

# PROBLEMS OF GARMENT EXPORTS WITH REFERENCE TO TIRUPUR CITY

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## ABSTRACT

The Tirupur Garment Industry in India is one of the biggest industries in the world. India's Garments and Apparels is extremely popular all over the world. Today, Garments of Tirupur has gained importance for its innovation, quality and design. Tirupur a small village in the earlier days is now turned into "Town of export excellence" with its rapid industrial growth in hosiery garments. Tirupur is also called as "Bannian city" or "Dollar city" which represents its exports and growth in the International Markets.

**Keywords** : Export, Exporters, Garment Industry, Labour, Markets.

## INTRODUCTION

In the early 1980's the Tirupur has transformed its market from domestic to international markets. The Tirupur knitwear industry has also faced some difficulties in the year 2005 like decline of domestic market due to growth of hosiery industry in other parts of the world. But the entrepreneurs of second generation were ambitious and ventured aggressively into international business. With this backbreaking growth over a period of two decades made Tirupur to emerge as a country's biggest knitwear sector. The reasons behind this rapid growth is the ready availability of raw materials in and around Tirupur, cheap labour force, strong entrepreneurs and innovativeness and adaptability in technical and managerial approaches. So in order to encourage and develop this sector, both state and central Government extends their support by offering various export promotion schemes.

## STATEMENT OF THE PROBLEM

Tirupur is one of the fast growing city in Tamilnadu which occupies seventh place in the growth of the state. Eventhough there is ready availability of raw materials, cheap labour force, Government supports, there are some problems faced by the exporters during garment exports.

The major problems and difficulties faced by the Tirupur industry includes non-availability of desired raw material, non-availability of skilled labour, exchange rate fluctuations that affects the profits of a business, non-availability of proper infrastructure, Delayed deliveries, Delayed payment by importers, quality rejections by importers, Pollution problem and other uncertainties that prevails in India.

Another major problem that is identified in Tirupur is scattered works all over in Tirupur like Knitting, Processing, Finishing units located in different places, which makes the exporters to quote high production costs when compared to other countries like Bangladesh where the works were not scattered as all the works were gets completed under one-roof. Another issue is that the bureaucracy in India in general is not happy with any business community, particularly export sector.

## OBJECTIVES OF THE STUDY

- To study the problems that prevails in Tirupur Garment industry.
- To identify the reasons for the occurrence of those problems.
- To sort out suitable solutions for solving the existing problems.

## RESEARCH METHODOLOGY

### Research Design

Research Methodology is a systematic way to solve the research problems. It is understood that it is a science of studying how research is done scientifically. Research design is used to determine the steps through which the information are collected to achieve the objectives of the study is achieved. Descriptive study is used in which describes the existing state of affairs. In this study the information are collected through primary and secondary data. Primary data is the first hand information which is collected through distribution of structured questionnaire. Secondary data is the information that are already published in various journals, websites, Magazines, newsletters, etc.

### Sample size

The sample size refers to the number of items to be selected from the universe. It refers to number of variance present in the population, based on the variance, the number of samples are determined. Here is sample size is 281.

### Sampling technique

This refers to the technique adopted in determining the samples. The technique can be either probability or non-probability sampling technique. Here the probability sampling technique has been adopted. In this technique, each and every element of the population has equal chance to participate in the study. Here the samples are collected through identifying the registered exporters through Tirupur Exporters Association (TEA).

## LIMITATIONS OF THE STUDY

- The study is based on the existing problems that prevails in the Tirupur Garment industry
- The study is restricted to the availability of information and the data are limited to time factor.

- The scope of the study is limited to only a particular are – TIRUPUR.

## DATA ANALYSIS AND INTERPRETATION

### Percentage Analysis

**Table 1 : Type of Exporter**

Type of Exporter	Frequency	Percentage
Manufacturing Exporter	142	50.5
Merchant Exporter	139	49.5
Total	281	100.0

From the table, it was identified that 50.5 percent of the respondents were Manufacturing Exporters and 49.5 percent of the respondents were Merchant exporters.

**Table 2 : Threats in Garment Industries**

Threats	Frequency	Percentage
Labour Shortage	15	5.3
Fluctuations in exchange rates	36	12.8
Rejection by Importers	53	18.9
Delayed Delivery	104	37.0
Infrastructure pollution problem	73	26.0
Total	281	100.0

From the table, it is understood that 37 percent of the respondents opine that they have delivery problem, 26 percent of the exporters identified that there is infrastructure pollution problem, 18.9 percent of the problem identify that there is rejection by importers, 12.8 percent of the exporters opine that there is fluctuation on exchange rates and 5.3 percent of the exporters opine that there is labour shortage.

**Table 3 : Satisfaction level towards state and central government assistance**

Satisfaction	Frequency	Percentage
Highly Dissatisfied	30	10.7
Dissatisfied	94	33.5
Neutral	80	28.5
Satisfied	51	18.1
Highly Satisfied	26	9.3
Total	281	100.0

From the table, it is understood that a majority of 33.5 percent of the respondents were dissatisfied towards state and central government assistance and a least of 9.3 percent of the respondents were highly satisfied.

**Table 4 : Reasons for Labour shortage**

Reasons for Labour shortage	Frequency	Percentage
Heavy work	107	38.1
Salary and financial problem	120	42.7
Basic facilities	46	16.4
Others	8	2.8
Total	281	100.0

From the above table, it is identified that a majority of 42.7 percent of the respondents opine that salary and financial problem are considered as the reason for labour shortage and a least of 2.8 percent of the respondents opine that there were some other factors that were the reason for labour shortage.

**Table 5 : Whether the fluctuations in exchange rates affects the concern directly**

Fluctuations in Exchange rates	Frequency	Percentage
Yes	146	52.0
No	135	48.0
Total	281	100.0

From the table, it is understood that 52 percent of the concerns were affected directly by the fluctuations in exchange rates and 48 percent of the concerns were not affected directly by the exchange rate fluctuations.

**Table 6 : Reasons for Loosing orders**

Reasons for Loosing orders	Frequency	Percentage
High production cost	131	46.6
Defects in the quality	11	3.9
Government policies	57	20.3
Others	82	29.2
Total	281	100.0

From the table, it is identified that a majority of 46.6 percent of the exporters agree that high production cost is the main reason for loosing orders and a least of 3.9 percent of the exporters agree that defects in the quality is the main reason for loosing orders.

**Table 7 : Reasons for delay in Delivering the products intime**

Reasons for delay in delivering the products intime	Frequency	Percentage
Dyeing problem	38	13.5
Power problem	39	13.9
Labour problem	84	29.9
Transport problem	92	32.7
Other uncertainties	28	10.0
Total	281	100.0

From the table, it is identified that a majority of 32.7 percent of the exporters agree that Transport problem is the major problem for the delay in delivering the products in time and a least 10 percent of the exporters agree that other uncertainties is the reason for delay in delivering the products in time.

**Table 8 : Whether the infrastructure pollution problem affects the concern directly**

Pollution problem	Frequency	Percentage
Yes	197	70.1
No	84	29.9
Total	281	100.0

From the table, it is identified that 70.1 percent of the concern were affected directly by the pollution problem and 29.9 percent of the concern were not affected directly by the internal pollution problem.

**Table 9 : Future Threat in Garment Industry**

Future Threat	Frequency	Percentage
Non-availability of Skilled Labour	29	10.3
Political Uncertainties	33	11.7
High Production cost	51	18.1
Pollution problem	108	38.4
Technology advancement	60	21.4
Total	281	100.0

From the table, it was understood that a majority of 38.4 percent of the exporters found that pollution problem will be a major issue in the future and a least of 10.3 percent of the exporters opine that non-availability of skilled labour will be a major issue in the future.

### Chi-square Test Analysis

Chi-square test analysis is used to find the association between variables.

**Table 10 : Association between Type of Exporters and Future Threat in Garment Industry**

H0 : There is no association between Type of Exporters and Future Threats

H1 : There is association between Type of Exporters and Future Threats

<b>Chi-Square Tests</b>			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.205 <sup>a</sup>	4	.524
Likelihood Ratio	3.213	4	.523
Linear-by-Linear Association	.166	1	.684
N of Valid Cases	281		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 14.35.

From the chi-square analysis, it was found that there is no association between type of exporters whether it may be manufacturing exporter or merchant exporter along with Future threats in the Garment industry. As the significant value is greater than 0.05, the null hypothesis is accepted.

### **FINDINGS OF THE STUDY**

- While considering the existing threats in the garment industry, it was found that 37 percent of the respondents opine that they have delivery problem.
- While taking into account the satisfaction level, 33.5 percent of the respondents were dissatisfied towards state and central government assistance.
- When considering the future threats in the garment sector, 38.4 percent of the exporters found that pollution problem will be a major issue in the future.

### **SUGGESTIONS**

The Government should take initiative in solving the existing problems which should cut sort the production cost to avoid delay in delivery problem. More financial assistance and other export promotion schemes should be introduced by both the Governments as it should benefit all type of exporters.

### **CONCLUSION**

Through this study it was found that as like other countries, the infrastructure should be developed in Tirupur to compete in the International market.

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