

A Study on the Challenges Faced By Textile Industries in Exim Business at Palani Region

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ABSTRACT

Fabric and clothing businesses are full of life parts of the world (process of people making, selling, and buying things). Indian Fabric industry plays an extremely important role in the money based development of the nation. It occupies an important place in the Indian (process of people making, selling, and buying things) in terms of industrial production, employment and exports. The present study aims at combining and comparing the (people who work to find information) done in the area of (things that decide other things) affecting the export performance of Indian fabric industry. The review highlights that most of the studies have been carried out on beginning and building on the relationship between GDP, exchange rate, labour, capital (FDI) and technology with export performance of fabric industry. Most of the (people who work to find information) found a positive relationship between the above said (numbers that change/things that change) and fabric exports.

Keywords: Fabric Industry, Exchange Rate, Gross Domestic Product (GDP).

INTRODUCTION

India's fabrics and clothing industry is one of the main roles of the national (process of people making, selling, and buying things). It is one of the largest adding/giving parts/areas of India's exports worldwide. The report of the Working Group made up/was equal to by the Planning Commission on boosting India's manufacturing

exports during 12th Five Year Plan (2012-17), pictures India's exports of Fabrics and Clothing at USD 64.41 billion by the end of March, 2017. The fabrics industry accounts for 14% of industrial production, which is 4% of GDP, employs 45 million people and accounts for nearly 11% share of the country's total exports basket. Exports of fabrics and clothing products

from India have increased steadily over the last few years, especially after 2004 when fabrics exports quota stood discontinued. During the year 2012-13, Readymade Articles of clothing account for almost 39% of the total fabrics exports. Clothing and cotton fabrics products together add/give nearly 74% of the total fabrics exports. India's overall fabric during 2017-2018 stood at US\$ 39.2 billion in 2018 and is expected to increase to US\$ 82.00 billion by 2021.

Objective of the study:

- To study the current position and situation of the fabric industry.
- Find out the possible ways of solution to weakness.
- To identify the key opportunities and threats in the fabric business.
- To find out the problem faced by export business.

RESEARCH

METHODOLOGY

In order to quality of the demand-side of Indian material and covering exports, the study has analyzed the challenges performance of Indian exports of the 'identified' products within the country. It's conjointly been accustomed highlight the role of fresh showing trade policy (surrounding

conditions)- specifically, the role of (treating bound teams of individuals unfairly) rules of origin in (related to an outsized area) mercantilism Arrangements [RTAs], tax/import tax peaks and (related to close conditions or the health of the Earth) and labour standards- as market access problems clearly connected with or associated with material and covering commerce countries.

To evaluate the supply-side factors of export (wanting to beat others in contests), associate early (and subject to change) interview was managed and done with a couple of exporters. The interview searched for/tried to induce their views and opinions largely in respect of the supply-side bottlenecks that they're facing in Asian nation. The supply-side (solid basic structure on that larger things are often built) is predicated additional on opinions than on data/ numbers. The guesses (based on what you have been told) regarding the supply-side factors square measure thus supported the ideas written or same by exporters of known products.

RESEARCH HYPOTHESIS:

1. H_0 there is no significant relationship between the years of

experience for company and challenges in export business.

2. H_0 there is no significant relationship between the turnover of the company and foreign exchange procedure by RBI is satisfied.

3. H_0 there is no relationship between number of employees and training is must for export business.

TOOLS USED FOR ANALYSIS:

This part of study is mainly focused on verifying main objectives of the study. Research used SIMPLE PERCENTAGE ANALYSIS, CHI-SQUARE, CORRELATION, and REGRESSION AND ONE WAY ANOVA as statistical tool for analysis of data.

CHI SQUARE TEST:

HYPOTHESIS 1:

RELATIONSHIP BETWEEN THE YEARS OF EXPERIENCE AND CHALLENGES FACED IN EXPORT:

STATISTICAL INFERENCE:

Calculated value = 323.29

Tabulated Value = 21.03

$C.V > T.V$

SIGNIFICANT

HO (NULL HYPOTHESIS):

There is no significant relationship between years of experience in companies and challenges faced in export.

HA (ALTERNATIVE HYPOTHESIS):

There is a significant relationship between years of experience in companies and challenges faced in export.

DEGREES OF FREEDOM = $(r-1)(c-1)$

$$= (4-1)(5-1)$$

$$= (3) (4)$$

$$= 12$$

12 at 5% Level of Significance.

$C.V > T.V$

Hence, the Null Hypothesis is rejected,

Alternative Hypothesis is accepted.

RESULT:

There is a significant relationship between the years of experience in companies and challenges faced in export. So, the Null hypothesis is rejected and the Alternative hypothesis is accepted.

ANOVA:

The result show F value is 247.7 at 3 degree of freedom with P value of 1.27 E-36. P

value is greater than 0.05 that is null hypothesis accepted at 5% level. There is difference in the mean value of years of experience and challenges faced in export.

CONCLUSION:

Calculate F value is 247.7 and F critical value 3.89 so calculate value is greater than the table value so null hypothesis is rejected.

CORRELATION:

The Calculation value is 0.8078, 0.7678, 0.7398, 0.7214 are highly correlated between the turnover of company and challenges faced in export business and 0.6011, 0.5384, 0.5034, 0.5911 are moderately correlated between years of experience and number of employees.

FINDINGS, SUGGESTION AND CONCLUSION

FINDINGS:

- 46% of the companies having 10 to 15 years of experience.
- 48% of the source for companies export is Own manufacturing.
- 96% of the companies' turnover is more than 50 lakhs.
- 94% of the companies having more than 45 employees.
- 72% of the companies prefer bank loan for capital investment.

- 40% of the companies prefer a Quality product is the benefits of export business.
- 48% of the companies choose as Exporter is the key role player for import/export business.
- 98% of the companies prefer Waterway transport mode for export.
- 36% of the companies chooses demanded and offer favorable countries for exporting their textile products.
- 86% of the companies said importer gives importance for all the function like Quality, Quantity, cost and punctuality.
- 90% of the companies is affected by economic imbalance in export & import business.
- 58% of the companies receive payment through online payment.
- 58% of the companies faced financial challenge in export business is late payment.
- 88% of the companies faced major challenges in import/export business is pricing.
- 76% of the companies strongly agree the procedure for IEC number is easy.

- 68% of the companies strongly agree the fees for IEC number is reasonable.
- 68% of the companies strongly agree about there is no time delay in IEC number.
- 44% of the companies agree about the statement of procedure for import/export is easily understandable.
- 44% of the companies strongly agree the statement of training is must for export business.
- 84% of the companies agree that the government promotes the export & import activities.
- 60% of the companies agree that the government should provide tax benefits for export quality products.
- 46% of the companies agree about the technology should be upgraded meeting the global business.
- 38% of the companies agree about recent trends in the international market can be obtained by technology changes.
- 54% of the companies agree about reliable information will boost for their exports of products.
- 50% of the companies agree the capital investment required for is export is heavy.
- 52% of the companies agree their interest rate on loan for export is satisfied.
- 32% of the companies agree the financial requirement is controlled by the local individuals.
- 50% of the companies agree about their GST on raw material purchase is acceptable.
- 68% of the companies agree about the foreign exchange clearance procedure by RBI is satisfied.
- 54% of the companies agree that the challenge in export is the part of business growth.

SUGGESTIONS:

- Increase the manufacturing investments to attract the right talent.
- Increase the number of labour and wages to boost their working function.
- Contracting of FTAs with huge export destination.
- Introduce high level technology and develop a fashion prediction strategy.

- Standardization in cotton procuring which refer technology and digital connectivity with farmers can help bring about transparency in prices.

CONCLUSION:

The study conducted in textile industry at PALANI region, DINDIGUL established that the challenges faced in import and export business.

From the above, it is clear that the reforms have done an outstanding job towards accelerating the exports. The region of Palani needs to focus on increase the share of its export in the world market. In our India has the great chance of being geographically close to Bangladesh, Sri Lanka, Nepal, Pakistan and China.

This study highlights the factor that the challenges faced by textile industry in export and import among different companies in Palani region like training for export, procedure of IEC, benefits provided by government, technology

updating, investment etc., the finding of the study would enable the management to create more opportunities for increase their share and growth of export by increasing of manufacturing.

The study confirms that the labour costs influenced textile and export performance in different way among more countries. The research encouraged to improve textile and export performance, based on the understanding of determinants of export performance.

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