 million. A large part of the textile imported latterly were being utilized in the ready-made garments export industry, but imported textiles for domestic consumption also recorded a considerable increase. This led to severe problems of marketing for local handloom material which now had to give way to the imported product. It also resulted in the accumulated stocks of unsold handloom textiles and also a threat to those employed in this sector.

The number of handlooms registered in the country amounted to 93,000 of which about 60,000 were not functioning regularly. Rated capacity in these handloom

was about 82 million meters. Production has been less than 30 percent of rated capacity in 1979 and amounted to only 24 million meters last year. This year too production has been lagging. The table below indicates the declining trend of the handloom industry due to its inability to compete with imported textiles and the locally milled textiles. Actual production has declined from 24.62 million meters in 1977 to 24 million meters in 1979.

	1978	1979	1980	
Rated Annual Capacity	...	...	81.65	81.65 (Mn. Meters)
Target Production	...	...	33.02	35.00 (Mn. Meters)
Actual Production	...	...	24.39	24.00 (Jan-June)
Performance Target	...	...	73.9%	86.5% (Jan-June)
Capacity Utilization	...	...	29.9%	29.3% (Jan-June)

Source: Ministry of Plan Implementation "Performance"

The handloom textile industry which provides employment for thousands occupies a prominent position in our local textile industry. From cottage industry levels, it has developed by stages to become a very vital sector in the economy of Sri Lanka. A new scheme for handloom textile industry, based on electorates, has been planned by the government sector with an aim of providing a wider service to the Co-operative as well as the private sectors. The first step in this direction was the establishment of textile service centres and the second step was the establishment of textile centres. The basic objectives behind this scheme were:

- (i) production of the textile requirements of our country locally.
- (ii) improvement of the living standard of the thousands of young men and women engaged in this industry.
- (iii) Fostering of national economic development.

At present, there are 110,000 (approximately) of handlooms in the country. It was expected to establish one textile service centre to feed 500 machines, on an electoral basis. In addition to weaving it was a primary objective of the scheme to serve, more and more

members who were affiliated to their service centres. In Sri Lanka 400 out of 500 handlooms are owned by small scale weavers owning about one to ten machines. Even among them a very large number own only about 1 to 5 machines. It is observed that the primary objective behind these textile service centres is to provide raw material and technical know-how to small scale weavers who are confronted with problems pertaining to costs. So far, 44 such service centres have been inaugurated and work has commenced on 20 other centres.

Forty million rupees was appropriated for the department of textiles for 1979, to establish tex-

tile service centres in the electorates. From the decentralised budget of the year 1979, Rs. 16,500,000/- was also provided for this project. The problem of finding suitable buildings to house these textile service centres—a major problem that the department was confronted with—was solved temporarily by finding accommodation in buildings owned by other government departments. It is estimated that to build a service centre with 24 handlooms it would require Rs. 150,000/- and Rs. 120,000 for equipment. It is also estimated that an annual profit of Rs. 82,340/- could be derived from a fully operated service centre and that the capital expenditure could be covered up in 10 years.

The second stage of this scheme was the establishment of weaving centres, on an electoral basis, with capacity to work 40 handlooms. The primary objective in establishing these 40 machine centres is to produce textiles with suitable designs to cater to the local and foreign market requirements, and also find additional avenues of income for the handloom technicians and thereby improving their standard of living.

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