ABSTRACT

Export sector is the pivotal sector for developed economies in the world and has been profoundly adopted by developing countries like China, South Africa, Brazil, Indonesia, Pakistan and India since 1980s. The year 2008-09 witnessed much turbulence in the economic activities of globe due to the US led recession also called as Great recession. The Indian economy was doing well before the global recession reaching 9.6% (GDP) growth in 2006-07 which became 9.3% and 6.8% in 2007-08 and 2008-09 respectively due to the global financial crisis and global recession.

The share of textile export as against India’s total export of all commodities has declined to 10.40 % from 10.53 % during April-Dec., 2012 as against April-Dec., 2011. For Indian readymade garment industry the major destinations are USA, UK, Germany, France, UAE, Italy, Netherlands, Spain, Canada and Saudi Arabia. In 2008, USA, Germany, and France collectively accounted for 50% of India’s RMG exports. The Indian apparel industry is no longer feeling buoyant with exports falling sharply following weak demand in the US. The readymade garment industry in India felt the heat of global turmoil as the apparel export fell 6.59% in September 2008 compared to the previous year as a direct consequence of the global economic slowdown.

Though the advantage of apparel industry in Tirupur are large and low-cost labour force, sizable supply of fabric, sufficiency in raw material and spinning capacities but the shortcomings like labour issues, power cuts, water scarcity, inability to dispense the effluents, failure of launching common effluent treatment plants, air pollution, and poor roads affects the export progress. To retrieve from the issues of exporters during the global recession which started in 2008, the researcher has made an attempt to probe the following pertinent questions on the export performance of apparel industry in Tirupur.

1. Will the apparel exports industry in Tirupur be able to change the export trend which has been showing a stagnating trend?
2. To what extent the apparel industry in Tirupur was affected by the US and EU markets during the period of global recession?
3. What are the strengths and weaknesses of the apparel exporters in Tirupur?
4. What are opportunities and threats for the apparel export industry?
5. What are the short-term and long-term strategies of exporters in Tirupur?

The research undertaken has the following objectives.
1. To assess the impact of global recession on the export performance of apparel industry in Tirupur.
2. To analyze the of export performance of apparel industry in Tirupur.
3. To evaluate the strengths and weaknesses of and the opportunities and threats for the apparel exporters in Tirupur.
4. To find out the short-term and long-term strategies of apparel exporters in Tirupur.
5. To analyze the major problems faced by exporters and to suggest appropriate steps to be taken by various stakeholders to safeguard and for further strengthening of apparel export industry in India.

There are 900 registered members in Tirupur Exporters Association (TEA) in Tirupur. The sample is chosen from the members of Tirupur Exporters Association (TEA). The sample size is 600 and, these 600 exporters are chosen using stratified random sampling technique. The difference in the extent of turnover (export performance) of apparel exporters in Tirupur based on the period of establishment of export business, educational qualification, age, business experience, market diversification, organization of export business, brand ownership and dependence on others for manufacturing activity were studied by means of Two-way tables, Percentages, Averages, Ranges and Standard deviation. Structural Equation Model was used for finding out the internal factors influencing the export performance and factor analysis was used for finding out the external factors influencing the export performance. Henry Garrett ranking techniques was used to identify the preferred short term strategies, long term strategies, reasons for Tirupur being the export hub
and the expectations of the apparel exporters. The study found that the strengths of apparel export industry in Tirupur are low cost labour, product range and quality and Raw material availability. The opportunities are unexplored Asian markets, increased demand for premium products around the globe and exchange rate depreciation. The weaknesses are small scale size of units, lacking professionalism, and overdependence on cotton apparels. The threats are dyeing and associated water pollution, legal factors, competition from China, Bangladesh and Global recession.

It is suggested that the government should provide soft loans to new entrepreneurs, information support and research support on technology. The researcher would like to conclude by saying that apparel export industry in Tirupur is in cross-roads today.