

SHIVPRIYA TEXCHEM · KNOWLEDGE SERIES

Erode. Handloom, powerloom and the weekly market.

Erode is a trading town as much as a manufacturing one. Its weekly cloth markets set regional prices, and its handloom and powerloom base produces home textiles and printed fabric for the whole of south India.

Market days

the weekly cloth markets that set regional price

Handloom

a surviving base alongside the powerlooms

Home textiles

the product segment the cluster is built around



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CHAPTER 01

What Erode makes and trades

Erode combines production and trade in a way few Indian textile towns do. It weaves, it prints, it converts into made-ups — and it runs the markets where much of south India's cloth changes hands.

SEGMENT	NOTES
Home textiles	Bed linen, towels and made-ups — the cluster's core product
Handloom	A substantial surviving handloom base producing traditional and craft cloth
Powerloom weaving	Volume fabric alongside the handloom segment
Printed fabric	Screen and rotary printing serving the domestic market
Cloth trading	The weekly markets that give the town its regional role
Ready-made garments	Growing conversion into finished garments

Production and trade together. Most Indian textile towns either make cloth or trade it. Erode does both, which gives local manufacturers **direct access to price information** that weavers in a pure job-work cluster never see.

CHAPTER 02

How the weekly markets work

Erode's cloth markets are a genuine price-discovery mechanism for the region, and they operate on a rhythm that shapes the whole local industry.



A weekly cycle that gives even small weavers direct market access

01 Weekly rhythm

Markets run on set days, and production across the cluster is planned around them.

02 Direct weaver access

Small producers can sell directly rather than only through a trader relationship.

03 Price transparency

Many buyers and sellers in one place produces a visible reference price.

04 Faster settlement

Market trade tends to settle more quickly than the long credit chains elsewhere.

05 Regional reach

Buyers come from across Tamil Nadu and neighbouring states.

A weaver in Bhiwandi never learns what their cloth sold for. A weaver in Erode finds out **on market day**.

CHAPTER 03

How the cluster is organised

Erode's structure combines handloom co-operatives, powerloom proprietors, printing units and a substantial trading community.

HOME TEXTILES & MADE-UPS

The core product segment.

01 Bed linen manufacturers
Sheeting and made-up production

02 Towel manufacturers
Terry and cotton towel units

03 Made-up converters
Cutting, stitching and packing operations

04 Export-facing units
Home textile production for overseas buyers

05 Institutional suppliers
Hotel and hospital linen supply

WEAVING

Handloom and powerloom.

01 Handloom co-operatives
Organised handloom weaving societies

02 Powerloom units
Volume fabric production

03 Shuttleless weaving sheds
Modernised capacity for wider widths

04 Independent weavers
Household and small-unit production

05 Job-work weavers
Capacity sold to traders and manufacturers

PRINTING & PROCESSING

Conversion and value addition.

01 Screen printing units
Printed fabric for the domestic market

02 Rotary printing houses
Volume printed production

03 Dyeing units
Fabric and yarn dyeing

04 Bleaching units
Preparation for printing and dyeing

05 Finishing services
Calendaring and finishing for made-ups

TRADING

The weekly market ecosystem.

01 Cloth market traders
The weekly market trading community

02 Commission agents
Intermediating between weavers and buyers

03 Yarn traders
Supplying the weaving base

04 Regional distributors
Moving cloth across south India

05 Export merchants
Aggregating for overseas shipment

CHAPTER 04

A surviving craft base

Erode retains a meaningful handloom sector at a time when most clusters have lost theirs. That base has both cultural and commercial value.



Erode, Tamil Nadu · Photograph: Kamal Chid — Public domain, via Wikimedia Commons

- **Co-operative structure.** Weaver societies provide yarn, credit and market access to individual weavers.
- **Government support.** Handloom schemes and reservation policies have helped sustain the sector.
- **Craft premium.** Genuine handloom commands a premium with design-led and export buyers.
- **Succession risk.** As elsewhere, younger weavers are leaving the loom for other work.

CHAPTER 05

Where Erode sits regionally

Erode operates within a dense Tamil Nadu textile belt, and its position is defined by what the neighbouring clusters do.

NEIGHBOUR	THEIR SPECIALISM	ERODE'S RELATIONSHIP
Coimbatore	Spinning and machinery	Yarn supplier to Erode's weaving base
Tirupur	Knitwear export	Different product; some overlap in processing services
Karur	Home textile export	Direct competitor and sometimes a customer
Salem	Viscose and cotton yarn	Yarn supply into the cluster
Madurai	Cotton and garments	Regional trading relationship

The Karur comparison. Karur specialised narrowly in home textile **export**. Erode stayed broader and more domestic. Karur captures higher margins on a narrower product; Erode has a more diversified base and more resilience to any single market. Both strategies are defensible.

CHAPTER 06

What limits the cluster

Erode faces the constraints of a diversified mid-sized cluster competing against more specialised neighbours.

- **Water and effluent.** Processing and printing capacity is constrained by discharge regulation.
- **Power cost.** As across Tamil Nadu, a persistent competitive issue.
- **Export underweight.** Less export-oriented than Karur or Tirupur, so lower margin capture.
- **Handloom economics.** The craft base is culturally valuable and commercially fragile.
- **Scale.** Units are small relative to organised home textile competitors elsewhere.
- **Modernisation.** A significant older loom base with limited reinvestment capacity.

CHAPTER 07

What is shifting

Erode is moving toward more made-up conversion, more export orientation and better use of its handloom credentials.

01 Made-up integration

Moving from selling fabric to selling finished, packed home textile products.

03 Handloom branding

Using genuine handloom credentials as a differentiator with design-led buyers.

05 Digital printing

Lower-water printing capacity in response to effluent regulation.

02 Export development

Building direct export relationships rather than supplying through aggregators.

04 Wider looms

Investment in wider widths for the home textile market.

06 Garmenting

Growing ready-made garment conversion alongside fabric production.

CHAPTER 08

Buying from Erode

Erode suits buyers wanting home textile and printed fabric at moderate volumes, with the option of genuine handloom product.

01 Verify handloom claims

If buying handloom, confirm it genuinely is. Powerloom fabric sold as handloom is a known issue.

02 Specify made-up construction

For bed linen and towels, specify thread count, GSM and finished dimensions precisely.

03 Set shrinkage limits

Cotton home textiles shrink. Get a tested figure with the method named.

04 Check the processing house

Printing and dyeing quality varies widely. Evaluate the processor separately from the weaver.

05 Match volumes to units

Units are small. Large orders need spreading or placing with the organised segment.

06 Use the market for price context

The weekly markets give a genuine reference price. Use it to sanity-check quotations.

How Shivpriya reads it. Erode offers **more product diversity and better price transparency** than a specialised export cluster, at the cost of smaller unit sizes. For mid-volume home textile and printed fabric programmes that trade-off often works well.

IN CLOSING

A town that both weaves and trades.

Erode's combination of production and market gives it a price transparency that most Indian textile clusters lack, and a diversity that makes it resilient. If you are sourcing home textiles, printed fabric or genuine handloom, talk to us.

TALK TO US

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