

SWOT ANALYSIS OF SMALL SCALE INDUSTRIES IN KANYAKUMARI DISTRICT

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ABSTRACT

In India small scale industries constitute the backbone of an economy with its effective, efficient, flexible, creative and innovative entrepreneurial spirit. The Indian economy during the current fiscal years has shown considerable growth performance by contributing to create livelihood opportunities to millions of people, in magnifying the export potential and in increasing the overall economic growth of the country. As a catalyst to the socio-economic transformation of the country, the SSI sector distinctly crucial in addressing the national objective of bridging the rural-urban divide, mitigate poverty and generating employment for the admirable community of the country.

Keywords: SSI sector, employment generation, export potential, socio – economic transformation

INTRODUCTION

Small scale industries (SSI) are those industries in which manufacturing, providing services, productions are done on a small scale or micro scale. Small Scale Industries (SSI) is those industries in which the manufacturing, production and rendering of services are done on a small or micro scale. These industries make a one-time investment in machinery, plant, and equipment, but it does not exceed Rs. 10 crore and annual turnover does not exceed Rs. 50 crore. In a country like India, the small-scale industries play a very important role in generating employment, improving the financial status of people, development of rural areas and removing the regional imbalances.

Small scale industries improve the growth of the country by increasing urban and rural growth. Role of Small and medium scale enterprises are to help the government in increasing infrastructures and manufacturing industries, reducing issues like pollution, slums, poverty, and many development acts. Small scale manufacturing industries and cottage industries play a very important role in the economic development of India. If any amount of capital is invested in small scale industries it will help in reducing unemployment in India and increasing self-employment. The industry is a sector in which the production of goods is a segment of the economy.

STATEMENT OF THE PROBLEM

Small scale industries are those industries in which production, manufacturing and providing the services are executed on a small or micro scale. In a country like India, the small-scale industries play a very important role in generating employment, improving the financial status of people, development of rural areas and removing the regional imbalances. Hence the present study made an attempt to analyse a study on small scale industries in kanyakumari District.

REVIEW OF LITERATURE

Mudasir Amin in his article entitled, ‘Role of Small-Scale Industries in Empowering Women’ concludes that, The Small-scale industries not merely play an urgent position in the improvement of Indian economy yet in addition have an awesome commitment in the progress of women workers. There are countless workers occupied with small scale industries performing distinctive sort of employments at various level.

GS Mounika in her article entitled, A study on small scale industries and its impact in India concludes that, in India the SSI with their dynamism, flexibility and innovative drive increasingly focusing on improved production methods, penetrative marketing strategies and management capabilities to sustain and strengthen their operations. SSI has been very helpful in generation of revenue mainly through export of goods and addressing the problems such as employment and same time it has raised the socio-economic condition of people.

Dr. N. Mohan Raj & S. Amutha in their article entitled, A study on the performance and evaluation of small-scale industries in Sivagangai district: An Entrepreneurial perspective, concludes that, Small-scale industries (SSIs) play a very vital role in the economy of each and every nation. Nations firmly believe that rapid industrialization is possible only through a successful policy relating to small-scale industries. A leading, industrially advanced developing country, India has large, medium and small industrial units of production in almost all branches of the industry.

OBJECTIVES OF THE STUDY

1. To study the importance of small-scale industries in India.
2. To know the SWOT analysis of small-scale industries in Kanyakumari District.
3. To offer suggestions for the development of small-scale industries.

IMPORTANCE OF SMALL-SCALE INDUSTRIES IN INDIA

- Employment generation
- Development of rural areas and removing the regional imbalances.
- Less Capital Requirement
- improving the financial status of people
- Use of resources and development of entrepreneurial skills
- Equal income distribution
 - Maintains regional balance
 - SSI helps in mobilization of local resources
 - Short production time
 - Supporting the large-scale industries
 - Improvement in exports
 - Reduce the dependence of agriculture
 - Women empowerment
 - Develops entrepreneurship

SWOT ANALYSIS OF SMALL-SCALE INDUSTRIES

The index numbers are devices for measuring differences in the magnitude of a group of related variables. In the present study an attempt to analyse the small scale industries strength, weakness, opportunities and threats. They are index analysis of opportunities, index analysis of weakness, index analysis of opportunities and index analysis of threat.

INDEX ANALYSIS OF STRENGTH

Small-scale industry plays a big role in the Indian economy. Apart from providing employment to crores of people, it has the added benefit of minimum capital requirements. The government also offers several tax benefits to SSI for this purpose. The following table shows index analysis of strength.

TABLE NO – 1 : INDEX ANALYSIS OF STRENGTH

S. NO	STRENGTH INDEX	NUMBER OF RESPONDENTS	PERCENTAGE
1.	40-50	82	29.71
2.	50-60	20	7.24
3.	60-70	30	10.8
4.	70-80	23	8.33

5.	80-90	110	39.86
6.	90-100	11	3.98
TOTAL		276	100

Source: Primary data

The above table shows 39.86 % of the respondents feel that they have self confidence and they have required strength to withstand and be successful in the small scale industries concerned.

INDEX ANALYSIS OF WEAKNESS

In the present scenario, small scale industries face many difficulties. They are Problems of Finance, Problem of Raw Materials, Problems of Marketing, Dealing with Government Agencies, Export Difficulties, Inefficient Labour, Defective System of Supply of Raw Materials, Absence of Credit Facility, Lack of Machinery and Equipment etc., The following table analyses index of weakness.

TABLE NO – 2 : INDEX ANALYSIS OF WEAKNESS

S. NO.	WEAKNESS INDEX	NUMBER OF RESPONDENTS	PERCENTAGE
1.	40-50	7	2.53
2.	50-60	10	3.62
3.	60-70	34	12.32
4.	70-80	28	10.16
5.	80-90	104	37.68
6.	80-100	93	33.69
TOTAL		276	100

Source: Primary data

From the above table, 37.68 percentage of the respondents fall in 80-90 weakness concerned. This shows that the small scale industries are in the weakness position to continue the business.

INDEX ANALYSES OF OPPORTUNITY

There are various opportunities are there in the small-scale industry in Kanyakumari District. They are employment opportunity, increasing national income, accelerating economic growth by making optimum use of natural and human resources, promoting balanced regional development. The following table analyses index analyses of opportunity.

TABLE NO- 3 : INDEX ANALYSES OF OPPORTUNITY

S. NO.	OPPORTUNITY INDEX	NUMBER OF RESPONDENTS	PERCENTAGE
1.	50-60	20	7.26
2.	60-70	97	35.14
3.	70-80	131	47.46
4.	80-90	28	10.14
5.	90-100	0	0
Total		276	100

Source: Primary data

The above table shows that, a maximum of 47.46 percent of the small scale industries have opportunity index of 70-80 percent. It depicts that the majority of small scale industries feel that there are better opportunities in the field concerned.

INDEX ANALYSES OF THREAT

In the present scenario small scale industries face many limitations. They are poor capacity utilization, incompetent management, inadequate Finance, raw material shortages lack of marketing support etc.,. The following table analyses the index of threat.

TABLE NO- 4 : INDEX ANALYSES OF THREAT

S. NO.	THREAT INDEX	NUMBER OF RESPONDENTS	PERCENTAGE
1.	50-60	12	4.35
2.	60-70	92	33.33
3.	70-80	109	39.49
4.	80-90	50	18.12
5.	90-100	13	4.71
TOTAL		276	100

Source: Primary data

From the above table shows that maximum 39.49 percentage have the threat index of 70-80 percent. None of them less than 50 percent of threat index.

CONCLUSION

Small scale industries are important because it helps in increasing employment and economic development of India. Role of Small and medium scale enterprises are to help the government in increasing infrastructures and manufacturing industries, reducing issues like pollution, slums, poverty, and many development acts. Small scale manufacturing industries plays a very important role in the economic development of India. If any amount of capital is invested in small scale industries it will help in reducing unemployment in India and increasing self-employment

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