Chapter 7

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS
## CHAPTER VII

Summary, Conclusion and Recommendations

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CHAPTER VII

SUMMARY, CONCLUSION AND RECOMMENDATIONS

7.1 Summary of Findings and Conclusions

India is the second largest player in the world cotton trade with about nine million hectares of cotton acreage. It is the third largest producer of cotton fibre production and ranks fourth in terms of polyester yarn and staple fibre production. The textile industry is labour intensive, which apparently is an advantage to India. It is one of the largest and most important sectors in the economy in terms of output, foreign exchange earnings and employment in India and also contributes 20% of industrial production, 9% of excise collections, 18% of employment in industrial sector, nearly 20% to the country's total export earnings and 4% to the Gross Domestic Product (GDP) (2003 est.). The sector employs almost 35 million people and is the second highest employer in the country.

India is one of the largest exporters of yams in the international market. The industry contributes about 25% share in the world trade of cotton yarn. Indian textile industry contributes about 23% to the world spindleage and about 6% (0.5 million) to the world rotor capacity installed. It has second highest spindleage in the world after China with an installed capacity of around 40 million. Indian textile has the highest loomage in the world and contributes about 61% to the world loomage (including handlooms, which are about 3.90 million i.e. 85% of world). In terms of high-tech shuttleless looms, the contribution is only about 3% (0.02 million - 2003 est) to the world loomage. It contributes about 12% to the world production of textile fibres and yarns (including jute). It is the largest producer of jute, second largest producer of
producer of silk, third largest producer of cotton and cellulosic fibre/yarn and fifth largest producer of synthetic fibres/yarns. The industry is in close and continuous touch with the rapid technological changes taking place in the garment machinery manufacturing industry. In addition, the industry has its pulse on the consumer demands of the readymade garments and with this end in view has been updating its machinery with finishing machines to meet such sophisticated demands. The industry in India has developed from the level of cottage and small-scale industry to an organized large scale industry using high technology from the developed countries.

India has had contacts with the region comprising the seven Emirates, which now form the United Arab Emirates, since time immemorial. People to people contacts and barter trade for clothes, pickles, silk, ivory and spices from India in exchange for dates and pearls from the region have existed for centuries. The relationship rests on firm foundations of political, economic and cultural links.

United Arab Emirates (UAE) is a federation of seven independent Emirates namely Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Ras al-Khaimah and Umm al-Quwain. UAE is one of the booming markets in the middle-east. The UAE market is very open and competitive.

In this background it would be interesting and valuable to study India’s readymade garment export to UAE Therefore, the present study is a sincere attempt to answer certain crucial questions such as, What is the socio-economic profile of the United Arab Emirates?, What is the trend and progress of the readymade garment exports from India to the United Arab Emirates?, To what extent changes have been
occurred in the ready-made garment export trade from India to the United Arab Emirates?, What are the factors determining ready-made garment exports from India to the United Arab Emirates?, What is the nature and structure of the ready-made garment export business in India?, What are the problems pertaining to the ready-made garment exports from India to UAE? And what are the problems faced by the ready-made garment exporters?

The review of literature shows that the numerous studies on the export of textiles from India to other developed nations have been conducted. However, a study specifically on the export of Readymade Garments from India to the United Arab Emirates, the trade relation between India and the Gulf countries and a comprehensive study on the important categories of ready-made garment exports from India to UAE has not been undertaken to a great extent. An analytical pattern of trade in selected ready-made garments to U.A.E, throws light on India’s competitive position and highlights the problems experienced in their exports. This study is a sincere attempt to put forward the export scenario of the ready-made garment industry with special reference to the United Arab Emirates, during the period 1991 to 2003.

The objectives of the present research work are, to study and have an overall review of the exports of India, to study and assess the ready-made garment export trends and progress, from India to the United Arab Emirates (UAE) during the post liberalization period, to study the export promotion measures taken by the government to promote ready-made garment exports over a period of time, to identify the factors influencing ready-made garment exports from India to the United Arab Emirates, to assess the nature and structure of ready-made garment export business in India, to
study and analyze the problems of readymade garment business in India as well as readymade garment exporters and to suggest ways and means to improve the competitive position of the Indian readymade garments and to boost up its exports.

In order to attain the above objectives, certain assumptions are considered. Pertaining to the present study it is assumed that the socio-economic profile of the United Arab Emirates is changing fast. Secondly, the trend and progress of Readymade Garment Export from India to UAE is upward and positive. Also, the change in Readymade Garment export from India to UAE is progressively moving upward and there exist multiple factors determining readymade garment export from India to UAE. It is also assumed that the nature and structure of the readymade garment export industry is simple but the documentation involved is complex. Lastly, Readymade Garment Exporters face numerous problems, to deal with which there are a number of authorities and promotional councils.

The study attempts to examine the trends, progress, influencing factors and problems pertaining to readymade garment exports from India to the United Arab Emirates. The term 'Readymade Garment' includes a large variety of clothing, but since the trade in garments on any significant scale is confined to relatively few, only the two and four digit harmonized codes (HS codes) are selected for coverage.

This study highlights the economic aspects of exports for the selected garments, the difficulties that are being faced by manufacturers in production, finance, marketing, sourcing, packing, handling, transportation, seasonal changes, price
fluctuations, changes in international trade tariff’s, taxes and regulations from time to time. It also highlights the difficulties faced by exporters in marketing and maintaining quality as per the varying requirements of the importing countries and complying with the procedures and formalities of export. An attempt has also been made to study the various incentives offered by the government to the exporters and its yield in enhancing the foreign exchange reserves. The role and impact of trade institutions and official agencies in assisting the manufacturers, traders and exporters has also been studied. The study analyses the trend of readymade garment exports for twelve years of the post liberalization period i.e 1991 to 2003, as this period has bought about a significant change in the economic development of India. The study will help us identify the factors influencing garment exports and to ascertain the reasons for the unsatisfactory performance of exports as compared to other readymade garment exporting countries. This study is restricted to Mumbai in Maharashtra, India for the purpose of manufacturing, production and exports. Mumbai has been selected because of the concentration of the garment production units, exporter’s offices and warehouses located in this area.

For the present research work, all the sources available that is, primary as well as secondary data have been tapped. Out of the 200 respondents who were sent questionnaires, only 102 of them reverted their feedback out of whom there were 51 Readymade Garment Manufacturer Exporters, 35 Merchant Exporters, 13 Sub-Contracting Manufacturers and 3 Indenting agents, all from Mumbai. Discussions were also held with Joint / Regional Directors of various Trade organizations, Clothing Associations, Export Promotion Councils and Forwarding agents.
The statistical tools used in this research study are simple but descriptive and self-explanatory. Regression & Correlation, Percentage, Pie Diagram, Pareto Analysis, Bar Diagram and Scatter Diagram have been used to compliment the statistical data pertaining to this study.

This research study is divided into Seven chapters namely, Chapter I - Introduction, Research Methodology and Review of Literature, Chapter II - Profile of the United Arab Emirates, Chapter III - Trends and Progress of Readymade Garment Exports from India to the United Arab Emirates, Chapter IV - Nature and Structure of Readymade Garment Export business in India, Chapter V - Factors influencing Readymade Garment Exports from India to the United Arab Emirates, Chapter VI - Problems and Prospects related to Readymade Garment Exports from India to the United Arab Emirates and finally Chapter VII - Summary of Conclusions and Suggestions.

The United Arab Emirates (UAE) or Al Imarat al Arabiyah al Muttahidah is a federation of Seven Emirates that was formed on Dec 2, 1971. The Seven Emirates include Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Ras al Khaimah and Umm al Quwain. UAE lies within a sub tropical zone with very hot summers, high humidity, mild and pleasant winters. UAE is embedded in an area of 77000 sq. kms excluding the small dependent islands. There are no permanent rivers and rain is very scare. UAE has a growth rate of 1.6%, birth rate of 18.7 per 1000, infant mortality rate of 15.1 per 1000 and life expectancy of 75. The density per sq. m is 79 and the literacy rate is about 78%. The population was 1044 thousand in 1980 which increased to 1844 thousand in 1990 and further to 4320 thousand in 2004 respectively.
The UAE economy is primarily based on oil and gas commodities each. Each Emirate differs from the other by its relative dependence on special economic resources. In GDP at current prices of UAE, has increased from Dhs.126.0 billion in 1991 to Dhs.181.5 billion in 1999. In real, the GDP growth rate increased from 6.7 % to 24% in 1999. The government encourages economic diversification actively and readymade garment happens to be one of the major items among UAE’s imports.

The textile exports of India including jute, coir and handicrafts increased from US$ 8.53 billion during 1995-96 to US$ 12.10 billion during 2000-01 as against the target of US$ 20.17 billion in the terminal year of the Ninth Plan.

The Technology Upgradation Fund Scheme (TUFS) was introduced to modernize the textile sector. All the textile sub sectors such as spinning, weaving, knitting, processing, garment making, cotton ginning and pressing and jute sector are covered under the scheme. The export of software services and electronics contributed to 15 percent of the country’s total export earnings in 1999-2000. The UNDP-assisted National Jute Development Programme concluded on 31 March 1999. The second phase of the UNDP programme under the Country Cooperation Framework-I (CCFI) known as the Fibres and Handicrafts Programme (FHAP) envisaging a total contribution of US$ 7 million by UNDP and Rs. 20 crore by the Government of India was launched.

The introduction of the Technology Mission on Cotton (TMC) scheme helped to improve cotton productivity and quality. In order to reduce contamination of cotton, modern infrastructure was provided in the market yards and the programme on
modernization of ginning and pressing units had been taken up by capital subsidy under TMC Scheme or a 5 per cent interest subsidy under the TUFS. Fifty-one market yards and 150 cotton ginning and pressing factories were modernized during the Ninth Plan. Quantitative Restrictions (QR) on imports were dismantled for all except consumer goods, while the remaining restrictions were to be removed in phases, by the year 2003.

The Exchange rate policy has always been an important determinant of export performance hence it should be ensured that the exchange rate remains supportive of the export effort. Equally important are the infrastructure constraints including transport, customs procedures, and banking facilities. Our facilities and procedures in these areas have been inadequate which has often led to delays and harassment thus a proposal to revamp the various procedures and facilities was initialized, in order to provide greater support to the exporters.

Developing an Export Plan is the first step in setting up an international readymade garment business in order to produce readymade garments, which basically constitutes ten steps, namely; Export Potential, Market and Marketing Research, Export Strategy, Pricing, Logistics and Transportation, Trade Barriers, International Law, Rules and Regulations, Financial Analysis, Risk Management and Plan Implementation

At least Twenty integrated stages are observed in the production procedure of Readymade garment export firms/units. The six basic types of machinery used in a
readymade garment industry consists of Cutting Machines, Fusing Machines, Sewing Machines, Pressing Machines, Processing Machines and Finishing Machines.

Preliminary documentation for the readymade garment exports from India to UAE as well as documentation for the import of readymade garments in UAE comprises one of the basic requirement for trade in readymade garments, between India and UAE.

Regarding the organization, nature and structure of the readymade garment export business from India to UAE;

a) Majority (48%) of the readymade garment exporters from India to UAE hold Sole Trading/ Proprietary concerns. On the other hand, 30.4% of the readymade garment exporters, exporting from India to UAE have partnership kind of ownership structure whereas 21.6% of the readymade garment exporters hold Private Limited Companies.

b) The nature of the readymade garment business shows that readymade garment manufacturer exporters, merchant exporters, sub-contracting manufacturers comprises to the extent of 50%, 34.3% and 12.7% respectively.

c) The relationship between brand name and export of readymade garment from India to UAE reveals that 38.7% of the garment exporters and 13.7% of the merchant exporters use a brand name, together 51.9% exporters use a brand name.
In other words, 48.1% of the exporters do not use a brand name as an exporting strategy for readymade garment exports from India to UAE.

d) There is large scale modification in packing, labeling and tagging. It is changing at a faster rate as compared to the era of 70’s and 80’s. The Mumbai exporters are keeping pace with the new trends in packing, tagging and labeling while exporting to UAE and other parts of the globe.

e) Regarding the methods of payment adopted by the readymade garment exporters from India to UAE, it has been observed that the Letter of Credit (L/C) is the most favored mode of payment to the extent of 74.4%, for most RMG exporters as compared to 13.8% of the same who opt for Documentary bills and 7.9% who prefer Payment in Advance respectively.

The discussion on regulation and promotion of readymade garment exports, concerning various authorities in India and UAE reveals that there are many regulatory and promotional bodies concerned with the readymade garment exports from India to UAE. They have made changes in the rules and regulations, incentives and promotions, opened new avenues for the readymade garment exporters from time to time ensuring the growth of the readymade garment business. Therefore, knowing the Regulatory and Promotional authorities is an added advantage to the Readymade Garment exporters. Awareness about such Authorities – their roles, functions and related bodies is necessary for the Readymade garment exporters otherwise agents, distributors and consultants take advantage of their ignorance and manipulate their fees and commission which in turn reduces the margin of returns.
It is interesting to know that only 5% of the respondents are completely aware of the various Government organizations and authorities, their roles, functions and other related bodies. The rest of the respondents depend on agents, consultants and advisors for further in depth information.

There are in all thirteen factors that influence readymade garment exports from India to the United Arab Emirates. The Government of India has provided various other incentives in the recent years, to encourage the garment exporters and boost up the foreign trade of India. It is upon the individual exporters that how they take advantage of these incentives and utilizes them in the most apt manner without indulging in any kind of mal practices whatsoever.

The Readymade garments account for almost half of India’s textile export. Indian readymade garments are in demand all over the world, especially for the high quality, the exquisite work the strength and the durability of the fabric. The number of machines installed in the manufacture of knitted garments, during the period 1990 was about 48,580 where as the approximate number of units installed were 3,239. In comparison to that, the total number of machine installed in the year 2004 was 8,37,831 while the number of units amounted to 39,097 which is almost twelve times that of what it was in year 1990 where as the machinery installed is almost seventeen times to what it was in 1990.

The number of machines installed for the manufacture of woven garments in India amounted to 5,63,438 in the year 1990 where as the number of units installed amounted to 26,830. Similarly, the number of machines installed for the production of woven garments during the year 2004 amounted to 11,62,265 where as the number of
units grow to 55,316 during the same period. Hence the readymade garment industry has shown tremendous growth but still lacks the benefit of economies of scale.

In the year 1991 the export of Readymade garments from India to UAE, amounted to Rs. 15,155.63 lakhs. The exports after ten years that is in 2001, showed an increase amounting to Rs. 2,48,720.37 lakhs. The export of readymade garment for the year 2002 the readymade garment from export from India to United Arab Emirates decreased to Rs. 17,3,784.19 and the percentage recorded was -30.13 % (negative growth) as compared to the previous year. In the year 2003 showed a growth amounting to Rs. 19,2,709.62 lakhs and recorded a growth of 10.89 % as compared to 2002.

Amongst the top ten items of readymade garment exports to the United Arab Emirates, Men’s and boy’s shirts (HS code 6205) top the list. During the 12 year period i.e from the year 1991 to 2003, the exports of this item amounted to Rs. 274674.99 Lakhs. The second item in readymade garment topping the list has been that of Women’s girls suits, ensembles, jackets, dresses, skirts etc (HS code 6204). The export of Kids / children wear to the United Arab Emirates has been nominal. Thus, it is suggested that the exports in this category should be increased and special attention should be paid for the research and development on the same.

United Arab Emirates is the largest market for Indian garments amongst the Gulf Countries. From the period 1996-97 to 2003-04, UAE topped the gulf garment export list with 72%, Saudi Arabia being the second big market after UAE amounted
to 18%, Kuwait imported 5%, Oman imported 2% whereas Doha-Qatar, Bahrain and Yemen imported about 1% of readymade garments from India during the period.

The major markets for UAE’s overall imports are Japan, USA, Germany, India, China, UK, France, other GCC countries etc. China, South Korea, Indonesia and the USA are the global competitors for India with reference to the overall imports of UAE. Among the SAARC countries, Pakistan, Bangladesh and Sri Lanka are India’s biggest competitors, in the export of readymade garments to the United Arab Emirates.

The readymade garment industry is highly fragmented in India. One of the reasons sighted is the faulty government policy and excessive red tape in most of the government organization and agencies it has been observed that the government trade policies are manufacturer friendly and not exporter – friendly garment exporters are burdened under various types of tax which in turn reduces their returns on investments. The taxes levied are usually the higher indirect taxes. The inadequate infrastructure the high interest rate and the inefficiency of labour are some of the major problems the government exports have to reckon with. The government introduces various schemes and incentives to boast up the morale of the government exporters but indirectly coaxes them to pay up more in the form of various fees services charge and other variable taxes.

Around 80% of the exporters have reported that the phase out of the MFA quotas has increased their export volume to the countries they presently export to and has also motivated them to enter new markets while 12% of the exporters said the
phase out of the MFA quotas has not effected their trade operations in any way since they strongly feel that there are various non tariff barriers yet to deal with, post MFA phase out. Issues related to health, work quality, child labour / sweat shops, environment and safety are a few issues that would likely attract attention, the balance 8% of the exporters have reported that they would certainly concentrate on increasing their export volumes to their current destinations but would not venture into new markets.

24.5% out of the 50% readymade garment manufacturer exporters conduct in-depth research when targeting a potential market whereas 16.7% conduct partial research. 8.8% do not conduct any kind of market research as they felt it unnecessary. Out of the 34.3% merchant exporters interviewed, 11.8% of them conduct an in-depth market research, whereas majority of them i.e 17.6% conduct a partial market research. Amongst the sub-contracting agents, 4.9% of the exporters opt for an in-depth research in order to penetrate and capture the foreign market whereas an equal number of them conduct a partial market research. The sub-contracting agents do not take the concept of marketing research very seriously since they get all the specifications and design patterns from their international source. Out of 3% of the indenting agents approached, 2% of them opted for in-depth research since they need to keep themselves updated on the latest market trends in order to facilitate better trade leads. It is observed that the concept of Market Research is still not very popular amongst the readymade garment Indian exporters.

31.4% of the respondents (garment exporters) from Mumbai followed stringent Quality Control and were ISO certified or accredited with another title
ensuring the buyers of the product quality. 47% of the garment exporters did not opt for any external quality control certification. 6.8% of the garment exporters did not find it necessary to conduct any kind of quality check on their finished item of produce whereas 14.8% conducted a preliminary check on their finished garments.

Among the major problems faced by the readymade garment exporters, 81.4% of them expressed that corruption prevailed at all stages of the export process, while 18.6% of them felt that the system has changed for the better. Exporters have expressed mixed views in this regard. Some of the entrepreneurs strongly believe that it is upon the Government of India to boost up and encourage the garment industry to gain leviathan growth in the economic scenario. Only then will India be in a position to compete with China. The exporters have suggested the strong support of the government authorities as in the case of China.

84.3% of the exporters have stated that China was the major competitor in the field of readymade garment exports to the United Arab Emirates. Apart from China, readymade garments from South Korea, Bangladesh, Indonesia and USA too are a major concern for Indian exporters. These garments are not only reasonably priced but also are of very good patterns, cuts and designs. The major reason cited for these garments being so reasonably priced are the benefits of reaping economies of scale in production.

The government has brought down import duties on capital equipments, and has started offering foreign investors opportunities to set up manufacturing in India. Off late India has provided a global manufacturing platform to various multi –
national companies that provide a base for other textile and apparel companies. Labour laws in India are relatively unfavorable to the trading establishments, which follow the ‘hire and fire’ policy. Companies have many a times bifurcated their business into small units to avoid the unwanted trouble created by labour unionization. The Indian government has taken steps towards reforming the labour laws however it is anticipated that this movement would gradually be implemented and will uphold the economic environment in a more favorable manner.

India has certain high level disadvantages due to its geographic location. Foreign companies face a global logistics disadvantage due to shipping cost being higher and the time taken being much more as compared to other manufacturing countries like China and Turkey. The movement of containers is not at reasonable cost either. Therefore UAE acts as a hub for global re-exports and facilitates entrepot trade.

The main reason for the developments taking place in the Indian textile industry is that the Indian players are preparing themselves for effectively competing in the volumes game globally. The Indian industry is less focused towards the niche markets for which the earnings per unit would be much higher as compared to the volumes market. The industry players are still not actively prepared for the post MFA (Multi Fibre Agreement) regime. 12% of the 102 exporters interviewed specialized in a single product line and concentrated on developing products in that line of garments, for the niche markets.
67% of the respondents have reported that they already have a presence in the international market. They have maintained their goodwill in the middle east market. Their foresight towards the post quota regime is interesting and exhibits how well prepared they are to capture the export market globally, thus revealing strong orientation amongst them.

The apparel export promotion council is the apex head for the readymade garment exporters but somehow the exporters have expressed they unhappiness towards the services offered by the renowned body. Garment exporters feel that the decrease in the duty draw back rates, and the increase in other preliminary taxes is a punishment levied upon them for the promotion of Indian garment exports internationally.

Amongst the readymade garments exported, Men’s wear tops the demand list, whereas the trend of women’s wear show an increasing growth potential similar to that of kids wear. The Indian exporters predominantly consecrate on a single product line which hinders the growth of garment exports. A change in the mind set is the call of the hour. Diversification will prepare to penetrate and progress in the international arena. Due to the cut throat competition prevailing at the global level, The Indian exporters need to update themselves in areas of technology, skill, time management, international law and foreign exchange trends.

The Technology Upgradation Fund Scheme (TUFS) and the Duty Entitlement Pass Book (DEPB) scheme have proved to be useful for the readymade garment exporters. The government should further encourage the TUFS scheme and introduce it to the synthetic fibre industry as well.
Respondents have expressed that the post Multi Fibre Agreement (MFA) period (after Jan 2005), there is likely to be a decline in the number of Indian exporters having base in the United Arab Emirates as they would consider a shift in trading operations due to the elimination of the quota restrictions. UAE follows a Free Trade Policy and has minimal tariff and non-tariff barriers, hence many Indian exporters have their offices setup in UAE in order to facilitate Re-exports.

However, although UAE is an entrepot for trade between India and various developed countries, there have been many factors which have prompted the Indian exporters to consider a shift in operations.

Majority of the respondents have indicated that they would employ additional skilled/semi-skilled labour in order to effectively meet the requirements of their international buyers. The exporters have strongly called for a review of the labour law in the country. The respondents have asked for the introduction of productivity-linked and greater flexibility in employment and redeployment.

The UAE market has not been given priority by our trade analysts and policy makers. The bigger developed nations get all the due attention over and over again. UAE is one country which has an Indian population of about 50% of the total population of the country. UAE needs to be given more consideration with reference to our bilateral trade relations and our trade agreements. The high value (heavy and jazzy) garments from India are highly in demand in UAE. The Arabs there are highly fascinated by the bright and colorful embellishments the Indian craftsmen offer.
is a big market for haute couture garments. The buyer there, does not mind paying the extravagantly quoted price but expect cut and quality of par excellence.

The export of ready-made garments from India to UAE is a lucrative trade proposition due to its increase per capita income and constant technological and economic growth. The government of UAE encourages economic growth and aims at strengthening its bilateral relationship with its allies. UAE has the world's biggest man-made harbour apart from the many other magnificent and highly efficient ports scattered across the component emirates.

7.2 Suggestions and Recommendations

Exports are the lifeblood of Indian textile industry since so many people are depended on it. It is important for the Indian industry to grab the international market both in volumes and niche segments. India's future in the international market depends on the capacity to produce and execute bulk orders for international players.

To increase ready-made garment exports to U.A.E the following steps are necessary:

a) The quality standard should be improved and more of quality check laboratories should be set up. The Indian exporters should concentrate on improving their design skills as per the market suitability. The UAE market is a major market for new trends and high-end fashion. The per capita income of UAE ranks amongst the top ten in the world. The standard of living too is high which implies that the people have the power to purchase lifestyle products. Garments with delicately crafted embellishments and heavy handcrafted exquisite work are preferred by
the Arabs and the expatriate communities settled there hence the exporters should imburse the trends of the foreign country while designing the garment for the targeted market.

b) India ranks in the top ten among the various competitive exporters exporting to UAE. The garment exporters should avoid compensating quality with price. Exporters tend to neglect quality for price especially when their pricing is market oriented. This practice will prove to be unfavorable for them in the long run as it's always the quality offered that eventually builds up a good will and status of an export firm.

c) People have become conscious not only about the quality but they also pay equal attention to brand name while shopping for the product. Therefore, Indian entrepreneurs exporting readymade garments should also think seriously in this direction and create brand name acceptable in a competitive global market. For this purpose, they should also conduct marketing research emphasizing on consumer tastes and their preferences for their products.

d) Indian exporters should also pay special attention to packaging of the product and materials to be used for packing the product and display them in an artistic manner, by following “AIDA – Attention Interest Desire Action” formula which means product positioning in the minds of the prospect. Todays marketing science demands appointment of brand ambassadors. Brand names such as Ritu Beri, Rina Dhaka, Rohit Bal, Manish Malhotra etc have created a niche for
themselves in the international market. Hence the garment exporters should pay special attention in this regard and work on the development of the brand.

e) Research and development efforts must be increased with regards to the industry and market trends in UAE. Expertise for technical textiles that includes bed sheets, filtration and abrasive material, furniture and upholstery, thermal protection, blood absorbing materials etc which needs skilled workers, who are not easily available in the Indian market. R&D in the field of production, time management, marketing etc should be initiated. Thus the industry needs to emphasize on setting up of technical training institutes for the skilled and semi skilled workers of the Garment industry.

f) Efforts must be taken by the garment exporters along with the assistance of the Apparel Export Promotion Council to promote Indian garments. Council has to make efforts to create an identity for Indian readymade garments in the retail markets in UAE. An increase in the number of Apparel Parks will tremendously benefit the garment exporters however schemes like SEZ (special economic zones and Apparel parks are not implemented effectively as a result large garment capacities are not coming up at a desired speed.

g) The textile sector has to be completely upgraded. The Technology Up-gradation Fund Scheme should be encouraged for the next five years as the readymade garment sector has been restrained by obsolete technology, reservation under SSI (small scale industry) policies and limited scale operations. Technology upgradation will improve the productivity and quality levels in the industry.
Switching to high technology mode would enable the textile industry members to reap the benefits of large scale operations along with high quality. There is need for integrating the manufacturing operations that is from spinning garment making which would improve the quality and bring down the turn around time.

h) The logistics and supply chain management of Indian textile firms are relatively weak and need efficiency and improvement there should be some kind of charge to be levied upon in other to make the export deal cost competitive.

i) The Indian garment exporters still are hassled with various trade barriers and labour laws. The policy makers need to liberalize certain aspects concerning these issues in order to facilitate momentum in international garment trade.

j) The drawback claims falsely put into the invoice value of exports should be curtailed in order to maintain a healthy, competitive, trade environment.

k) A price discovery mechanism needs to be installed to track the market trend and take effective measures in order to avoid a market slump. In other words, a marketer is required to have an effective cost control measures so as to improve his competitive strength in global market. It is observed by the researcher that in the middle east market, Indian entrepreneurs are facing tuff competition from the garment exporters from Pakistan, Indonesia, Bangladesh, Taiwan, Korea, Sri Lanka etc
1) Regulatory practices should be relaxed and made easy as they only act as bottlenecks in the trade procedure. It is observed while discussing the issues with the merchant exporters that due to several regulatory measures / control from the government departments, they have to forego the orders received from the foreign shippers, because they want quick execution of their orders and delivery of the goods on time, which is hampered because of excessive regulatory control measures.

m) The Indian commercial attaché in U.A.E should encourage trade promotions meets where by the traders in U.A.E can come forward and consult the relevant authority for export and import of garments. Trade fairs buyer seller meets and contact promotion program pertaining to readymade garments should be highly encouraged.

n) It is suggested by the exporters that officials in the Indian embassies in this region should adopt a more friendly approach towards the Indian business community operating in this area and play a more pivotal role and function as link between overseas customers of the region and the Indian readymade garment exporters by organizing frequently trade fairs, exhibitions, get-together or meetings, organizing cultural festivals etc and thereby create a more lively and congenial atmosphere and project Indian image.

o) A Double Taxation Avoidance treaty between India and U.A.E needs to be revised and implemented. It is strongly urged by the Indian garment exporters to the Government of India to be more liberal and lenient in their taxation policy
towards them and reconsider most sympathetically the issue of the Double Taxation Avoidance Treaty.

p) There should be tariff concession (country preferential rates) for products which are penetrative into the U.A.E market.

q) Proper facilities to showcase the Indian products in the up market hotels in U.A.E should be facilitated by the respected governments concerned.

r) Providing exchange of commercial offices between traders of India and U.A.E and presence of commercial executives in the exporting and importing country will enhance and ensure smooth trading operations.

s) The readymade garment industry needs to invest heavily to increase the capacity. To meet the investment requirements of the industry the government must strengthen and whole heartedly support the development of the financial institutions as only these can effectively cater to the term loan requirements of the industry.

t) Working capital interest rates need to be brought down and term loans should be made easily available with very low interest rates. One of the expectations of the readymade garment exporters is availability of adequate finance for meeting their working capital and fixed capital from the lending institutions at a concessional rate and more liberal terms for repayment of loans and advances, so as to boost up exports of readymade garments.
u) One of the important factors which effect the strength of the Indian exporter is borrowing from the open market at a relatively high rate of interest which not only increase the operational costs and reduce the profits but also leads to reduction in their competitive strength in the global market. It is suggested by the exporters that the ECGC should be more liberal and cover wider areas.

v) The Indian garment exporters should embrace the concept of integrated production facility which calls for all activities pertaining to the production of readymade garments and textiles under one consolidated chain.