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Research Paper

A Study on The Opportunites And Challenges for Apparel Exporters in Tirupur

Commerce

KEYWORDS :

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ABSTRACT

The apparel and textile manufacturing industry has historically been one that has few barriers to entry, little capital investment needed and a high level of low-skilled labor involved—a few sewing machines, a bit of training and some dim electric lights were enough to start up a factory. When China's wages were extremely low, the nation had a clear advantage in this industry, particularly in light of its tendency to cluster factories near shipping ports and logistics centers so that goods could be sent to customers with minimal delay. Today however, wages are climbing very rapidly as China's urban workers have many options in terms of places and industries in which to work. Demand for workers is high, and they are able to expect much higher pay than those in less-developed nations.

INTRODUCTION

Managing globalization is one of the biggest challenges in India garment industry. The Indian garment industry is vital to the economy of the country. It is one of the largest industrial sector in India and a leading foreign exchange earner. The exporters of Indian textile and clothing have grown under the environment of MFA quota for over two decades.

The Indian textile and clothing trade is facing a tough competition due to liberalization of trade under WTO. The post quota period commencing 1st Jan 2005, the industry has in an expansionary phase, keen to cur down on flab accumulated by it over the ten years of quota enforcement on India by the developed world. With competition being free – for – all in the post quota phase, the industry has felt the urgent need to cut down on available costs to stay competitive. The Indian garment export industry has shown tremendous potential for growth in the coming few decades.

KNITTED GARMENTS:-

Indian knit wear has now made a good mark in exports because of its comfort and demand in major countries. More so, the revolution in knitted garments also woes it to the constantly improving technology, market it adds to the varies styles and designs. Cotton knit wear has acquired a new and fashionable dimension. Indian exports for knitwear are already quite phenomenal since India is able to provide reasonable price to fashion knits for the world. Knitted garments are very important facet of the Indian readymade garment industry. The unit price of knitted garment is less than that of the woven garment. This industry now caters to a wide variety of market and mainly the summer and winter seasons.

Knitted garments have become every day dress. In the early days of the knitwear evolution, Ludhiana and Calcutta were the prime production centers in India but today Tirupur which is a small town is south India has developed in to a major production and accounts for nearly rupees. 11 corers in 2006 and 2007 knit wear exports, amounting to nearly 80% of India's total knitwear outflow.

OBJECTIVES OF THE STUDY

Primary objective of the study is to know the opportunities and challenges for apparel exporters.

To study in detail about Tirupur Garments Export.

To know the Role of Tirupur Exporters Association.

To study about Export promotion Measures.

To study out thrust area of garment industry and to suggest suitable measures to augment garment export.

METHODOLOGY OF THE STUDY

Area of Research

The research study was conducted only in Tirupur.

Research Design

The research design adopted for the study is descriptive in nature. The researcher here made an attempt to find out the opportunities and challenges for apparel exporters in Tirupur.

Sampling Technique

The sampling technique adopted in the project was Random sampling. This method was convenient and suitable for the study.

Nature and Source of Data

The natures of data collected for this study were Primary data and secondary data. Primary data was collected from the respondents through a questioner and secondary data through journals and websites.

Statistical Tools Used

Simple percentage analysis, Analysis of variance, Ranking technique and Chi – Square analysis and Friedman Ranking Test are the statistical tools applied to analyze the data collected and the analyzed data were presented in the form of column chart.

LIMITATIONS OF THE STUDY

➢ The study is confined only to Tirupur district and hence we cannot make generalization about exporters of other district or state.

➢ The study involves both primary data and secondary data hence any bias or respondent's perceptions may affect the responses.

➢ The sample size was restricted only to 200 due to busy working schedule of the exporters.

Review of literature

Venu Varukolu (2007 in his study on **"Technology Adoption Of Indian Garment Manufacturing Firms"** insisted that Technology adoption has emerged as an important determinant of competitiveness in recent global trade. Specifically, this study focuses on the effect of firm size, export orientation, top management's commitment, cost of capital, technical skills, and competitive advantage.

R.N. Joshi and S.P. Singh(2009)[4] in their studies on **"Measur-**

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ing production Efficiency of Readymade Garment Firms" highlights that the garment industry, performance of a firm is generally measured by using conventional ratios such as number of garments per machine and per operator but it is not effective.. In this context, Data Envelopment Analysis (DEA) is an appropriate technique as it considers multiple inputs and outputs to measure the production efficiency of a firm. This study therefore applies this technique to estimate the production efficiency of ready- made garment firms.

ANALYSIS AND INTERPRETATION
SIMPLE PERCENTAGE
TABLE NO -1
Table showing the acceptable percentage level of defects.

PARTICULARS	NO.OF RESPONDENT	PERCENTAGE (%)
1 Percentage	124	62
2 Percentage	40	20
3 Percentage	36	18
4 Percentage	0	0
Total	200	100

INFERENCE
The above table clearly explains the acceptable percentage level of defects. Out of 100 samples taken for study, 62% of the respondents says that 1 percentage level of defects occurs, 20% of the respondents says that 2 percentage level of defects occurs, 18% of the respondents says that 3 percentage level of defects occurs during production process

Majority of the exporter's opinion says that 1 percentage level of defects occurs

CHI – SQARE ANALYSIS
TABLE NO-2

Ho - There is no close significant relationship between year of experience and the country to which goods exporting.

Year of experience & Countries	Below 5 years	5-10 years	10-15 years	Above 15 years	Total
Asian	0	8	0	8	16
Middle East	0	0	0	4	4
European Countries	12	8	24	36	80
USA	4	12	52	32	100
TOTAL	16	28	76	80	200

Null hypothesis (HO): There is no close significant relationship
between year of experience and the country
to which good exporting.

Calculated Value : 10.60
Degree of freedom : 9
Table Value : 16.919
Reference : Significant at 5% level

INFERENCE
It is found from the above table that calculated value is less than table vale @ 9 degree of freedom, so the Null Hypothesis (Ho) is accepted. Hence, it is proved that there is no close significant relationship between year of experience and the country to which goods exporting.

FRIEDMAN RANKING TEST
FRIEDMAN RANKING TEST – EXPORT POTENTIAL STRENGTH

Factors	N	Mean	Rank Order
Maintenance of Fabric quality	200	5.40	1
Product Variations	200	4.68	4
Managing the lead time	200	4.40	5
Development of Indian designs and fabrics	200	4.74	3
Branding	200	4.08	7
Increasing skill and technical expertise	200	3.56	8
Timely deliveries	200	4.36	6
Providing different varieties	200	4.92	2

INFERENCE: From the Friedman ranking test, the factors for export potential strength are ranked from 1 to 8. The test statistics is based on the following ranks in order such as maintenance of fabric quality, providing different varieties, development of Indian designs and fabrics, product variations, managing the lead time, timely deliveries , branding and increasing skill & technical expertise.

➢ **ONE-WAY ANOVA**
ANALYSIS OF VARIANCE (ANOVA)

AIM:
To find out the significant association between business experience and EPCG

$\mathbf{H_{02:}}$ There is no significant association between business experience and EPCG

TABLE No-3
BUSINESS EXPERIENCE AND EPCG

BUSINESS EXPERIENCE AND EPCG						
SOURCE	SUM OF SQUARES	DF	MEAN SQUARE	F	SIG.	REMARKS
Between Groups	3.158	3	1.053	2.779	0.052	REJECTED
Within Groups	17.422	46	0.379			
Total	20.580	49				

Source: Primary Data

The data indicates the probability value of ANOVA at 5% level of significance not established a good relationship with EPCG. Therefore the null hypothesis is rejected and it is concluded that there exists a significant difference between business experience and EPCG.

FINDINGS
➢ Majority of the exporters opinion says that 1 percentage level of defects occurs during manufacturing process.

➢ The test statistics is based on the following ranks in order such as maintenance of fabric quality, providing different varieties, development of Indian designs and fabrics, product variations, managing the lead time, timely deliveries, branding and increasing skill & technical expertise.

➢ The null hypothesis is rejected and it is concluded that there

exists a significant difference between business experience and EPCG.

SUGGESTIONS

➢ Dyeing industry urges the government to find the permanent and effective solution for the problem.

➢ Government should allow the DBK rate level upon 10% of protect the exporters.

➢ Government should take necessary steps to overcome the dyeing unit problem to avoid the unemployment problem.

CONCLUSION

The study reveals the opportunities and challenges for apparel exporters in Tirupur, to know the in detail about the Tirupur garment industry, and to know the vital role of TEA. Through this study it is clear that exporters are facing more problems such as labour problem, closing of dyeing units, competition with other districts and continuous increase of cotton price.

Government needs to take an immediate solution for reopening of dyeing units and decrease of cotton price and to reduce the unemployment problem. Governments have to increase the DBK rate to support the exporters and it must store the necessary cotton because of increase in cotton price and surplus cotton can be exported.

REFERENCE

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