Research Paper   **Textile**

Problems And Prospects Of Garments Industry In Tirupur

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ABSTRACT

The garment industry in India is one of the best in the world. An extremely well organized sector, garment manufacturers, exporters, suppliers, stockiest and wholesalers are the gateway to an extremely enterprising clothing and apparel industry in India. India's readymade garments are extremely popular in the world over. The apparel and textile industry occupies a unique and important place in India. One of the earliest industries to come into existence in the country, the sector accounts for 14% of the total Industrial production, conduces to about 30% of the total exports and is the second largest employment creator after agriculture. Today, garments from India have made inroads into the international market for their durability, quality and beauty. Tirupur is the seventh largest city in Tamil Nadu and is one of the fastest developing cities in the state. Popularly referred to as "Dollar City" or "Small Japan" or "Banian City" and it excels in knitted ready-made garments.

The research work is undertaken on the title of "problems and prospects of garment industries in tirupur". This was done by finding out the problems and prospects of garment industries in tirupur. The main objective of the research is to identify the problems existing in tirupur garment industries. The research study conducted is descriptive in nature. Both the primary and secondary data are collected to meet the requirement. For collecting data the structured questionnaire is used as an instrument. The questionnaire consists of five point scale, multiple choices and ranking questions. Simple random sampling is used in this study and the sample size is 110. Percentage analysis, ranking method and chi-square analysis were used for research purpose. The study revealed that 46% of respondents say that dyeing factory problem is major threat to garment industries in future and 36% of respondents say that increase in yarn price is major threat to garment industries in future.

Key word : Garment Industry, Tirupur

Introduction

The garment industry in India is one of the best in the world. An extremely well organized sector, garment manufacturers, exporters, suppliers, stockiest and wholesalers are the gateway to an extremely enterprising clothing and apparel industry in India. India's readymade garments are extremely popular in the world over. Today, garments from India have made inroads into the international market for their durability, quality and beauty. This achievement is made possible because of a some village named TIRUPUR.

In 20 th century this tirupur makes an important mark in the world map due to the industrial growth in the short period, especially in hosiery garments tirupur accounts for almost 10 percent of India's textile export and 90 percent of India s knit wear export. Tirupur has a nick name "Banian city". The raw materials for manufacturing are available in and around Tirupur.

Tirupur, the town of export excellence can deliver customized knitwear garments samples in less than 12 hours; half a million pieces in a matter of day (Source:

AEPC, Tirupur). The first hosiery factory with hand-operated machines was setup in 1935. In the early 1980's, the transformation of Tirupur from domestic market to international market has taken place.

The other concomitance changes reported by Subramaniam (2005) are (i) their share in domestic market declined with the growth of hosiery industry in other parts of the country, (ii) the second generation entrepreneurs were ambitious and boldly ventured into international business, and (iii) a number of modern spinning mills specializing in producing high quality hosiery yarn came into existence in their region. With a beginning of INR (Indian Rupees) 0.19 billion in the year 1985, exports of knitwear from Tirupur rose to INR 37 billion during the year 2003 (Source: AEPC, Tirupur).

With this impressive growth over the period of two decades, Tirupur emerged as the country's biggest knitwear export center. The main reasons for the phenomenal growth are ready availability of raw materials, cheap rural labour, strong entrepreneur élan and innovativeness in technical and managerial approaches. The Indian government extends the support with various export promotion schemes.

Statement Of The Problem

Tirupur is the seventh largest city in Tamil Nadu and is one of the fastest developing cities in the state. Popularly referred to as "Dollar City" or "Small Japan" or "Banian City" it excels in knitted ready-made garments.. This is because the state government and local municipal authorities have been too slow to cope with this dynamic growth.

The main problems and difficulties faced by the Tirupur Garment industry relate to raw material availability, pricing, subsidiary and ancillary industries like processing units, labour, taxation and other law-enforcing agencies.

Raw material availability is a vital area for any industry, whereas uncertainty is prevailing in India with respect to the major raw materials, namely, cotton and yarn, etc.., the undue and frequent price fluctuations, the mismatch between supply and demand, lack of proper forecasting of political decisions and other commitments. Compared to other countries the production costs are much higher in Tirupur, and the Tirupur exporters find it difficult to compete with other countries. For example, in Bangladesh they are able to quote prices that are lower by 17 percent, thus securing very good export orders. In Tirupur, the knitting, processing and finishing units are scattered all over, whereas other countries are run under one-roof. Unlike other countries labour has become a very sensitive area to handle in Tirupur. Skilled labour is the basic requirement.

The bureaucracy in India, particularly the customs and excise, income tax, foreign trade, etc.., is in general not happy with any business community, particularly exporters. Different interpretations are made and objections raised. Show case notices are issued by the officials, and the entrepreneurs are put to a lot of difficulties.

Objectives Of The Study

* To study the problems existing in tirupur garment industries

* To find out the requirements of garment industries to face the existing problems

* To find out the usage of Indian and Foreign machineries and its availabilities

* To find out the reasons for the occurrence of the those problems

* To find out the suitable solutions for solving the existing problems

Research Methodology

Research Methodology:

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that are generally adopted by a researcher in studying his research problem along with the logic behind them. Research design is the basic plan which guides to collect relevant information accurately and economically for objective setup of the project. A Descriptive study has been adopted to accomplish the objective requirement of the study. This is the method to describe the existing state of affairs. Here the information are collected both from primary and secondary data. Primary data refers to the information that is gathered to meet the specific requirements of the investigation at hand. Secondary data means the data which have already been collected and analyzed by someone else.

The data required for this study is secondary in nature. The Secondary data has been collected from various Magazines, Journals, Newsletters and Websites.

Sample size:

It refers to the number of items to be selected from universe. The samples are selected depending upon the variance in the population. Here the sample size 110.

Sampling technique:

It refers to the technique used for selecting the samples. It can be either probability or non-probability sampling. Here the technique used is probability sampling. Under this method, every element in the population has a chance of being included in the sample. Under this it is based on the random sampling. In this method every item in the population has an equal chance to be chosen as sample.

Limitations Of The Study

* The study is based on the availability of the information and data are limited by time factor.

* The study is based on various existing problems faced by garment industries in tirupur

* The scope of the project is limited to the particular place only. The studies consider the data for Tirupur area only.

Data Analysis And Interpretation

Percentage Analysis:

Table 1: The Future Threat To Garment Industries

Major threats	Number of Respondents	Respondents in Percentage
Dyeing factory problems	46	42
Environment pollution problem	22	20
Increase in yarn price	36	33
Labour shortage	6	5
Others	0	0
Total	110	100

Interpretation

Out of these 110 respondents, 42% of respondents stated that dyeing problem is the major threat to garment industries, 20% of respondents stated that environment pollution is the major threat to garment industries, 33% of respondents stated that increase in yarn price is the major threat to garment industries, 5% of respondents stated that labour shortage is the major threat to garment industries

Table 2: Satisfaction Towards Government Assistance

Satisfaction level	Number of Respondents	Respondents in Percentage
Highly satisfied	2	2
Satisfied	12	11
Neutral	56	50
Dissatisfied	30	28
Highly dissatisfied	10	9
Total	110	100

Interpretation

2% of respondents are highly satisfied with the government support towards garment industries, 12% of respondents are satisfied with the government support towards garment industries, 56% of respondents are neutral with the government support towards garment industries, 30% of respondents are dissatisfied with the government support towards garment industries and 10% of respondents are highly dissatisfied with the government support towards garment industries

Table 3: The Reasons For Labour Shortage

Reasons	Number of Respondents	Respondents in Rercentage
Heavy work	28	25
Salary & bonus problem	24	22
Basic facilities	34	31
Others	24	22
Total	110	100

Interpretation

25% of respondents stated that heavy work load is the main reason for labour shortage, 22% of respondents stated that salary problem is the main reason for labour shortage, 31% of respondents stated that basic facility problem is the main reason for labour shortage, 22% of respondents stated the other reasons for labour shortage

Table 4: The Reason For Loosing Orders

Reasons	Number of Respondents	Respondents in Percentage
High manufacturing cost	68	62
Quality defects	12	10
Taxes and other Govt policies	20	19
Non delivery problem	10	9
TOTAL	110	100

Interpretation

62% of respondents stated that High manufacturing cost is the reason for loosing orders, 10% of respondents stated that quality defect is the reason for loosing orders, 19 % of respondents stated that taxes and other Govt policies is the reason for loosing orders,9 % of respondents stated that non delivery problem is the reason for loosing orders

Table 5: The Reason For Not Delivering Products Intime

Reasons	Number of Respondents	Respondents in Percentage
Transport problem	12	11
Labor Problem	24	23
Power problem	26	24
Dyeing problem	44	40
Others	2	2
TOTAL	110	100

Interpretation

11% of respondents stated that transport problem is the reason for non delivering products in time, 23% of respondents stated that labour problem is the reason for non delivering products in time, 24% of respondents stated that power problem is the reason for non delivering products in time, 40% of respondents stated that dyeing problem is the reason for non delivering products in time, 2% of respondents stated that other problem is the reason for non delivering products in time

Table 6: Whether The Infrastructure Pollution Problem Affects The Organisation Directly

Pollution problems	Number of Respondents	Respondents in Percentage
Yes	100	91
No	10	9
Total	110	100

Interpretation

91% of respondents stated that the infrastructure pollution problem will affect the organization directly, 9% of respondents stated that the infrastructure pollution problem will not affect the organization directly.

Table 7: The Fluctuation In Currency Value Affects The Concern Directly

Fluctuation in currency value	Number of Respondents	Respondents in Percentage
Yes	90	82
No	20	18
Total	110	100

Interpretation

82% of respondents stated that the fluctuation in currency value will affect the concern directly, 18% of respondents stated that the fluctuation in currency value will not affect the concern directly

Table 8: Cost Of Imported Machines Brings Additional Financial Expenses To The Company

Financial expenses	Number of Respondents	Respondents in Percentage
Yes	72	65
No	38	35
Total	110	100

iInterpretation

27% of respondents stated that the production inefficient is the reason for avoiding the local machineries by most of the companies, 27% of respondents stated that the manufacturing defects is the reason for avoiding the local machineries by most of the companies, 36% of respondents stated that the quality defects is the reason for avoiding the local machineries by most of the companies, 9% of respondents stated other reason for avoiding the local machineries by most of the companies

Chi-Square Test Analysis:

Table 10: Association Between Sex And Future Threat

Null Hypothesis(H0)

There is no association between sex and future threat

Alternative Hypothesis(H1)

There is association between sex and future threat

Future threats	sex		
	Male	Female	Total
Dyeing problem	38	8	46
Environment problem	20	2	22
Increase in yarn price	32	4	36
Labour shortage	4	2	6
Others	0	0	0
Total	94	16	110

Degree of freedom: 3, Level of significance: 5%, Calculated value: 12.85, Table value: 7.815

Result

The table value for 12 degree of freedom at 5% level of significance is 7.815. Since the calculated value is 12.85. So null hypothesis is rejected and the alternative hypothesis is accepted.

Table 11: Association Between Future Threats And Age Of The Respondents

Null hypothesis (h0):

Future threats and age of the respondents are not associated.

Alternative hypothesis (h1):

Future threats and age of the respondents are associated

Future threats	Age				
	20-30	30-40	40-50	Above 50	Total
Dyeing problem	10	25	6	5	46
Increase in yarn price	2	10	5	5	22
Environment pollution problem	5	25	6	0	36
Labour shortage	3	0	3	0	6
Others	0	0	0	0	0
Total	20	60	20	10	110

Degree of freedom: 12, Level of significance: 5%, Calculated value: 23.128, Table value: 21.026

Result:

The table value for 12 degree of freedom at 5% level of significance is 21.026. Since the calculated value is 23.128. So null hypothesis is rejected and the alternative hypothesis is accepted.

Simple Ranking Method

Table 12

Major Factors Affecting in Garments industry	Total Score	Rank
Ineffective management	842	8
Lack of orders from buyers	588	6
Labour shortage	350	3
Yarn price hike	188	2
Electricity problem	494	4
Dyeing problem	160	1
Pollution	530	5
Financial problem	808	7

Interpretation

From the above table it is lime lighted that the factor named "DYEING PROBLEM" is ranked one by the respondents with the total score of 160 and rank two was given to factor "YARN PRICE HIKE" with the score of 188 and the rank three was given to factor "LABOUR SHORTAGE" with the score of 350 and the rank four was given to factor "ELECTRICITY PROBLEM" with the score of 494 and the factors" POLLUTION PROBLEM " "LACK OF ORDERS FROM BUYERS","FINANCIAL PROBLEM","INEFFECTIVE MANAGEMENT" scored rank of 5,6,7,8 respectively with the score of 494,350,188,160.

Findings

- 55% of respondents are under partnership firm.

- The finding reveals that all the respondents are facing the problem of increase in yarn price.

- 42% of respondents said that dyeing factor problem is the major threat to garment industries in future.

- 89% of respondents are not satisfied with the government assistance provided to garment industries.

- 31% of respondents said that basic facilities are the main reason for labour shortage.

- 62% of respondents said that high manufacturing costs is the reason for loosing orders.

- 40% of respondents said that dyeing problem is the main reason for not delivering products in time.

- 82% of respondents said that fluctuation in currency value affects the concern directly.

- 47% of respondents said that controlling export of yarn will reduce the yarn price hike.

- 89% of respondents stated that the advancement in technology makes the firm to adopt every new technology.

Suggestions

- Clear-cut policies on raw materials, in the interest of indigenous industries, should be planned and discussed well in advance. Prohibiting/banning the export of raw material is to be invariably considered in detail and enforced.

- The government may concentrate on removing the capacity constraints on infrastructure.

- The export benefits and incentives for exporters must be such as to enable them to compete with a lower price and are at least at par with their counterparts in other countries.

- The government may Endeavour to end the burning problems of the processing units on a war footings

- With regard to labour, an atmosphere may be created for the employer to feel comfortable and secure in order to serve the nation by running his industry smoothly and successfully.

- A friendly tax policy is most essential. Besides, a lowering of effective tax rates, the government officials may be asked to stop from raising unwanted litigations.

Conclusion

The study was conducted in tirupur town for Scotts private limited "a textile company". The study revealed that respondents were facing several problems in running the garment industries in successful manner. The statistical analysis of data has given insight into several problems and prospects of garment industries and provides some solution to solve those problems. Based on research study suggestions were given for textile industries in tirupur city to improve its performance and to run the garment industries in successful manner.

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