A STUDY ON THE EXPORT PERFORMANCE OF FIRST QUALITY KNITTED GARMENTS TIRUPUR

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Introduction:

The term export means shipping the goods and services out of the export of a country. The seller of such goods and services is referred to as an exporter. The export of the commercial quantities of goods normally requires involvement of the customer authorities in both the country of export and the country.

The benefits of exporting are regularly discussed and disputed by economists and others. Two views concerning international trade present different perspectives. The second concerns if self with the possibility that certain domestic industries (the exporting is a major component of the international trade, and the macroeconomic or labourers, or culture) could be harmed by export.

A function of international trade where by goods produced in one country are shipped to another country for future sale or trade. The sale of such goods adds to the production nation’s gross output. It uses for trade; exports are exchanged for other products or services. The export include a product or goods or information being mailed, hand delivered, shipped by air, shipped by vessel. Exports business helps the exporter and the export of most commercial items. Some commodities require aliens in order to export. There are different requirements to export lawfully depending on the product or services being exported.

The export of any foreign trade is exporting the most traditional mode of entering the foreign market international trade. Has grooving much them world resulting in greeted world economic integration.

Export procedures in the various phases of exporter. The various phases are:

- Offer and receipt of confirmed orders
- Producing the goods
- Realization of export proceeds.
- Offer and receipt of confirmed orders

The proposal submitted by the exporter is referred as the offer when the offer accepted by the foreign buyer becomes an order. The Pro-form invoice mush includes the following.

The Consignee or the Buyer: The complete name and address of the buyer should be clearly indicated. The consignee can be an individual, a limited company a corporation or a govt.

Description of Goods: The pro-forma invoice should carry a brief description of the goods, indicating important technical specification and physical features which make the identification of the product easy.

Price: The pro-form invoice should indicate the unit and total prices of the product in the internationally accepted or mutually agreed currency.

Producing the Goods: The offer and receipt of the order producing the goods plays an important role. The processing of an export order is make arrangements for the items to be produced at the factory of the exporters. An exporter may or may not be export departments of a manufacturing concern. In the case of an exporter is a department of a internal indent is raised on the producing division. An exporter with no manufacturing
Concern raises a formal purchase order on a supporting manufacturing. In case of purchase from suppliers for domestic sales, the purchase attract sales.

**Realization of Export Proceeds:** Once the goods are physically loaded on board of ship the exporter should arrange to receive his payment by submitted the relevant documents to the export.

**Bill of Lading:** A bill of lading contain a board description of the goods, the quantity of the goods, the total of packages, the port of shipment the name of the ship and the amount of the freight paid.

**Certification of Origin:** This is advisable for the goods they have preferential tariff rates in foreign market at a time of import. It may be that goods produced in a particular country are banned in the foreign market.

**Bill of Exchange:** A bill of exchange is a draft by the negotiating on the buyer as the case may be, and is an instrument of payment is negotiable.

**Types of Exporters:** Exporters can be basically classified into groups

- **Manufacturer Exporter:** As the exporter has the facility to manufacturer the product he to export and bench he export the products manufacturer by him.
- **Merchant Exporter:** An exporter who does not have the facility to manufacturer an item but, he procure the same from other manufacturer or from the market and exports the same. An exporter can be both a manufacturer exporter as well as a merchant exporter. He can export item bought from the market. Once it decided to exporter, it is on your part to follow certain procedures rules and regulations as proscribed by regulatory authorities such as DCFT, RBI and customs.

**Need for the Study:**

The study entitled “Export Performance of the Knitted Garments products in Tirupur” is undertaken to study the trend in the industry. Industry faces draw backs and problems to sustain and survive in the economy. The main objective of this study is to analysis the export performance of the knitted garments industry from 2010 to 2015 based on the wise details of exports. The study also focuses on the various problems faced in the industry both internally and provides suggestions to improve the performance of the knitted garments industry.

**Scope of the Study:**

The knitted garments manufacturing and export activities in India mainly located in cochin, kollam, pollachi, and Bangalore. The present study aims at assessing the various seasons and factors that has affected India exports, role of its region exporter and the conditions of overseas marketing. Garments have been one of the foreign exchange earners in the past few years. The study could help the knitted garments board to understand its performance of the knitted garments products exports. It is an attempt on certain specific aspect like exports growth, current status, and performance of knitted garments export. This study may be useful to the authorities to develop the export of knitted garments industry.

**Objectives of the Study:**

- To know about the export performance of the knitted garments industry in India from the period of 2010 to 2015.
- To study the current status of knitted garments industry and to find the growth of garments export in tirupur.
- To analyze the problems faced by the knitted garments sector.
- To highlight the objectives and functions of the garments board and to present the item wise export performance of garments and products.
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. Research is an academic activity and as such the term should be used in a technical sense. Research comprises defining and redefining problems, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, making deductions and reaching conclusions to determine whether they fit the formulating hypothesis.

Research Design:

Research design is the basic plan which guides to collect relevant information accurately and economically for objectives set up for the research.

Source of Data:

The data was collected from the basic of secondary sources. The secondary data has been collected from various sources such as various reports of necessary data the research under work a study at various garments industries.

Period of the Study:

The study covers the period of 2010 to 2015, which encompasses a time span of 5 years.

Tools of Analysis:

The data collected from various publications. A simple percentage analysis has been used to find out the variations in export of garments and garments products to different countries, a product of performance for the period 2009-2015. An analysis of the export of garments and garments products was done for the period 2009 and 2015. It is carried out in two ways.

✓ Simple Percentage Analysis
✓ Growth Percentage

Simple Percentage Analysis:

Simple percentage method is based on the opinions of the respondents. Percentage is calculated for the respective scales of each factor.

Growth Percentage Analysis:

Growth percentage method is based on the values of the exports. Percentage is calculated for the respective scales of each factor.

Limitations of the Study:

The study has the following in evadable limitations:

✓ The analysis is done on the available secondary data acquired from various publication of the garments board.
✓ The period under the study is limited to a period of 2010 to 2015.
✓ To analyze the performance of the garments industry researcher gathered the data from selective exports, this may not be enough to describe the whole industry.
✓ Unable to forecast the future demand of the product.

Review of Literature:

In this chapter an earnest attempt has been made to give a brief note about the work carried me at different scholars at different period. The frame work of this work is prepared on the basis of previous works.

adhyay (2000)]. Despite the voluminous empirical literature, the relationship between openness and economic growth remains highly contentious.

Praneesh (1999) It is important to examine the trade-productivity like at the disaggregated level. Given that much of the controversy centres on to us macro analysis of trade- growth linkages. Further literature on production and aggregation tell us that there are several important conceptual and empirical advantages to focus on TFP growth at the disaggregated level.

Pramothkumar (2001) A restricted trade regime leads to a resource miss-allocation by altering the domestic relative- price ratio in favour of the comparatively disadvantaged sector [Rodrik (1995)]. Trade liberalization aims at correcting the domestic relative price ratio so that resources flow to the exportable sector.

Manoj (2003) Further the leveraging of controls on exports allows firms and industries to target the export markets and over come under utilization of capacities, if any, due to deficient demand at home. The net result of this is to allow the producers to reap the benefits of scale and thus make it possible to reduce costs. However analytical scrutiny has shown that scale economies can cut both ways [krugman (1990) Rodrik (1992a) Roberts and tybout (1991).

Robinson (2004) This is interpreted as some kind of managerial slack and the popular argument is that the return to entrepreneurial effort increases with exposure to foreign competition. According to Nishimizu and Robinson (2004), there is an implicit “challenge-response” machismo induced by competition from trade reforms finally, the integration of the having important influence on the pace and direction of technical change.

Company Profile:

First Quantity Garments is established in 2001, is one of the world’s leading suppliers of bunkers, marine lubricants and technical services to the global marine industry. We continuously invest in manpower. In healthy relations with suppliers and updated information. As a result we manage to offer best quality products at the best possible price at almost any port of the world. First Quantity Garments certifies sales procedures under ISO which is monitored by ABS. This is also a strong incentive for First Quantity Garments customers because dealing with First Quantity Garments will provide them with a stable with high-Quantity level of services. Garments team tries and succeeds in established close and health relations with suppliers, majors and local, worldwide. As a result we manage to offer best quality products at the most effective price, worldwide.

Though our operation our customer will enjoy:

- High-quality service.
- Specialized market knowledge.
- Fast, reliable and professional communication with our staff that is available 24 hours a day.
- Competitive prices
- Full technical support
- Reliable product quality and on time delivery

We work with state-owned oil companies, all the majors and large informational independent suppliers.

Functions Knitted Garments Industry:

The industry consists of different section every section is responsible for better production. Here I have included the section which is directly with the production.
There is some sub division in all the section which will be focused though that's section of an industry are given below they are;

- Sample section
- Cutting section
- Sewing section
- Finishing section
- Manufacturing section

**Sample Section:** Sample section is the first section of apparel manufacturing industry. To make the correct sample is the first function of sample section. The perform pattern grading.

**Cutting Section:** Cutting section is the second section offer sample section. Here cutting operation is done by the cutting here, Following work is done.

- Fabric spreading on the cutting table or floor
- Market making according to the pattern
- To cut fabric accounting to the marker

**Sewing Section:** In the sewing section, cut pieces of fabric are assembled by the sewing operation. Apparel is assembled by the sewing.

**Finishing Section:** In the sewing, fabric issued to the finishing section. Different types of or lamenting work are done here.

- Ironing
- Folding
- Packing
- Arranging

Final inspection is done by the quality officer after quality inspection.

**Manufacturing Section:**

This section comprises of production activities of the division. This is highly investment area of the division a modern factory with well established production line, hi-tech machineries, packaging machines, storages, quality control lab, highly skilled labourers, availability of raw materials, power and other infrastructures, etc. are some of the specialties of production. This section co-ordinate all the activities involved in the production from the point of raw materials to the point of the finished goods factory manager is responsible for all production activities. Production super vision, foeman, technician electrician and workers and supporting him to run the production. They are analyzing each lot's sample in the lab in order to keep the quality of the product. The manufacturing section is the subdivided in to three sections they are

- Marketing section
- Inventory section
- Accounts section

**Marketing Section:**

A team of 15 sales executives under the control of marketing manager is behind the growth of this division. The markets of products of the company not only cover the local market but also national and international markets. The turn over this division is increasing drastically every year.

**Inventory Section:**

There is storekeeper store clerk, assistants in this division. A hygienically maintaining god own is part of factory premises. The company leased some ware houses in nearby places besides of its own god own building for storing more raw materials. Most of the purchases are in bulk according to the season of each raw material. Physical stock registers [separate registers for raw materials, finished
products, and packing materials] gate pass, stock issue notes, bin cards, etc...are maintaining in inventory section

**Accounts Section:**

The production purchasing dispatch, supply, inventory, daily transactions, payments and receipts belong to division are accounting in this section. Manager [accounts] is the head of the division. Junior accountants, office assistants are computerized. Dealers, shops, super markets, etc. are the debtors of this division, raw materials and packing materials, suppliers are its main creditors. Separate accounts are maintaining for each route sales.

**Design Development:**

The process of printing is used to achieve ornamentation and improves the aesthetic and improves the aesthetic sense of the final product the designs and patterns final product the designs and patterns with attractive shade are printer on these products by printing for achieving value addition and marketability, printing on garments, mainly based on the use of martial’s. For the preparation of clothing design.

**Workers Benefits:**

The work for the employer have to be given monetary benefits in the case enjoyed the of holiday, pension, medical insurance and separation pay. The workers benefits received, a majority (76.67%) of the workers had not enjoyed the payment of health and medical insurance saving plans and supplements worker benefits. Many worker (92.5%) who got sick or emergency leave or call back time, were not made any payment for the time not worked. A preponderance (98.33%) of the workers was not paid for the labour contract negotiations, which is based on special duties. These payment industries those hire them, and need to provide them with financial protection.

**Analysis and Interpretation:**

**Introduction of First Quality Knitted Garments:**

The First Quality Knitted Garments is a statutory established by Knitted Garments of Tirupur. Under a legislation enacted by the Knitted Garments industry Act 2001, for the promotion and development of Knitted Garments industry in Tirupur.

The research in Knitted Garments was laid at with the appointment of a Knitted Garments technologist way back in 2003. The institute has an array of advanced machineries and facilities to carry out the frontier research activities. The contribution of this institute for the development of Knitted Garments industry ever since its inception has earned many a laurels from many national and international research organizations.

The institute is recognized by Agencies like Australian Quarantine Inspection Service [AQIS] for testing of garments clothing, T-shirt and listed on the American Society of Testing Materials. Garments has been playing an important role in the economy of Kerala, especially the clothing and etc. the social like of people across these knit with the products manufactured in the Garments unit.

During the year, 2010-11, the export of garments and products is all set to surplus the target of Rs.800/- crores, an all time high export performance from the country. During the year 2015, the export of Garments and products from the country was 2, 45,896 Clothing Valued at Rs 849.36 crores. When compared to the same period of the previous year, there has been an increase to the tune of 30.38% in quantity and 19.44% in terms of value. This has resulted in increased productivity, better quality of products and better income both to the entrepreneur and the labourer.

Employment opportunities the younger generation which was once averse to take up jobs in the garments industry due to low wages and production and processing
method are now coming forward to take up employment opportunities generated in the sector. The factory set up provides regular employment to the workers and resultantly, the standard of living of workers has been increasing steadily.

**Export Garments Business in Bangladesh:**

Bangladesh's export earnings carry more than 80% contribution from the Garments, Apparel, and knittwear industry. The industry itself is one of the biggest Garments industries in the world along with Thailand, India, and Mexico. Starting from buttons, labels, apparel papers, threads, and all other products are found here. Even services like dying, washing, and ironing are also found in the corners of industrial areas of Bangladesh.

The Garments industry of Bangladesh has been the key export division and a main source of foreign exchange for the last 5 years. At present, the generates about $5 billion worth of products each year by exporting garment. The industry provides employment to about 3 million workers of whom 90% are women.

The ready-made Garments sector has emerged as the biggest ears of foreign currency. In 2003 the world approximated the gross domestic product [GDP] Of Bangladesh at USD 6.29 billion, in 2015, the GDP stood at USD 173.82 billion, growing by almost 27 times in a matter of four decades. Bangladesh's exports industry alone comprised USD 31.2 billion in 2014-15, 81.69% of which was made up by ready-made garments. On its own, the knitwear sector compasses 39.83% of total exports a staggering USD 12.43% billion the RMG sector contributes significantly to the GDP. It also provides employment to around 4.2 million Bangladesh mainly women from low income families.

**Women in the Garment Industry:**

The Garment sector is the largest employer of women in the Garments. Sector has provided employment opportunities to women from the rural areas that previously did not have any opportunity to be part of the formal work force. This has given women the chance to be financially independent and have a voice in the family because now they contribute financially. Women workers face problems most women come from low income families. Low wage of women workers and their compliance have enabled the industry to compete with the world market.

**Analysis of Main Trading Partners in Garments:**

The between 2014 and 2015, the development of the exports of goods by major trading partner varied considerably. The highest growth rate was recorded for exports to china (up 11.2%) while exports to south Korea and the united states grew more slowly up (8.1% and 7.45%) respectively sale the biggest falls were registered in relation to exports to Switzerland, Russia and brazil down (17.0% and 7.4%) respectively while there were smaller reductions for exports to turkey down (3.8%) Japan (1.3%) and India (1.0%)

**The Export Growth of Knitted Garments:**

The USA remain to be the largest exporter of garments followed by UK and the countries of west Europe namely Netherlands, Germany, Italy, France, Australia, Spain, Belgium, Sweden, continued to be the major market for Garments products. The export of Garments products are growing every year. With the growing emphasis on products in development countries, potential for increased export of Garments products has grown significantly. Never products have to be development through research development.

**Knitted Garments Products Growing Area in India:** In India Garments and products are mainly growth in Kerala, Karnataka, Tamil Nadu and Andhra Pradesh.
Knitted Garments Products Growing Area in India:

- Kerala
- Tamil Nadu
- Andrapradesh
- Karnataka
- Orissa
- West Bengal
- Gujarat
- Goa
- Assam
- Lakshadweep
- Andaman and Nicobar Island
- Pondicherry
- Tripura

About half a million people are employed in this industry and 80% of workers in Garments extraction and spinning sector are women.

Problems of Garments Export Sector:

- The Garments industry faces various problems.
- The Garments industry in the state is experiencing difficulties both in respect of economic availability of clothing and in respect of demand.
- Now the industry is facing an account of accumulation of stock of Garments and products resulting from slump in the internal and external markets.
- The garments workers in have been getting work only for less than 150 days in a year and hence the majority of garments workers are forced to live below poverty line.
- Availability of skilled labour is limited so garments industry is engaged with the problems of shortage of labours.
- Indian garments products have been traditionally exported to USA, UK, West Asia and Australia. No worthwhile effort has been made to explore market in Africa and Latin America.
- Packing is a very important stage in the garments industry faced the major problem to establish the separate modern packing facility for the garments and products. In the hired facility a company may not be able to maintain the international standard of packaging.

Suggestions and Conclusion:

In global market countries like china, Australia etc are the main competitors in textile industry. It is very difficult for the exporters to manage the global competition. Hence the company must ensure financial soundness that will help the company to face the competition in the exports and carry out the business successfully. To minimise the stock level the company has to find alternatives means for selling the goods either in the domestic or in the export market. If possible the company may introduce new offer for clearing the stock by way of selling. The company may try to fix good package system for the skilled and talented workers which will help the company to minimize the labour turnover and also to maintain the quality in the products continuously. The company has to take initiatives to extend the market to African countries which will help the company to the volume of the profit year by year. If the company should try to erect the modern technology system for packing the finished goods where the packing methods can easily attract the customers and help to increase the potential customers for the products.
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