Research Paper Commerce

A Study on Exporter's Perception Towards the Status of Coir Industry in Coimbatore District

G. VIGNESH | Ph. D - Research Scholar, Department of Commerce and International Business, Government Arts College, Udhagamandalam, Nilgiris District, Pin – 643002.

Dr. G. CHANDRASEKARAN | Asst Professor of International Business, Department of Commerce, Chikkanna Govt. Arts College, Tiruppur - 641602.

ABSTRACT

A significant prospect for coir is the growing global concern to address ecological problems through use of Bio-degradable & natural resources for environment protection. Coir nets or geo-textiles and bio-logs or fascines, two of the most important coir products today, have been proven to be effective materials in controlling steep and road slopes erosion and for riverbank protection in technologically advanced countries. Despite, unfavourable factors like the low price of coconut, high wages, sharp increase in the cost of cultivation and scarcity of rain, the area and production of coconut are now shows an increasing trend which is a threat to the coir industry. Thus this study has been conducted to ascertain the strength, weakness, opportunities and threats of the coir industry and also to know the perception of exporters towards the status of the coir industry.

KEYWORDS | Coir, Exporters, Status, SWOT

INTRODUCTION

Coir is a natural fibre, extracted from the husk of coconut and used in products such as floor mats, doormats, brushes, mattresses etc. Technically, coir is the fibrous material found between the hard, internal shell and the outer coat of a coconut. Other uses of brown coir (made from ripe coconut) are in upholstery padding, sacking and horticulture. White coir is harvested from unripe coconuts, and is used for making finer brushes, string, rope and fishing nets.

The Coir Industry in India has a strong position in the export orientation since the early days, when trade was dominated by European companies. At the beginning of the independence of the local trade in the hands came a turning point in the history of the coconut industry in India. Structure of production and relations has changed significantly. The pattern of exports and product mix has changed very much drastically. With the level of fibre and yarn exports, India is an exporter of goods with added value. which in turn led to a significant change in total volume and value of exports.

India is a major exporter of coir and coir products. In the 2010-11 Fiscal, the country's total exports amounted to $247.4 Billion, while coir exports amounted to Rs.807.07 Crore. Indian Coir Industry employs more than 1.5 lakh weavers and 4 lakh spinners. The industry has been going through a bit of rough patch because of the lack of modernisation and marketing effort. Indian Coir industry is second to agriculture as a source of employment in Kerala, providing employment to 3.83 lakh persons, of whom 3.25 lakh are women. (Amit K Chatterjee, 2011).

A significant prospect for coir is the growing global concern to address ecological problems through use of Bio-degradable & natural resources for environment protection. Coir nets or geo-textiles and bio-logs or fascines, two of the most important coir products today, have been proven to be effective materials in controlling steep and road slopes erosion and for riverbank protection in technologically advanced countries.

Despite, unfavourable factors like the low price of coconut, high wages, sharp increase in the cost of cultivation and scarcity of rain, the area and production of coconut are now shows an increasing trend which is a threat to the coir industry. Thus this study has been conducted to ascertain the strength, weakness, opportunities and threats of the coir industry and also to know the perception of exporters towards the status of the coir industry.

REVIEW OF LITERATURE

Manikandan Pillai T.C (2001). In his Diagnostic Study SME, The coir cluster Kollam, Kerala has found the SWOT of coir cluster in Kollam,

Strengths: Not many international competitors since it is a labour intensive industry and Easy availability of labour Weaknesses: Processes generate pollution esp. Retting and Intervention of courts likely in Environment related matters. Opportunities: Growing international and domestic market and Untapped raw material potential. Threats: Competition from synthetic fibre and Stiff competition from other Coir producers like Sri Lanka, and Fall in the production of coconut due to pest.

Kavitha (2005) Coir Goe-Textiles,or coir Bhoovastra have shot into the lime light today thanks to its eco-friendly characteristics. They are being effectively used for improving soil bahaviours, preventing soil erosion, and in helping consolidation of soil. Coir as a 100% organic and bio-degradable fibre, with great water absorbency, has a definite edge over synthetic geo textiles, in the environmental aspect.

Tripura Small Industries Corporation Ltd (2002). Study stated that the total area under cultivation of coconut is 9200 Hectares (01 -02) with productivity of 760 nos. of coconut per hectare. It was found that local varieties of coconut start producing at the age of seven years and yield in Tripura is much lower than the national average. The low yield is due to poor planting material, non-adoption of scientific plantation management practice and less of organized cultivation.

Nair, G.K. (2001). Import of coir and coir products, following the removal of quantitative restrictions (QRs), is unlikely to threaten the indigenous coir industry. However, cheaper synthetic products from abroad could pose a threat to the coir products in the domestic market. Prior to the abolition of QRs there was no import of coir and coir products as per the re-

cords available and after its removal also imports were unlikely to take place because of the 62.8 per cent import duty and the freight involved. Consequently, imported products were not going to be attractive in terms of price.

OBJECTIVE

1. To study the exporters perception towards the status of coir industry.
2. To ascertain the SWOT of coir industry.

METHODOLOGY

The present study is descriptive in nature. The present study is carried out with the exporters who are registered under Coir Board - Ministry of Micro, Small and Medium Enterprise (MS & ME), Government of India in Coimbatore District. Thus the universe of the study is the 128 exporters in Coimbatore District, which comprises of both merchant exporter and manufacturer exporter registered up to March 2013 under Coir Board. A sample of 44 respondents was selected by adopting convenience sampling method. The present study uses both primary and secondary data. Primary data have been collected with the help of structured interview schedule which contains two segments namely, Status of Coir Industry and SWOT of Coir Industry. The collected data have been evaluated using (i) Simple Percentage Analysis and (ii) Friedman Rank Test.

ANALYSIS AND INTERPRETATION

I. Status and growth of Coir Industry

The exporters' perception on the status of coir industry is determined through Status of Coir Industry Index.

Table 1: Opinion on Status of Coir Industry

Opinion on Status of Coir Industry	Number of Respondents	Percentage
Good	8	18.2
Fair	30	68.2
Poor	6	13.6
Total	44	100.0

The table depicts that out of the total 44 respondents, 8 (18.2%) are of good opinion on the status of coir industry; 30 (68.2%) are of fair opinion on the status of coir industry and the rest 6 (13.6%) are of poor opinion on the status of coir industry. Hence, it is clear from the above table that the overall opinion on the status of coir industry is fair to good.

II. SWOT of Coir Industry

Table 2: Factors Contributing the Strength of Coir Industry - Friedman Rank Test

Factors Contributing the Strength of Coir Industry	Mean Rank
Abundant raw materials	4.42
Skilled labour.	4.08
Variety of products	4.61
Less investment.	2.99
Long industry experience	4.14
Minimum space requirement.	3.48
Technical research support	4.03

The above table 2 reveals that among the seven factors considered, 'variety of products' is the foremost factor which contributes the Strength of coir industry with a mean rank of 4.61, followed by 'abundant raw materials' with a mean rank of 4.42; 'long industry experience' with a mean rank of 4.14, 'skilled labour' with a mean rank of 4.08, 'technical research support' with a mean rank of 4.03, 'minimum space requirement' with a mean rank of 3.48 and 'less investment' was found to be the least contributing factor with a mean rank of 2.99.

Table 3: Factors Contributing the Weakness of Coir Industry - Friedman Rank Test

Factors Contributing the Weakness of Coir Industry	Mean Rank
Comprehensive knowledge on products	3.23
No influence of government policy	2.75
Eroding advantages in freight rates	2.70
Little knowledge of markets, customers and domestic market potential	2.90
Costly and unreliable electricity	3.42

The table 3 reveals that among the five factors considered, 'costly and unreliable electricity' is the foremost factor which contributes the weakness of coir industry with a mean rank of 3.42, followed by 'comprehensive knowledge on products' with a mean rank of 3.23; 'little knowledge of markets, customers and domestic market potential' with a mean rank of 2.90; 'no influence of government policy' with a mean rank of 2.75, and 'eroding advantages in freight rates' was found to be the least contributing factor with a mean rank of 2.70.

Table 4: Factors contributing the Opportunities of Coir Industry- Friedman Rank Test

Factors contributing the Opportunities of Coir Industry	Mean Rank
Excellent productivity	3.30
Expanding export markets	3.41
Mechanized spinning	2.90
Tremendous demand for traditional coir products	2.84
Availability of SME loans	2.56

The table 4 reveals that among the five factors considered, 'expanding export markets' is the foremost factor which contributes the opportunities of coir industry with a mean rank of 3.41, followed by 'excellent productivity' with a mean rank of 3.30; 'mechanized spinning' with a mean rank of 2.90, 'tremendous demand for traditional coir products' with a mean rank of 2.84 and 'availability of SME loans' was found to be the least contributing factor with a mean rank of 2.56.

Table 5: Factors contributing the Threats of Coir Industry - Friedman Rank Test

Factors contributing the Threats of Coir Industry	Mean Rank
No promotion and innovation	2.75
Low standards of quality	2.88
Non availability of raw fibers	2.83
Low technical and economic viability of raw coir	3.11
No novel idea to use coir into composites, building, horticulture and technical products	3.43

The table 5 reveals that among the five factors considered, 'no novel idea to use coir into composites, building, horticulture and technical products' is the foremost factor which contributes the threats of coir industry with a mean rank of

3.43, followed by 'low technical and economic viability of raw coir' with a mean rank of 3.11; 'low standards of quality' with a mean rank of 2.88; 'non availability of raw fibres' with a mean rank of 2.83 and 'no promotions and innovations' was found to be the least contributing factor with a mean rank of 2.75.

CONCLUSION

The study concludes that coir exporters are satisfied with the growth of coir industry. The results indicate that there is an optimistic sign with majority of the respondents on status of coir industry. Friedman Rank Test displays 'variety of products' is the prominent Strength, 'costly and unreliable electricity' is the predominant Weakness, 'expanding export market' is the leading Opportunity and 'no novel idea to use coir into composites, building, horticulture and technical products' is the chief Threats to Coir Industry.

REFERENCES

Amit K Chatterjee (2011). Coir Industry in India - An Overview. Posted on july, 2011, retrieved on august, 2012 from http://blogs.infobanc.com/blogs-details/coir-industry | Nair, G.K. (2001). No threat to coir industry from imports'. Posted on May 7, 2001, retrieved on June 2011 from http://www.thehindubusinessline.in/2001 | Tripura Small Industries Corporation Ltd., Agartala (2002). study on prospects of "Coir Based Industries" Agartala. Development of Coir Industry in Tripura. http://www.nedfi.com/sites/all/themes/industry | Kavitha (2005). The Indian Coir Industry. Posted on February 2005, retrieved on august 2012 from http://www.agricultureinformation.com/mag/2005/02/the-indian-coir-industry/ | Manikandan Pillai T.C (2001). In his Diagnostic Study SME, The coir cluster Kollam, Kerala under the cluster Development Agent Training Programme of UNIDO CDP, New Delhi. http://msmefoundation.org/DSR_temp/Diagnostic |