INTRODUCTION

The study of the subject marketing is an old concept. Within a span of less than a year, dynamic changes have taken place in international textiles scene especially in readymade garments segments. If all these changes are analyzed collectively, it points out to the need for a planned and concerted effort by the industry to fight the tough competition lurking ahead. As the world moves speedily towards quota-free markets and the country opens up to foreign competition, the key success factors for garment makers in India would be providing efficient services which include responsiveness, consistency, flexibility, communication abilities and understanding the perspectives of foreign buyers and as far as studies is concerned less work have been done in this specific area of ‘marketing strategies of readymade garments. So I have made efforts to collect the literature connected to above said area. In the following paragraphs some of such studies have been discussed.

Sehgal, Dr. H. K., April (2009)

Dr. H. K. Sehgal Elaborates that after months of gloom and hope against hope, some silver lining did appear on the horizon of Indian apparel export trade at long last with the January 2009 figures offering some ray of hope after recession. Garments exports grew by 5 per cent in January 2009 over the same month in the
year 2008. When compared on a month-to-month basis, the increase was of the order of 11 per cent at $972 as compared to $871 million in December, 2008, as per the information available from National Centre for Trade Information. It was because of the fact that apparel exporters have all along been seriously complaining of Indian apparel being priced out of international market because of lack of support from the Government. In addition, Indian garment exporters also focused on markets other than the US and the EU the traditional export destinations. They made a concerted bid to aggressively market their products in West Asia, Africa and Australia where the Tsunami of recession had not impacted their economies as seriously as the US and the EU. The results were encouraging and did contribute to northward movement of Indian garment exports.

**International Trade Centre (2008)**

This Paper is focusing on product and process innovation route for achieving competitive advantages in the garments industry. It explains the concept of value chain in apparels and illustrates the possibilities of integration of this chain through links; describes the role and characteristics of various intermediaries along the value chain; discusses the role of cultural factors, laws and regulations, competitive environment, market access and currency issues; the need for product innovation, the processes and functions for sustainable growth through value addition, as well as modalities of conducting product portfolio analysis, provides
market information on the EU and US apparel markets; presents an in-depth analysis of market entry strategies; highlights the role of clustering and textile complexes in branding, ensuring quality production, and enhancing the competencies of individual firms; outlines various competencies required at the firm level, to sustain in the existing markets or to enter into new markets.

Singh, Kamlesh, M.S. (2008)

The purpose of this study is to explore U.S. apparel buyers’ relationships with their Indian suppliers, including the supplier selection process, and to specifically investigate the role of buyer-supplier relationship attributes. Using a qualitative methodology, in depth interviews were conducted with twenty three U.S. apparel industry buyers located in New York, North Carolina, and California who are engaged in buying apparel products from Indian suppliers. Six themes – Expertise, Convenience, Price, Functionality, Service, and Partnership – surfaced within the interview data and were used to structure the interpretation. Based on the interpretation, four relationship types were developed: Convenience Driven, Price Sensitive, Functionality Driven, and Service Driven. The majority of participants seek to develop Service Driven relationships with their suppliers. In building this type of relationship, the most important attributes were found to be trust, communication, and commitment. This study contributes to both U.S. apparel industry buyers’ and Indian suppliers’ knowledge of how to build strong buyer-
supplier relationships in global apparel production. Future empirical research is
needed to further investigate buyer supplier relationships and thereby enrich our
understanding of them.


In this study, functional features were recommended for garments of children
using calipers and crutches, upper limb amputees, lower limb amputees,
hemiplegics and paraplegics after trials of the garments designed for them in
accordance to their clothing related problems. To promote functional garments
amongst the target group, their construction and production was initiated. For that
a catalogue entitled ‘Drafting Technique of Functional Garments’ was prepared in
English and Hindi. To impart technical knowhow regarding functional garments,
workshops were organized in two rehabilitating organizations running training-
cum production center. The workshops were attended by the instructors and the
trainees of the centers including handicapped persons. The participants had high
opinion about the functional garments because they found that ‘The functional
features incorporated in the garments will increase their serviceability and
durability’, ’the functional garments will enhance the personality of the wearer’
and ‘the functional garments will reduce the dependency of the disabled on the
caretakers’. The workshop was found highly useful as they felt that the workshop
would prove to be a boon in their life because they learnt to develop design of
garments for persons with different disabilities and also acquired sufficient skill to stitch the functional garments.

**Jagannathan (2008)**

This industry profile helps to gain an insight into the evolution of the industry and competitive dynamics prevalent in the market. It discusses the significant developments in the industry and analyzes the key trends and issues. The profile provides inputs in strategic business planning of industry professionals and this profile is of immense help to management consultants, analysts, market research organizations and corporate advisors.

**Narayanan, G. Badri (2008)**

In this paper there has been examined the impact of phasing out of MFA quotas on Indian garment exports as an example of competitive labour-intensive sector in an emerging market economy that has been recently facing removal of export restraints. Three different methodologies have been employed using a monthly data from 1992:11 to 2003:9: Perron’s (1989) methodology of testing for unit roots in the presence of trend break, split-sample test of trend-break hypothesis and intervention analysis. The major conclusion is that the WTO’s decision to phase out the MFA quotas has had a positive impact on the Indian Garment Exports. Perron’s trend break hypothesis does support this as a cause for change in
intercept, while the split-sample analysis shows that there has been a structural transformation in terms of introduction of trend-stationary in place of difference-stationary. Intervention analysis shows that this effect has been positive, significant and long-lasting. This analysis implies that Indian apparel sector may benefit from the phasing out of MFA quotas.

The Indian textiles and apparel industry has taken a significant share of world trade. During 1980s, the industry showed a significant growth. Exports recorded at a compound growth rate of 22% annually and it was as high as 32% during the period of 1985-86 to 1989-90. India’s garments exports have also shown a steady increase during 1990s and 2000s, especially to the US. India exports about US$ 14 billion of garments products, and experts predicted that this figure would reach over US$ 50 billion by 2010, which is about four times the current figure. From 1990 to 2003, the average growth rate of Indian textile and apparel production was 5%. Furthermore, this figure has been predicted to be as high as 15% after 2005.

**AEPC REPORT (2008)**

According to the report by AEPC Exports of readymade garments from India tumbled 6.59 per cent in September over the same period last year as a direct consequence of global economic slowdown. There is a drop of 20 to 25 per cent in the business of winter apparels from India. A large number of stores in the United States have been closed or are in the process of being closed. Many buyers have
filed for bankruptcy due to low demand and economic crisis. In April 2008, apparel exports jumped to 878.32 million dollars (Rs 3,515 crore), up 26.82 per cent in dollar terms (20.42 per cent in rupee terms) from 692.53 million dollars (Rs 2,919 crore) in the same period last year.

**Sunil Nair (2007)**

According to this report foreign investment and collaboration in India’s textile and apparel industry has increased significantly in recent years. The increase is attributable partly to the restriction of foreign direct investment (FDI) and partly to the fact that domestic demand for textiles and apparel in India is large and buoyant. It also stems from recognition that the sector has strong export potential. While FDI in the textile and apparel sector has been modest in past years, there is now evidence of a major acceleration. Indeed, FDI inflows in this sector have roughly doubled every year since 2003—from Rs 838 mn in 2003 to Rs 1785 mn in 2004 and Rs 3,462 mn (US$79 mn) in 2005. Foreign companies have been motivated to enter into collaborations with Indian firms by the increasing gains that can be made by producing brands in India and selling them into the Indian market. Indian companies have been motivated by the scope for gaining technical and marketing expertise from foreign partners.
M. K. Panthaki (2007)

This article is penned by Shri M.K. Panthaki. He gives an overview of Garment Industry in India. Shri Panthaki observes that "The garment industry is gearing itself up for the next five years. By 2010/11, the industry has a vision to scale up exports to $. 23 billion with a corresponding increase in production to meet the demands of the domestic market". "This would mean virtually a four-fold increase in production and heavy investment in additional manufacturing capacity as well as human resources. Direct labour is expected to increase from the current 36.5 lacs to 121.9 lacs by 2010/11, if this vision is fulfilled". Finally he concludes by saying that "Taking into account the demand push on the economy and the prospects of a resurgent rural economy, the industry does not wish to be caught napping".

Ashish Dhir (2007)

According to this paper the Indian consumer is evolving and driving retail growth of readymade garments due to increased consumption. Private consumption growth contributes to more than half of the GDP growth and is growing in double digit figures. Several businesses are reacting to this evolution positively, both through pull and push phenomenon. Following a similar trend, the Indian textile and apparel industry is also experiencing rapid changes and growth. Apparel today has the largest share of the modern organized retail in India i.e. 20% of the current
market of Rs. 56,000 crore and this is expected to grow at a constant rate of 20% over the next 4 years. This report puts together some of the recent trends being witnessed by the textile and apparel industry.

**Henrietta Lake (2007)**

What are the performance benefits of investing in human resources in a low-cost labor environment where returns to such investment are widely perceived as negligible? This paper presents a matched pair case study on the performance effect of human resource management systems at two garment factories manufacturing for export in India. They make the same product for the same buyer with the same local pool of labor. One factory views its workforce as a variable cost to be minimized, limits training, prefers strict hierarchy and job definitions. It relies on a range of factors including the offer of overtime and a lack of available alternatives to workers for retention. The other factory, which is located almost next door and pays the same basic wage, focuses on skills development, opportunities for promotion and encouraging employee participation. Employee turnover at the first factory is almost three times greater than that of the second, its absenteeism one third higher, while its product quality is 2.6 times lower and its production efficiency over 28 percent lower. This study demonstrates that even in a low-wage environment, HRM and work organization have tangible and independent impacts on performance.
S Calvin, B Joseph (2007)

This study was carried out with the objective to identify the common accidents that occurred in the garments industry and to identify any factors that were associated in order to recommend preventive steps. After studying the activities undertaken in the garment manufacturing industry accidents reporting to the first aid room of the factories were recorded. The workers suffering these accidents were interviewed. Additionally participatory methods of evaluation were used with some of the personnel to gain further insight into the problem. The incidence of reported accidents was 2.49/1000 workers during the six weeks of the study. Almost all the workers were treated promptly at the factory. Very few man-days were lost because of these accidents.

Pankaj Chandra (2006)

In this paper it has been mentioned that competitive strategies are developed by sector level firms with their individual and collective initiatives that secure higher market share in global trade. While one has to be ever vigilant of non-tariff barriers in the post MFA world, the new market will be won on the basis of capabilities across the supply chain. Policy will need to facilitate this building of capabilities at the firm level and the flexible strategies that firms will need to devise periodically.
Naiyya Saggi (2006)

The researcher has chosen to work on the rights and entitlements of workers in the garment industry with the following objectives.

1. The paper essentially seeks to bring out the effect of the all-encompassing phenomenon of Globalization and supply chain mechanisms on workers and on women in particular, in so far as employment, working conditions and job opportunities are concerned.

2. Through this critique the researcher would like to examine whether the advent of Globalization has been beneficial or detrimental to the rights of workers and women workers and how effective the domestic legislative framework is in safeguarding women’s rights. It was concluded that the basic problems identified by the Researcher after discussions with sub contractors, NGOs and garment workers is the lack of legal literacy and lack of basic awareness of rights and entitlements. The other major problem that is being faced by the garment workers is the fact that in the status that they occupy, they are not specifically provided with any legislation. They are also not unionized and are in fact, in every fight for a right functioning as individuals weaken their bargaining power considerably.

It is mentioned in this article that during the first nine months of 2005, in fact, textiles and apparel exports from Asian economies to the US recorded the biggest drop of 21%, to $5.9 billion, compared to the same period of 2004. This is contributed to their losing competitiveness to lower cost countries such as China and India. By the end of November, 2006, India and China recorded strong growth in exports to the US with a percentage change of 14 and 11 respectively, when compared to previous year exports (OTEXA, 2007). At the same time, Bangladesh, Cambodia, Pakistan, and Jordan recorded solid export gains to the US. Other countries that recorded decline in exports to the US since the quota removal included Canada, Mexico, Turkey, the European Union and Sub-Saharan African countries. Furthermore, Central American Free Trade Agreement (CAFTA) countries (i.e., Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) recorded a 2% decline in exports to $6.9 billion in the first nine months of 2005. By the end of November, 2006, CAFTA recorded a total of 8% decline in exports to US (OTEXA).

Henrietta Lake (2006)

This dissertation examines the impact of human resource management (HRM) on factory performance in the Indian garment exporting industry, where investment in HRM is often perceived as a cost with limited benefits. Using panel data from 42
garment manufacturers in Bangalore and Chennai a rich picture is constructed of how factories in this region manage their workforces. Four matched-pair case studies explore the relationship between HRM and factory performance in more depth. This study finds that the presence of more advanced HRM systems has a tangible and positive effect on production efficiency and quality performance outcomes, but that the relationship is more nuanced than previous studies on the subject predict. Worker participation, employee voice, diffused training, superior data collection and management systems are found to be the key differentiators in the performance of establishments. Yet despite the overall positive relation between innovative HRM and performance, the degree of the performance effect is substantially influenced by local labor market conditions and local management skill and experience. The main source of information on innovation in HRM and work organization for the establishments surveyed is found to be their foreign buyers. But, contrary to assumption, pressure from these buyers to implement improved systems is not required for the presence of advanced HRM systems and work organization. Knowledge on best practices is being transferred within firms from their exporting divisions to their units manufacturing for the domestic Indian market. Garment manufacturers for the domestic market are incorporating best practice on HRM and work organization because it delivers business benefits from
product quality and production efficiency to enhanced brand value and reputation. This finding is encouraging for the sustainability of best practice.

**Subramanian, S. (2006)**

Since quota cancellation, Indian readymade garment firms have increased their export volume dramatically. They exported at much higher volumes in 2005 at 2,335 million square meters, with a 22% increase from 2004, compared to the 15% increase during previous year. India also sold $2.97 billion worth of apparel with an increased rate of over 34%, compared with a growth of 10.7% in 2004. Indeed, industry watchers say that total exports of Indian textiles could grow as much as 35% over the next few years, and its share would double from the current 4% in five years.


According to Richard since 1960, the garments production sector has moved to the countries where labor is cheaper and abundant. As a result, developed countries restricted and limited their garments imports to protect their domestic industries. Such restrictions started in 1961 and were revised in 1976 to become the Multi-Fiber Agreement (MFA), by which developed countries restrict textiles and garments imports in terms of volume. The quotas had been negotiated each year on a country to country basis, assigning the quantities of specified items which
could be exported from a developing country to a developed country. The quota allocations could be changed and revised with bilateral negotiations between countries in conjunction to trade policies and promotions.

**Lenny, T. M. (2005)**

According to Mr. Lenny on January 1st 2005, the MFA, which had limited the textile and garment trade for almost 30 years, ended. Consequently, trade experts predicted that China and India would control about 80% of the global textile market in the post quota era. The strong growth of Chinese and Indian exports has impacted the pattern of world textiles and garments trade. A recent study by McKinsey Quarterly suggested that low-cost Chinese manufacturing and Indian services have significantly influenced the prices of traded goods. Thus, Asian countries that have been major exporters of garments (e.g., Hong Kong, South Korea, Taiwan, and Macao) during the past two decades would no longer be a source of comparative advantages in textile and garments production. Instead, they became a source of management innovation by providing production services to the foreign buyers and contracting productions in low wage countries.


Robyn in his paper elaborated about the Indian textile and garments industry and elaborated that India is a developing country, and its textile and garments industry
constitutes one of the biggest and most important industries for country's exports. It is one of the India’s largest foreign exchange earners and accounts for nearly 16% of the country’s total exports. The textile and garment industry contributes about 14% of the total industrial production in India, employing approximately 38 million workers, and accounts for about 27 to 30% of the country's total exports. Thus, the textile and garments industry is the leading force for the Indian economy.


The Indian textiles and apparel industry has taken a significant share of world trade as stated in this paper. During 1980s, the industry showed a significant growth. Exports recorded at a compound growth rate of 22% annually and it was as high as 32% during the period of 1985-86 to 1989-90. India’s textile exports have also shown a steady increase during 1990s and 2000s, especially to the US. India exports about US$ 14 billion of textile and apparel products, and experts predicted that this figure would reach over US$ 50 billion by 2010, which is about four times the current figure. From 1990 to 2003, the average growth rate of Indian textile and apparel production was 5%. Furthermore, this figure has been predicted to be as high as 20% after 2010.
Meenu Tewari (2005)

This paper examined India’s recent integration into the global apparel market to understand alternative forms on global insertion that are occurring, especially in light of the elimination of quotas. The paper made three points. First, it showed that India’s path to integration in the world market in clothing has been quite different from the experience of many of its competitors. India’s trajectory does not fit very well either with neo-liberal arguments about the deregulation of the Indian economy in the early 1990s unleashing the growth potential of Indian apparel nor with the trajectories of other successful exporters. Second, the paper argued that India’s rather quick emergence as a successful textile and garment exporter after years of inward orientation had more to do with changes in domestic policy that took place throughout the 1980s and 1990s and how these changes interacted with global trade regulations on the one hand, and with ongoing transformations in the Indian domestic market on the other hand with purely external factors.

Appelbaum, Richard P., Bonacich, Edna, Quan, Katie (2005)

This paper begins by reviewing the impact of the Multifiber Arrangement (MFA) and the Agreement on Textiles and Clothing (ATC) – two regulatory frameworks that have governed global trade in these commodities for 30 years. This regulatory framework came to an end on January 1, 2005 with the WTO-mandated end of
textile and apparel import quotas. A large body of research on the probable result of the end of the quota system concludes that a small number of countries (and primarily China) are likely to be the chief beneficiaries of the end of quotas, while a large number of countries are likely to suffer significant declines in their apparel and textile export industries. The paper discusses two trends which are transforming the nature of global trade in textiles and apparel (indeed, in all consumer goods): The rise of giant retailers as the key actors in the global supply chain, and the rise of giant transnational contractors – based mainly in East Asia – that are emerging as its chief suppliers. The paper concludes with a discussion of what countries can do to mitigate the impact of the end of quotas on their textile and apparel industries, as well as some suggestions for the anti-sweatshop movement.

Soamiely Andriamananjara, Judith Dean and Dean Spinanger (2005)

This paper estimates the determinants of the shares of various developing countries in total U.S. apparel imports. The authors made use of two new sources of data: new export tax-equivalent estimates of the QRs under the ATC and qualitative information from surveys of major exporting firms. The export tax-equivalents were estimated using license prices from nine developing countries. The firm data was collected from 14 major textile, clothing and trading companies located in Hong Kong but operating throughout Asia. They capture the importance
of factors influencing sourcing decisions. While it was found that the degree of restraint imposed by the quotas was an important influence in a supplier’s market share, other factors including production costs, tariffs, quality of infrastructure, and transport costs also played major roles.


It has been elaborated in this paper that the growth of textiles and apparel production and trade along with predictions made by experts confirm a positive outlook for the Indian textiles and apparel industry. In recent years, the investments in the Indian clothing industry accounted for more than US$ 17 billion (Robyn, 2005). It has been suggested that the quota phase-out has provided incentives to the investors with an emphasis on improving productivity, upgrading technology and expanding capacities (Robyn, 2005). The Indian government has recognized the need for industry development and responded by taking a number of measures to reshape and advance the entire textiles and apparel industry. For example, the Indian government provides special support for textile and fiber producers to boost the country’s export market by cutting custom duties to 10 % from 15 % on all polymers, while the duty on intermediates was cut to 5 % from 10 %.

On January 1, 2005, the quota system that limits textile and apparel imports into the United States and other nations end for all member countries of the World Trade Organization (WTO). Not surprisingly, there has been widespread investigation into the likely impact of this monumental liberalization of international trade. A brief survey from the over 43,000 Google hits related to “textile apparel quota” demonstrates, however, a prevailing notion among scholars, industry groups and government agents: exports from low wage countries in general, and China and India in particular, will grow rapidly, virtually wiping out the textile and apparel sectors of the US and many other established suppliers. The sourcing decisions facing textile and apparel manufacturers are more complicated than commonly acknowledged. With expanding free trade, there are more potential producers. With consumers demanding more variety, more fashion, more product access and lower prices, pressure on suppliers to search for new sources of supply will only increase. Finally, modern retail and distribution strategies place the risk arising from added variability of product demand further up the supply chain, forcing suppliers to balance the direct costs of sourcing against the indirect consequences of being left “holding the bag” of inventory.

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According to this research Preference for readymade garments in India is increasing and this has become inevitable with the rise in urbanization. Men’s apparel market is 46 percent whereas; women’s apparel market is 17 percent of the total apparel market in India. The preference for the branded Western and Indo-western apparels among the working women is on the rise, which is a welcome relief for the manufacturer and retailers of branded apparel. The dressing habits are getting refined if not changed specifically among the working women. Kids apparel market is 37 percent of the total apparel market. Being the brand penetration in this segment lowest at 9 percent shows a lot of potential for the
branded players to exploit this segment. After China, India is being perceived as the next country with the biggest 'Growth Potential' due to its cheap manpower and natural resources. The first decade of the 21st century will witness India as the major player in the apparel business - partly because more industrialized countries like Korea, Taiwan, etc. have moved into other industries - and partly because the Indian Government believes in, and wants to grow the apparel export business, since it is a major earner of foreign exchange.


Ministry of Textiles annual report summarises that Readymade garments account for approximately 46% of the country’s total textile exports. They represent value added and less import intensive sub sector, thus deserving a special place. Readymade garments had recorded an annual export growth of 9.2% in 1999-2000 and 16.9% in 2000-2001 in dollar terms. However, readymade garment exports recorded a decline of 10.4% in 2001-02, as compared to the previous year. During the period April-November 2002, Readymade Garment exports were US$ 3303.0 million, recording a growth of 12.3% as compared to the corresponding period of 2001-02.

Mr. Dutta in his paper elaborates that India is a developing country, and its textiles and apparel industry constitutes one of the biggest and most important industries for country's exports. The textiles and apparel industry is one of the India’s largest foreign exchange earners and accounts for nearly 16 % of the country’s total exports. The textile and apparel industry contributes about 14 % of the total industrial production in India, employing approximately 38 million workers, and accounts for about 27 to 30 % of the country's total exports. Thus, the textile and apparel industry is the leading force for the Indian economy.

Nargundkar & Bajaj (2002)

The paradox of India's dismal share in world trade is baffling, for a country housing a billion people. This paper analyses this paradox from the point of view of the value-addition process, and country image. The authors, supported by case studies from their consulting assignments, suggest a two-pronged strategy to lift India's share of the world markets to new heights. In Particular, the authors look at branded, manufactured goods and value-added services in garments industries as potential winners. Building a firm's image in international markets through conscious and well-directed strategies is discussed in terms of concrete actions which the firm can take.
**Bheda. Rajesh (2002)**

This paper discusses the productivity level in apparel manufacturing in India, the factors associated with productivity in Indian garments industry and the scope of improvement. It concludes that apparel productivity level in India is substantially lower than the western industry. The study has established almost 100% productivity improvement potential for average Indian garments factory. It becomes clear after review that most of factors are of techno-managerial nature and apparel manufacturers can improve the productivity performance substantially by implementing best practices in the area of operator and management training, industrial engineering, production planning and scheduling industrial relations and productivity linked incentive schemes.

**International Trade Centre UNCTAD/WTO (2002)**

This study focuses on the WTO’s Agreement on Textiles and Clothing (ATC) and its implications on Least Developed Countries – discusses issues affecting trade in textiles and clothing, technical and marketing considerations of developing economies specially India, when exporting to developed economy markets. It highlights the quality control methods and offers future strategies to ensure resemblance of textile and clothing sector in Cambodia, Lesotho, Madagascar, Malawi and Mozambique. It includes statistical data, sample contracts for a variety of products and quality control audit sheets.
Deepak Chawla and Ramesh Behl (2001)

In this article, an attempt is made to build an ARIMA model to forecast exports of Indian readymade garments. The monthly data on readymade garments exports for the period April 1991 to December 2000 is used to build the model. The forecasts are obtained for the period January 2001 to December 2001 by using the ARIMA model. The accuracy of ex-post forecast is also tested. The forecasts indicate a slowdown in the growth of exports in January to March 2001 as compared to the same months in the year 2000. The article concludes by suggesting a review of government policy towards this industry.

Akalin, M. (2001)

Due to the concept of globalization and increased trade activities among countries, trade boundaries have slowly been removed. The developing nations, like India, are becoming successful competitors in manufacturing because of their low-cost labor and supplies. The textile and apparel industry has been an important part of economic development of developing countries, and they supply a significant portion of textiles and apparel products as explained by Mr. Akalin.

Tait, N. (2001)

The textiles and apparel industry manufactures and exports fiber, yarn, fabric, and garments made of a wide range of materials and products. It has been estimated
that India has approximately 30,000 ready-to-wear garment manufacturing units employing around three million workers. Today, not only is the garment export business in India growing, but also enthusiasm in the minds of the foreign buyers toward Indian garments is at a high. India produces more than 100 garment product categories and is increasingly considered as a major supplier of high quality fashion apparel. India’s apparel exports alone account for approximately US $ 6 billion annually, and India projects to export US $ 25 billion by 2010.

**Bibek Debroy & Laveesh Bhandari (2001)**

According to the report for the PHD Chamber of Commerce and Industry the textiles and garments sector is extremely important for India. It has a share of 4 per cent in gross domestic product (GDP), 14 per cent in industrial production and employs more than 30 million people. With only 2 to 3 per cent of the import bill, it is India’s largest net foreign exchange earner. 35 per cent of India’s exports comes from textiles and garments. This is 11 billion US dollars. But this is only 3 per cent of the world market and the share of the mill sector has progressively been coming down.

India’s strengths are known. The major ones are availability of cotton, cheap labour, educated supervisory staff, technical and managerial skills and relatively lax pollution control norms. India has one of the finest varieties of raw cotton in the world and one of the largest acreages under cotton. India also has an extensive
base in textile machinery and in the dyes and chemicals industry. But there are also weaknesses, especially on quality perceptions. The strength and count variability of Indian yarn is far below international standards. There is unevenness in spinning and the supply of spliced yarn for knitting. Shrinkage rates for fabrics are far above global norms. While an average garment exporter from Hong Kong spends almost 2.5 million US dollars on investments per year, the figure is around 30,000 dollars for India. An average garment exporter from India invests around 250 dollars per machine per year, the figure is 1500 dollars for China. Most machines in India are sewing machines; there are very few special or processing machines.

**Bibek Debroy & Laveesh Bhandari (2001)**

It deals firstly with the India’s strengths for garments industry. In this connection the major ones are availability of cotton, cheap labour, educated supervisory staff, technical and managerial skills and relatively lax pollution control norms. According to this report India has one of the finest varieties of raw cotton in the world and one of the largest acreages under cotton. India also has an extensive base in textile machinery and in the dyes and chemicals industry. It deals with weaknesses, especially on quality perceptions. The strength and count variability of Indian yarn is far below international standards. There is unevenness in spinning and the supply of spliced yarn for knitting. Shrinkage rates for fabrics are
far above global norms. While an average garment exporter from Hong Kong spends almost 2.5 million US dollars on investments per year, the figure is around 30,000 dollars for India. An average garment exporter from India invests around 250 dollars per machine per year, the figure is 1500 dollars for China. Most machines in India are sewing machines, there are very few special or processing machines.


This paper attempts to share the results of a study aimed at comparing the business practices of garments manufacturers with high, medium and low levels of productivity performance and to establish the factors associated with higher apparel productivity in India. The findings establish that the higher productivity group, belonging to the fourth quartile of the sample, had about 45% higher productivity performance than the mean of the total sample. The business characteristics of the factories belonging to low, medium and high productivity performance manufacturers were significantly different. These variables also showed association with productivity during correlation and ANOVA for the total sample. The paper presents a brief profile of high productivity factories and provides a list of factors associated with productivity in the Indian apparel industry. It can be concluded that, although the average productivity performance in Indian apparel manufacturing is only 10.03 shirts per machine per shift, there is
a group of manufacturers who achieve an average productivity performance of almost 45% higher than this. It is also evident that the higher productivity group uses several of the best practices in human resource management and production management, and has established superiority in quality control and technology deployment and usage. Most of the factors associated with productivity established in this paper are controllable in nature. The management of the apparel manufacturing firms can manipulate these factors to reap the higher productivity gains as exploited by the high productivity group.

Vern Simpson (2001)

The study examines India’s textile and apparel industry in terms of its structural anomalies and other key factors inhibiting the growth of the industry, competitive strengths and weaknesses of the industry, government programs designed to help improve the competitiveness of the industry, tariffs and other market access barriers impeding growth in trade and investment, and product sectors that offer opportunities for growth in U.S. trade and investment.

T. A. Bhavani; Suresh D. Tendulkar D.(2001)

Drawing on international trade and industrial organisation theories, this paper identifies variables affecting (a) the export decision function, i.e. to export or sell in domestic market, and (b) the export performance function, i.e. the share of
exports in output. These functions are estimated for Garment and Apparel producing units in Delhi. The form of business organisation, reacting access to capital, turns out to be a key determinant in both functions. The estimated marginal impact of identity. Ed variables (scale and share of sales expenses) on the probability of exporting in an estimated Probability model declines sharply when moving from single proprietorship to partnership and on to limited companies. Empirical results suggest two policy changes to boost export performance. First, given the importance of scale for exports, the existing policy of reserving garments and apparel for exclusive production in small-scale units needs to be scrapped. Simultaneously, it is also necessary to amend current labour legislation applicable to large-scale factory units, as it introduces labour market in flexibility and hence serves as an impediment to the expansion of existing units and the entry of new units.


This paper presents a perspective that focuses on two themes: first, the process of globalization of apparel production and the changing competitive conditions in the global apparel market; second, the characteristics of India’s apparel exports, the production structure that supports the export profile, and the effects of policy regulations. It concludes that India has initiated economic policy reforms in order to improve efficiency and achieve international competitiveness. Apparel is
India’s leading export product and achieved rapid growth in the late 1980s and the first half of the 1990s. However, India’s share of world apparel exports has not risen since 1994. The immediate cause is apparently the slowdown in the import growth of India’s major markets, namely, the United States and the EU. A more significant observation is that the apparel industry has remained outside the industrial reforms of the 1990s. In this context the survey has been done for the recent developments in the globalization of the world apparel industry to better understand its implications for the Indian apparel industry.

Kathuria Sanjay and Bhardwaj Anjali (1998),

In this paper, we sought to calculate the export tax equivalent (ETE) for garment and textile exports to the USA and the EU. ETEs can be thought of as a measure of excess demand, given the existence of quota restrictions and a certain level of supplier capabilities. Thus the ETE is a measure of restrictiveness of the quota regime. In interpreting ETEs as a measure of competitiveness, however, additional information on competing countries’ ETEs, quotas and exports is needed. ETEs for garments were high for the USA, in the range of 28-37 percent over 1993-1996. For the EU, the range was 14-19 percent. However, while there was a decline in the ETE for USA in 1996, there was a corresponding increase in the EU. The dismantling of the quota regime represents both an opportunity as well as a threat. An opportunity because markets will no longer be restricted; a threat
because markets will no longer be guaranteed by quotas, and even the domestic market will be open to competition. This means that in today’s world, observed ETEs would surely have been higher if the industry had been relieved of the documented domestic policy constraints. In tomorrow’s world, on the other hand, the continued well-being of the industry may depend on timely action to relax these policy constraints

**Dr Ruchira Ganguly-Scraser (1998),**

The paper examines the implications of the neo-liberal reforms for workers in the Indian garment industry in the era of the post Multi Fibre Arrangement. It has been argued that the garment industry epitomises the contradictory outcomes of post-Independence development strategies. Garment industry in the past thrived due to traditional labour skill and expertise. However, the industry on the whole produced fabrics and readymade garments for local consumption and production targets were set to achieve self sufficiency for local needs. Based on recent empirical research in West Bengal, this paper has highlighted the emerging problems workers face as the Indian garment industry increasingly becomes tied to the global market. Focusing on the uneven impact of liberalisation it has been shown that while garment ‘exporter-manufacturers’ have largely accrued the benefits of the demise of the quota regime there is growing informalisation of labour and a rise in concealed inter-border trade.
Sanjay Kathuria & Anjali Bhardwaj (1998),

They described that dismantling the quota regime represents both an opportunity and a threat. Data about the real burden imposed by distorting but nontransparent policies under the quota regime are inadequate. Traders were interviewed in Delhi and Bombay about quota rents. They provide comprehensive estimates of the magnitude of the implicit export taxes resulting from the labyrinth of quotas imposed under the WTO Agreement on Textiles and Clothing. Using the concept of an export tax equivalent (or ETE), they assess how much exports are restricted. The international trade regime in textiles and clothing imposes a substantial tax equivalent on Indian exports. Between 1993 and 1997, ETEs for garment exports to the United States were roughly double those for the European Union. The ETEs for the United States declined in 1996, which could be a warning signal that India faces increasing competition from a NAFTA-empowered Mexico. From India's viewpoint, the European Union is ahead of the United States in dismantling the quota regime-and in not restricting Indian cotton (garment) exports (where India has a comparative advantage) more than synthetics. India's strengths in this sector lie in natural resources and factor endowments—raw cotton and cheap labor. The Indian garment industry’s decentralized production structure—subcontracting, which is low risk and low capital—has served the industry well but has excluded
Indian products from the mass market for clothing, which demands consistent quality for large volumes of a single item.

**Verma Sunil (1997)**

The dissertation attempts to examine the influence of socio economic and political economic factors on export growth in India during the last four decades. The research was conducted via enterprise level surveys of Indian garment and software industries which were designed to highlight inter firm differentials in cost competitiveness. It indicates that garments industries structure reflects the quota regime and controlled environment within which it has evolved. The industry is plagued by high level of rent seeking and buerocracy. Both industries continue to suffer from government regulations of import of intermediaries and tools and lack of better infrastructure.

**Satinder Bhatia (1996),**

According to Satinder Bhatia as the world moves speedily towards quota-free markets and the country opens up to foreign competition, the key success factors for garment makers in India would be providing efficient services which include responsiveness, consistency, flexibility, communication abilities and understanding the perspectives of foreign buyers. Price and quality would be mere qualifiers as the future competition in world trade is likely to concentrate on
rendering effective service. The Indian garments industry, backed by a strong textile base, has some special advantages over its competitors. Yet, it has not been able to retain its full potential due to the numerous problems facing this industry. The problems range from lack of good infrastructure including port-handling facilities, processing houses, training centres and distribution network, non-availability of adequate finance, restrictions on expansion of capacity, prevalence of antiquated management practices, inadequate availability of fabric and accessories and manipulations in the administration of quotas. Any quantum growth in exports will now require tackling these problems in a systematic manner. Steps will have to be taken to improve unit value realization, which is presently very low compared to what our competitors like Hong Kong, Taiwan and Korea are getting. Now, Sri Lanka and Bangladesh are also emerging as competitors with their highly sophisticated factories. It is necessary that the Indian exporters should concentrate on production of non-quota items and exports to non-quota countries. A stage has now reached where the quotas have been fully utilized and, therefore, the future growth of the industry depends to a large extent on seeking new destinations and developing new product lines. The industry’s export efforts have, therefore, to be designed against this background. The emphasis has to be on diversification and shifting to exports of non-quota items to quota countries and quota items to non-quota countries. Apparel trade is under
restraint in only sixteen countries. The other countries of free world are wide open for export of garments. India is still relying heavily on the USA and the EU for its exports of garments as against Japan and Hong Kong in the case of China. There are several non-quota markets like Australia, New Zealand, Japan, West Asian countries, Africa, Latin America, East European countries, Switzerland, etc. Though these countries offer an extremely good market for export of garments, these markets have not been properly tapped. The Government of India, on its part, has come forward and taken initiatives for the smooth growth of the industry. Government sponsored research organizations, technical institutes, R&D institutes and other promotional agencies are being invited to render technical consultancy and services for the fast growth of this industry. Industry should now readjust, reorganize and reorient it to meet the impending challenges through well-designed innovative strategies.


The purpose of this study is to explore relationships between textile and apparel manufacturers in India and the United States. Results of the survey indicate that respondents differed significantly on perceptions of industry opportunities and problems in their respective countries. Significant differences were also found between industry leaders in the two countries when various aspects of their business practices and opinions were examined. Findings are analysed and discussed in relation to their implications for improving global marketing strategies, industrial competitiveness and international trade.
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