

**‘TO STUDY THE CHALLENGES IN GLOBAL YARN MARKET CAUSED BY COVID-19 AND
DEVISE AN ACTION PLAN’ AT ‘SUTLEJ TEXTILES AND INDUSTRIES PVT.LTD.’**

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EXECUTIVE SUMMARY

The Indian textile industry has the potential to grow five-fold over the next ten years to touch US\$ 500 billion mark on the back of growing demand for polyester fabric, according to a study by Wazir Advisors and PCI Xylenes and Polyester.

This report is commissioned to inspect the difficulties COVID 19 brings to the yarn market COVID-19 has influenced all the organizations anyway yarn showcase is experiencing an existential emergency because of this worldwide pandemic.

The exploration causes to notice the way that the Indian Textile Industry fell as the yarn and instant pieces of clothing sends out fell by 90% during April according to the report. Till the quarter of March, the toll of moment garments declined by 16% and by April further to 91%. While yarn exchanges fell about 30% during the quarter of March and further to 80-90% in April.

The accompanying report discloses to us the worldwide difficulties the yarn market is looking in the perspective on the pandemic in a point by point way with the goal that we can see the short and long haul effect of the COVID 19 on the entirety of our fare exercises as the Textile business is contributing altogether to the GDP of our country this report will give some significant bits of knowledge what all regions are seriously affected in yarn business.

The report additionally gives a concise thought regarding how to beat these difficulties as far as making our business more economical as we realize that this will be a test for us to conquer this pandemic and do our business hence with the direction of my supervisors I have concocted an actual plan intend to do the business in post COVID time.

INTRODUCTION

1.1 INTRODUCTION TO THE RESEARCH

The financial improvement of the Indian economy is enormously reliant on the fare acquiring of Textile Industry. Textile speaks about 30% of the nation's all out fares. Giving direct work to more than 45 million people in the plant, power loom and hand loom parts making it the greatest manager in the nation after the horticultural sector. India is the world's second-biggest maker of yarn after China. It is likewise the world's third-biggest maker of cotton after China and the USA.

India's total exports of textiles and apparel are expected to grow at a CAGR of 12.03% to reach \$82 billion by 2021. At present, a third of India's textile production is exported. India is the world's second-largest exporter of textiles and apparel, and the textile industry contributes significantly to the country's economy, making up 7% of industry output, 2% of the national GDP, and 15% of the country's total exports earnings.

However, the pandemic of COVID- 19 has affected all over the globe. Due to Covid-19, The Indian Textile Industry fell as the yarn and ready-made garments exports fell by 90% during April as per the report. Till the quarter of March, the fare of instant pieces of clothing declined by 16% and by April further to 91%. While yarn trades fell about 30% during the quarter of March and further to 80-90% in April.

China represents 33% of India's yarn fare and Bangladesh which represents a fifth of India's yarn trade. Under the effect of Covid-19 piece of clothing, units were covered in these nations along these lines, their imports declined, therefore, the Indian fare of yarn and the instant article of clothing fell by the Crisis Research report.

The export demand is likely to fall further as the largest exporter, the US, is also facing anti-racism protests along with the pandemic. The US and Europe account for 60% of exports from India.

1.2 RESEARCH METHODOLOGY

In the accompanying exploration, we will comprehend the effect of coronavirus in the worldwide yarn market and make an action plan for the equivalent, Research has been directed to a great extent at by utilizing secondary data as the exact quantitative figures cannot be accessed. Be that as it may, for making an action plan the primary data was gathered from our customers, business heads, and significantly from my managers as they cause a colossal measure of involvement with the yarn business. Primary data was significantly gathered as qualitative data by having a discussion with the individuals from the association.

1.3 ROLES & RESPONSIBILITIES

- Helping to distribute marketing materials
- Help organize marketing events
- Manage and update the company database and customer relationship management systems (CRM)
- Assist in marketing and Yarn selling to Asia pacific clients.
- Negotiate rates with domestic and international carriers.
- Obtaining and creating quotes for shipments, and source both methods of transportation.

1.4 OBJECTIVE OF THE REPORT

Specific Objective

- To understand the effects of global pandemic on textile industry and its market.
- To study the short- and long-term Challenges in the yarn market.

1.5 LIMITATIONS TO THE STUDY

To build up this study several limitations has been discovered:

- To collect primary data, it is hard to get the correct information from the people because they might not feel comfortable to provide their details or their emotions for a specific topic.
- Study was for 06 weeks only; long term study would have been more beneficial.
- The data which was data collect is taken from free source, not paid websites or webpages due to lack of financial support which makes them unreliable.
- The internship proposal is conducted based on large amount of secondary data which was rather inefficient.

1.6 ORGANIZATION OVERVIEW

Established before India's independence, Sutlej Textiles and Industries Ltd. (STIL) is one of the flagship companies of a multibusiness conglomerate promoted by the late visionary industrialist Dr. K.K. Birla. The Company is among the leading textile solution providers in India, manufacturing spun dyed and melange yarn on the one hand and home furnishing fabrics on the other.

The Company's manufacturing units are located in Rajasthan, Jammu & Kashmir, Himachal Pradesh and Gujarat. The Company's aggregate spinning capacity was 4.21 lakh spindles as on 31st March, 2019.

The Company exports products to more than 60 countries, enjoying a strong brand among prominent textile manufacturers in key markets like Turkey, Bangladesh, USA, Poland, Egypt, Italy Portugal, Colombia, Africa, South Africa and Morocco.

The Company's key clients include Jockey, Westside, Marks and Spencer, Arvind, Raymond, Donear NXG, Siyaram's, Arrow, Aditya Birla Grasim, Digjam, JC Penney, Monte Carlo and Pantaloons, among others.

CONCEPTUAL FRAMEWORK

2.1 FRAMEWORK

India is one of the few countries that own the complete supply chain in close proximity from diverse fibers to a large international market. It is capable of delivering packaged products to customers comprising a variety of fibers, diverse count sizes, cloths of different weight and weave, and panoply of finishes. This permits the supply chain to mix and match variety in different segments to deliver new products to the global market. This advantage is further accentuated by cost-based advantages and diverse traditions in textiles.

India's textiles sector is one of the main stays of the national economy. It is also one of the largest contributing sectors of India's exports contributing 11 per cent to the country's total exports basket. The textiles industry is labor intensive and is one of the largest employers. The industry realized export earnings worth US\$ 41.57 billion in 2018-19.

The current global garment market is estimated at approximately \$1.15 trillion which form nearly 1.8 per cent of the world GDP. Almost 75% of this market is concentrated in Europe, USA, China and Japan. An analysis of per capita spends on garment in various countries shows a significant difference between numbers in developed and developing economies.

However "Corona may never end" says the WHO board along these lines in the need of hour yarn market needs to come up with various approaches to support their own businesses, therefore we have structured some viable measures to do the business during and after the post-pandemic time which will majorly help us in retaining our business.

TO STUDY THE CHALLENGES IN GLOBAL YARN MARKET CAUSED BY COVID-19 AND DEVISE AN ACTION PLAN

3.1 THE SCENARIO

More than 140 days have passed since the complete lockdown was imposed and it is creating difficulty for yarn industry. On the other hand COVID cases are surging at a high level. The government has allowed units to function, but the staff need to stay at the factory or nearby. This is not possible, given that over 85 per cent of employees are women. In the following chapter we will study about the challenges to the global yarn market.

Challenges can be classified on the basis of short- and long-term problems

3.2 SHORT TERM CHALLENGES

a) Lockdown

In yarn market corporate offices play an important role the shipping documents, Bank Server the physical documents which play a key role in the complete process cannot be accessed

Lockdown also made a huge Impact on the transport model; pandemic has changed the manner in which individuals carry goods. In urban communities over the world that have resumed, the transport begins low just 30-40% of past clients return yet step by step develops to pre-lockdown levels of transport.

Despite the lockdown, trucks in many Indian cities continued to run for essential goods. Mumbai, Pune and many other transit services were operating 10 to 30% of their fleet to provide services for essential workers. Delhi was running services on a demand basis and we are at that point of time where this is not enough.

b) Market Condition

After the COVID 19 was declared as a health emergency by the union government business houses had to put all their ongoing deals on hold. Renegotiation had to be accomplished for all the extraordinary requests more to it the fall of the rupee made it more antagonistic for our organization to manage. A few customers needed to drop their requests for the supportability of their own.

All the progressing negotiations must be rebuilt in a great way of the customer with the goal that yarn enterprises don't wind up paying the additional expense for the capacity of the merchandise. Union government had restrictions over the export at the beginning of this country wide lockdown and due to the very same reason there was a delay in shipments.

In the yarn trade business, all the payment terms are organized while taking the orders, it was a rigorous task for us to revise them according to the ongoing situation while keeping profits in our mind.

c) Shipping lines

Bill of lading (BL) is a record, which is a proof of receipt of merchandise from transporter gave via ocean transporter in the wake of finishing send out traditions leeway systems and customs. These days it is extremely hard to get endorsement for BL as the government has proposed just 25 percent of working staff in workplaces which has additionally prompted delay in relegating the shipments.

d) Challenges from the textile Plant

Since the COVID-19 began all the yarn preparing units have been under gigantic burden most importantly because of less work power accessible there is a postponement underway more to it cotton bale which is considered as a prime crude material for preparing yarn couldn't be gotten from the sellers because of transportation issues.

Textile industry consistently centers in their innovative work of new items however this pandemic has abbreviated the work power required for the equivalent. Many pre shipment samples are pending which has prompted request retraction from customers also

3.3 LONG TERM CHALLENGES

a) Administrative Policies/Political Instability/Tariff Barriers

Bureaucratic principles or regulatory techniques of many nations have too long conventions for import and leeway. Numerous such standards cause challenges to satisfy the fare require documentation/Certificate The drawn-out pattern of worldwide political nature is erratic and questionable.

Long-term trend of global political environment is unpredictable and uncertain. Economic policies of different nations (industrial policies, fiscal policies, agricultural policies, export-import policies, etc.,) do have direct impact on international trade.

Tariff barriers indicate taxes and duties imposed on imports. Example: Turkey has imposed additional custom duty on any importing goods to generate revenue. To protect their local produce countries might impose similar duties.

b) Consumer buying capacity

Across nations, there has been a fall in consumer certainty, a sharp drop in local and outer interest, a decrease in exchange, interruption underway, fixing of money related conditions, and so forth. Stores have been shut, shippers, brands, and retailers have an oversupply circumstance as deals have radically dropped.

c) Variations in Exchange Rate

Each country has its currency that will be traded with monetary standards of different countries. Monetary forms are exchanged each day and rates are liable to change. Indian Rupee, Euros, US Dollar, and so forth are valued or limited at national and global markets against different monetary standards. If there should arise an occurrence of unprecedented and startling moves (ups and downs) in cash/trade rates between two countries make genuine repayment issues.

Depreciation of currency against US dollar in last three months (Feb–Mar–Apr)

COUNTRY	DEPRECIATION
INR	6.00%
BRAZILIAN REAL	38.00%
ARGENTINIAN PESO	10.00%
COLOMBIAN PESO	15.00%
TURKSIH LIRA	15.00%

d) Plant Challenges

- 1) Labor Migration: Delay in production schedule.
- 2) Quality Standard Maintenance: Due to Skilled labor migration.

- 3) Raw Material: Timely fulfillment of raw materials of each item in order
- 4) Product Development: new product development in time especially for Garment orders.
- 5) Time bound: for samples and shipment & quality consistency

e) Unpredictable Market Demand

Fashion and Clothing are not the first essentials required and along with the varied financial situations of different countries and Customers, the market demand will be very much unpredictable. As the post pandemic period is all about survival so it will be really hard for us to predict that will our consumers focus on fashion apparel.

f) Shipping Vessel Availability

Majorly textile is exported via sea route in a vessel post pandemic due to uncertain demand and with reduced imports and exports, regular availability of shipping vessels will be a question.

This will lead to two major issues:

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|-------------------------------|-----------------|----------------|
| -Increased | logistic | charges |
| -Time bound deliveries | | |

3.4 SHORT TERM ACTION PLAN

a) Working from Home

Working from home is huge news. During the COVID-19 pandemic, those fortunate enough to have maintained a strategic distance from cutback are almost certain than any time in recent memory to adjust a workplace that is recognizable and outsider simultaneously.

In any case, there are difficulties. Directors might be concerned whether home specialists are in actuality work. In the interim, numerous far off representatives can feel detached. They pull back from the group dynamic, and experience the ill effects of pressure and nervousness. That is the reason it is fundamental to keep in touch with your colleagues and to develop a feeling of having a place.

Despite the fact that we are telecommuting, our administrations should not be hampered for our customers.

b) Coordination with plant

Clear correspondence and coordination with the plant group are essential for the administration till the issues get settled not doing so may prompt bungle of the conveyances and the time plan, appropriate creation, SQC and PDC for ideal conveyance and advancement.

c) Export activities

Orders are presently streaming in a quick way, consequently, we have to concoct an arrangement of finishing them with the gave work power exhorted by the administration, dispatch of products ought to be taken care of in a noticeable way, documents from the bank ought to be utilized for the business rather than unique ones.

d) Challenges for B2B marketing

Textile marketers generally fly out to close arrangements in various countries anyway because of current COVID-19 limitation this is for all intents and purposes inconceivable so physical example review may not be conceivable by then of time

3.5 LONG TERM ACTION PLAN

a) Social distancing at workplace:

We have a new virus entering the human population for the first time and therefore it is very hard to predict when we will prevail over it," said Michael Ryan, the WHO's emergencies director. "This virus may become just another endemic virus in our communities and this virus may never go away," he told a virtual press conference in Geneva. Social distancing, sanitization and, being alert and aware; will now become a part of our lives, be it home or our work place.

b) Robust Communication Strategy

Effective communications during any crisis are crucial to maintaining customer trust, restoring morale and confidence, and retaining market stability. Constant communication with the team to keep the efficiency up.

c) New Product Development

- We need to develop new products to sustain in the market post Covid 19 with lot of interactions with the customers and their requirements In-house New recycled fibre plant
- Quality will be in control of both raw white & Dyed Yarn
- Faster delivery
- Maintaining International Standards by desired Certifications
- Must create a new brand name in Green Fiber Industry post COVID-9

d) New Market Development

We have to find new markets to face and to improve the salability of our products as our current market is in transition phase. We don't know yet what will be the outcome after this pandemic but to make sure we survive this we need options to explore more so that we can drive through different customer segments.

e) Digitalization

Export is a documentation intensive process. Trying to reduce paper work documentation should be our prime goal but this won't be easy as we need support from the union government as well but if we ensure this it might help us saving ample amount of time

CONCLUSION AND RECOMMENDATION

4.1 FINDING

The principal goal of this report was to identify the challenges that COVID-19 brings to the textile business houses. In this chapter 3, I tried to show to what extent this global pandemic has affected the yarn market and what challenges lie in front of us in the post-pandemic era, and also created an action plan so in a way that it had to meet their original demand of the market at present and to do so, attempting also to identify some of the individuals of the international market.

4.2 CONCLUSION AND RECOMMENDATION

This research clearly illustrates the *challenges faced by the global yarn market*, but it also raises the question of *the plan to overcome the same*. The most important things about the entire task was to gain insights about the various techniques and tools used by the yarn industry for the challenges in international trade and do business with new clients during the pandemic so that I can gain insights about the effect of COVID-19 on the yarn business.

The goal of the company is to constantly come up with innovative ways to satisfy their existing and to explore new market but at this point of time it is even more necessary to retain our exports. Due to the company's diverse portfolio of customized Yarn offered by it to the consumers it has resulted in great amount of achievement of customers and generating revenue during the pandemic in comparison of other companies.

The clients are the reason for success of any company. As a company their commitment has always been to satisfy their clients and to make excellent service a priority. Company believes in increasing values to the customers through excellent service, competitive pricing and effective trade post pandemic.

Firstly, I want to suggest for the Host Company. I would like to suggest for Human Resource to provide a meeting with student weekly or monthly to ensure the welfare of the students are not ignored. It is important for ensuring the health, welfare and fitness of students in the company. In fact, a lot of new information can be obtained by the students. Besides that, I expect the company will provide a suitable place or room for trainees so that they can have a place to do reports and communicate with other trainees for more knowledge. Moreover, I hope supervisors could improve motivation session to trainees so can be more competitive and motivated. This can improve trainees' skills, general knowledge and expertise on certain matters. I had a chance to work with them at point where world was going through a global crisis but our dedication and empathy towards our goal helps us what seems to be unachievable

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