

CHAPTER IV  
PROBLEMS OF TILE INDUSTRY

INTRODUCTION

From the humble beginning in the 19<sup>th</sup> Century the Tile Industry in South Kanara has flourished well in Karnataka and also in Gujarat and some other states. The development of the industry in the decade following the second world war was so fast that it supplied fully the requirements of Tiles in the country.

But now the Tile industry is facing numerous problems. The chief among them are increasing cost of essential raw materials, high cost and scarcity of firewood and power, transport problem, shrinking foreign and home markets and cut-throat competition. Since the industry occupies an important position in the economy, it is necessary that urgent measures have to be taken to lift the industry from the present crisis. The important problems of tile industry are stated below:-

(b) PROBLEMS OF TILE INDUSTRY

(1) Problem of Clay and Firewood Clay and Firewood are the two important raw materials of Tile making. All type of clays are not useful for Tile-making. The clay must be sufficiently plastic for being moulded into the required shape. The clay containing mixed grains have the better plasticity and widely used.

The plastic clay is becoming more and more costly.

As the nearby sources are exhausted, the clay have to be obtained from distant places. Due to this reason the cost of clay has increased. The cost of clay is major part

of the total cost of production.

Firewood is another important raw material. The process of manufacturing the tiles involves kiln firing. By this process the tiles are baked adequately and each tile attains sufficient hardness and strength. The kiln firing needs Fire-wood. To bake 1000 tiles One Tonne of Fire wood is the minimum requirement. It is ascertained that Karnataka alone requires 4900 lakhs tonne firewood per year.

But the forests are slowly disappearing. In addition the supply of wood is totally controlled by Government. Just within 2 to 3 years the cost of firewood is doubled i.e. from Rs. 200 per tonne to Rs.400 per tonne. So on the one hand the cost of firewood is increasing every year. Both these factors are affecting the production and marketing of Tiles. the employers are of the opinion that if this is continued, the tile industries will close their shutters within few years. The employers thus urging the Government to make available of the "Coal" an alternative to the firewooded in sufficient quantity at reasonable rate. Due to this problem majority are operating only at 70 to 80% capacity (Table No. 44,45,46 and 54)

(2) Problem of Power :- In tile industry, wheel barrows, and belt conveyers are used for moving the clay. Mixing and Grinding of clay is another operation, pug mill is an important mechanised unit extruding the clay in the form of blocks sliced in to slabs for pressing them into tiles. In addition pressing and polishing all requires power. Power is a problem of India. Consequently it is a very

important problem of Tile industry. Shortage of power, power cut and increased cost of power all are adversely affecting the production cycle. Stoppage of Grinding, tile pressing, polishing etc is a usual state in tile industry. This is another factor for under utilization of capacity (Table No. 44 and 46)

(3) Increasing Cost of Transport:- Now a days, the tile factories have to obtain the clay and fire-wood from distant places. Thus the cost of transport in the total cost of production is increasing. In addition because of the increase in the price of diesel, the cost of transport of tiles to distant market also have increased considerably. This is affecting adversely the marketing of tiles.

(4) Labour Problem:- In majority of Tile factories the wages and other monetary and Non-monetary benefits are fixed by agreement. But because of the increased unionization and general awareness and increase in the general cost of living, workers are demanding increase in the basic wages, dearness allowance, job security, retiral benefits and other monetary and Non-monetary benefits. The observation and personnel interview with employers and workers revealed that the industrial relations, availability of labour and their co-operation is fairly good, but there is an element of dissatisfaction among the working class regarding the remuneration and facilities available to them at present. (Table No. 47 and 48)

(5) Shrinking Export Market:- From very early days the tile industry particularly, the factories at Mangalore, developed a thriving export market to places like Burma, Malaya, Singapore, Aden, Basra, Sumtra, Shrilanka, Africa, and even Australia. The flourishing export trade in tiles lasted for about 70 years. But it began to dwindle from the beginning of 1960 and all are wrangling in the home market.

(6) Competition:- There is a wrangle for Home Market. In Karnataka alone 162 tile factories are there. Apart from this large number of industries have sprung up in Gujarat, sourastra and Morvi, enjoying a lot of state patronage like subsidised fuel, tax benefits, etc. Apart from this one load of coal is available at Rs. 3000 in Gujarat and Morvi whereas one load of fire-wood costs Rs. 12000/- in Karnataka. The cost of production is much higher in Karnataka i.e. Rs. 620 per 1000 tiles compared to Morvi, Gujarat and Sourastra where it is just Rs. 400/- per 1000 tiles.

As a result, the factories at Karnatak are unable to compete with the Gujarat factories. So the traditional markets of Gujarat, goa, Maharashtra are slipping away from Karnataka factories.

(7) Alternate method of Covering roofs:- The increase in cost of production affected the selling price. In no way covering the roof by tile is not at all cheap. At the same time alternate method of covering roof with cement concrete covering is gaining popularity. The tile roof and a concrete

11  
74

roof is not having much difference in the value because of the continuous increase in cost of production. Apart from this it is found that concrete roof is more durable and strengthy. So the demand for Tiles is slowly getting down.

(8) Financial Problem:- Tile roofs were used in many countries very extensively in the past. But now a days alternative method of covering roof is developed. there is no export market. So all are wrangling in the home market. so tile industries are relying more on middlemen and also selling on credit basis. The credit sales are ranging from 50 to 75% in majority of the Tile units (Table No. 51). The collection of the Debt is also very slow. About 60% of the debt is collected very slowly (Table 52). Therefore, majority of the Tile units are suffeering from inadequate funds. (Table No. 49) The mainreason for inadequate funds in majority of the Tile units is credit sales (Table No.50).

(9) Low Profitability :- Tile industries particularly of Kumta and Honnavar Taluks are experiencing low profitability (Table No. 51) The main reasons for such a low profitability in recent years are the increase in the cost of clay, firewood and power, increase in the cost of maintaining labour and the increase in interest payment due to poor collection of debts. Because of the increased use of alternat method of covering roofs the demand for Tiles is also gradually decreasing. Under this circumstance, the selling price cannot be revised in proportion to the increase in total cost. So profitability in tile industries is decreasing. Conclusion :

Thus, the Tile industries of Kumta and Honnavar Taluks of Uttara Kannada districts are facing multidimensional problems. These problems are definitely affecting the implementation of the Social Security measures as specified under Industrial Laws.