



A STUDY ON PROBLEMS IN EXPORT PERFORMANCE OF HOME TEXTILE UNITS IN KARUR

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Abstract

The Indian textile industry is one of the largest industries in the world with a massive raw material and textiles manufacturing base. Our economy is mainly depending on the textile manufacturing and trade in addition to other major industries. Textile Industry in India is the second largest employment generator after agriculture. The home textile products are bed linen, kitchen linen, toilet linen, table linen, curtains, and furnishing articles etc. Karur home textile industry is playing a vital role in boosting the economy of the country, how sustainable is the industry with a potential competition. The products are exported to Europe, U.S.A., Japan, Canada, Australia, Singapore, South Korea, South Africa and the Scandinavian countries among others. Therefore, this study examined 14 problems. but the author discussed three main categories of problems like Financial problem, Labour problem, General problem. The sampling of this study is the home textile products exporting companies in Karur Town.

Keywords: *Export Performance, Problems Faced by Exporter, Firm Competency.*

Introduction

The Indian textile industry is one of the largest industries in the world with a massive raw material and textiles manufacturing base. Our economy is mainly depending on the textile manufacturing and trade in addition to other major industries. The handloom industry in Karur generates nearly an annual turnover of Rs.2000 Crores (400 million dollars a year) through direct and indirect exports of textile goods. After china, India is the world's biggest supplier of textiles. India has been the one of the fastest in the world on deliveries and consistent in quality. The textile industry is one of the largest and oldest industries and a major foreign exchange earner for the country. At present, it add 14% of industrial production and 35% in the country's earnings The textiles sector in India is the second largest provider of employment opportunities after the agricultural sector with an estimated 45 million in direct employment and opportunities for many more million livelihoods indirectly. The share of Textiles as percentage of total exports earnings has been around 11 per cent in recent years and with growing competitive advantage of Indian textiles sector, its share in total exports is likely to go up in coming years. Also, Textiles sector accounts for 4 per cent of the Indian GDP and 14 per cent of the Industrial Production in India. The Government of India has launched various schemes like TUFS, SITP, TWRFS, TMTT to strengthen the textiles sector India by making the sector globally competitive which have yielded results and these efforts are like to pay very rich dividends for all the stakeholders in the years to come. In this paper, we make an attempt to analyze the performance of Textiles sector of India in the context of International trade and export earnings in a fiercely competitive global economic environment.

Home Textile Production in Karur

Karur is a small town in Southern India the specializes in the production of home textiles. It is especially known for the production of pillow covers, bedspreads as well as kitchen and table linen. Table Mats from Karur are world famous. Karur mainly produces Cotton Home Textiles by way of Hand Looms, while power looms are gradually being accepted. The traders of Karur are largely engaged in the supply of home textile raw material throughout India, the major markets being Delhi, Panipat and Mumbai among others. Some of them are engaged in exports.

On account of large scale production, Karur gets the benefit of reduced costs. This, together with the exceptional quality of its products, has enabled it to carve out a niche for itself in the production of home textiles. The turnover of the town was recently noted to be around Rs.3000 crore.

Export Performance

Export performance is important for the firm to explore various ways to enter the foreign markets. As firms become more involved in exporting, they become more committed to pursue other international opportunities (Jee Su Lim, Thomas W. Sharkey and John H. Heinrichs, 2004). Exporting is also defined as shipping of goods produced in the company's home country to other counties for marketing (Wheelen and Hunger, 2000). The market information is vital to firm success in both domestic and internation contexts (Hart and Tzokas, 1999).

Export performance is defined as the outcome of a firm's activities in export markets (Soham, 1996). There has been understanding that performance is a multidimensional construct comprising effectiveness, efficiency, and adaptability



respond to environmental changes (Katsikeas, 2000). Export performance is also defined as a firm's export performance as its degree of economic achievement in its export market (John, 2004). Export performance is determined by internal and external factors: former are the product and managerial and organization characteristics such as planning abilities, technology, size etc. While the later are domestic and target market characteristics.

Objectives of the Study

- To analyse the factors affecting the export performance of home textile units in Karur .
- To suggest measures to improve the export performance of study units in Karur .

Scope of the Study

The study aimed at finding out the various problems of export performance of home textile units in Karur. Tamilnadu in relation to its production and export efficiency and capabilities with a view to identify the major factors affecting the export performance of home textile units. This study has covered full-fledged the home textile products manufacturers as well as job work units and exporters. In the present scenario, the home textile units has got a wider dispersal in Karur, such primary data collection had representation from most of the cluster centres in the district. In addition to the data at the level of primary home textile units, a representative sample of home textile products manufacturers as well as exporters.

Statement of the Problem

With globalization, many changes are taking place in the textile industry. There is a pressure on textile industry to produce quality product with increased competition. Today the industry is facing number of problems such as non-availability of sufficient funds, skilled labour, lack of latest technology, faulty marketing system, price fluctuation in raw-material etc., etc., low cost, threat of latest technology, multinational trading rules, labour and environmental standard issues and environmental standard issues and mergers are some of the challenges posed by globalization.

Limitation of the Study

- There is no comparison of the key determinant factors of Indian home textile industry with other countries in the world.
- This study has used only factors affecting the export performance of home textile industry. Therefore, a further study could add some other related factors as well.

Review of Literature

David .B, M.C.Anley Andrew(1999)¹ in their study examined the relationship between initiating export stimuli and export performance within the context of four specific types of export marketing strategies. The nature of the export stimulus is seen to be associated with performance for some types of strategy but not for all consequently, export marketing strategy acts as a moderator of the relationship between export stimulation and performance of an export venture.

Samar Varma(2002)² in his study on export competitiveness of Indian Textile and Garment industry observed that perhaps the most draconian of all government policy that has scuttled the growth of textile industry is reservation of textile manufacture for small scale industry.

Parthasarathy .G(2005)³ in his study brought out the problems faced by the exporters of hosiery products such as like in yarn price, lack of infrastructure facilities (power, transport, water, communication, port operations. etc.) lack of processing facilities, lack of modernization, labour turnover and absenteeism, lack of skilled employees, lack of proper information about world market and quota restriction imposed by foreign (importing) countries. Lack of proper training facilities lack of co- operation from the commercial banks government and importers complicated policies and procedures. The study suggested for implementation of various measures that are to be taken by both industry and the government for the purpose of solving problems and help the smooth exporting of textile products..

Product Profile of Karur Cluster

Bed Linen: Bedspreads, Cushion covers, Quilt covers, Duvets, Throws

Bath linen: Terry towels, Bath towels, Dish towels, Terry dish towels,. Hand towels, Face towels, Beach towels, Bath mates.

Kitchen Linen: Kitchen Towels, Aprons, Oven Gloves, Potholders

Toilet Linen: Bath Mats, Bath Robes, Bath Towels, Hand Towels.

Table Linen: Napkins, Table Cloth, Table Runners, Table Cover, Table set.



Curtains: Café Curtains, Door Curtains, Lined Curtains, Long Curtains, Rod Pocket, Pillows, Semi Sheer, Shower Curtains, Sliding Door, Window Curtains, Chair Pads.

Other Furnishing Articles: Wool Blankets, Cotton Blankets, Saddle Blanket, Carpets, Rugs, Floor Carpets, Knitted Poufs, Washing Machine Cover. Fridge Cover, TV Cover.

Other Made ups: Printing home furnishing, Embroideries, Jacquard Weaves, Voiles Fabrications.

Data Analysis and Interpretation

Our study consisted of 50 respondents who were asked to indicate on a five point scale, their agreement or disagreement with the set of 14 statements relating to the Problems in Export business in which are ‘*Currency value, Price Fluctuation, Economic slowdown, Labour shortage, High price of yarn, Lack of infrastructure facility, Power cut, Increase in overhead and financial cost, Change in fashion, Inordinate delay in payments by importer/agents, Delay from supplier, Availability of skilled worker, Higher labour cost, Central/State Govt. procedure and regulations*’.

1.Opinion towards Financial Problem

The Table No.1 describes the distribution of the Opinion towards Financial problem is analyzed regarding “*Currency value, Price Fluctuation, Economic slowdown, High price of yarn, Increase in overhead and financial cost, Inordinate delay in payments by importer/agents*” are analyzed.

It is clear from the table No.1 that 8% of the respondents Low Extend, 65% of the respondents Limited Extend, 27% of the respondents are Larger Extend regarding ‘*Currency value*’.

Regarding “*Price Fluctuation*” 9% of the respondents Low Extend, 55% of the respondents Limited Extend, 36% of the respondents are Larger Extend.

Regarding “*Economic slowdown*” 12% of the respondents Low Extend, 49% of the respondents Limited Extend, 39% of the respondents are Larger Extend.

Regarding “*High price of yarn*” 15% of the respondents Low Extend, 55% of the respondents Limited Extend, 29% of the respondents are Larger Extend

Table No.1 Level of agreement towards financial problem

	Low Extend		Limited Extend		Larger Extend		Total
	N	%	N	%	N	%	
Currency value	4	8	32	65	14	27	50
Price Fluctuation	5	9	27	55	18	36	50
Economic slow down	6	12	25	49	19	39	50
High price of yarn	8	15	28	55	14	29	50
Increase in overhead and financial cost	6	11	30	61	14	28	50
Inordinate delay in payments by importer/agents	14	28	24	49	12	23	50

Regarding “*Increase in overhead and financial cost*” 11% of the respondents Low Extend, 61% of the respondents Limited Extend, 28% of the respondents are Larger Extend.

Regarding “*Inordinate delay in payments by importer/agents*” 28% of the respondents Low Extend, 49% of the respondents Limited Extend, 23% of the respondents are Larger Extend.

It is clear from the table 4.3.1 that majority of the respondents are Limited Extend with the factor of “*Currency value, Price Fluctuation, Economic slowdown, High price of yarn, Increase in overhead and financial cost, Inordinate delay in payments by importer/agents*”.

In order to identify the factor which is more influencing the respondent towards attitude the Friedman’s test analysis was used and the results were given in Table 1.1

Table 1.1 Friedman Test- Financial Problem

	Mean	SD	Mean Rank	Reliability



Currency value	2.19	0.56	3.55	0.838
Price Fluctuation	2.27	0.62	3.72	
Economic slow down	2.27	0.66	3.77	
High price of yarn	2.14	0.66	3.44	
Increase in overhead and financial cost	2.17	0.61	3.48	
Inordinate delay in payments by importer/agents	1.95	0.72	3.04	

It could be noted from the above table that among the 6 factors “Economic slowdown” was ranked first. It is followed by the “Price Fluctuation”. “Currency value” was ranked third and the reliability is 0.838.

2. Opinion towards Labour Problem

The Table No.2 describes the distribution of the Opinion towards Labour problem is analyzed regarding “Labour shortage, Availability of skilled worker, Higher labour cost” are analyzed. It is clear from the table 4.3.2 that 11% of the respondents Low Extend, 65% of the respondents Limited Extend, 25% of the respondents are Larger Extend regarding ‘Labour shortage’.

Table No.2 Level of agreement towards Labour problem

	Low Extend		Limited Extend		Larger Extend		Total
	N	%	N	%	N	%	
Labour shortage	5	11	32	65	13	25	50
Availability of skilled worker	9	17	29	59	12	24	50
Higher labour cost	4	9	32	64	14	27	50

Regarding “Availability of skilled worker” 17% of the respondents Low Extend, 59 % of the respondents Limited Extend, 24 % of the respondents are Larger Extend.

Regarding “Higher labour cost” 9% of the respondents Low Extend, 64 % of the respondents Limited Extend, 27% of the respondents are Larger Extend.

It is clear from the table 4.3.2 that majority of the respondents are Limited Extend with the factor of “Labour shortage, Availability of skilled worker, Higher labour cost”.

In order to identify the factor which is more influencing the respondent towards attitude the Friedman’s test analysis was used and the results were given in Table No.2

Table 2.1 Friedman Test- Labour problem

	Mean	SD	Mean Rank	Reliability
Labour shortage	2.14	0.58	2.01	0.682
Availability of skilled worker	2.07	0.64	1.93	
Higher labour cost	2.19	0.57	2.06	

It could be noted from the above table that among the 3 factors “Higher labour cost” was ranked first. It is followed by the “Labour shortage”. “Availability of skilled worker” was ranked third and the reliability is 0.682.

3. Opinion towards General Problem

The Table No.3 describes the distribution of the Opinion towards General problem is analyzed regarding “Lack of infrastructure facility, Power cut, Change in fashion, Delay from supplier, Central/State Govt. procedure and regulations” are analyzed. It is clear from the table 4.3.3 that 19 % of the respondents Low Extend, 56% of the respondents Limited Extend, 25% of the respondents are Larger Extend regarding ‘Lack of infrastructure facility’.

Regarding “Power cut” 13% of the respondents Low Extend, 63% of the respondents Limited Extend, 25% of the respondents are Larger Extend.

Table No.3 Level of agreement towards General problem

	Low	Limited	Larger	Total
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	Extend		Extend		Extend		
	N	%	N	%	N	%	
Lack of infrastructure facility	10	19	28	56	12	25	50
Power cut	6	13	32	63	12	25	50
Change in fashion	9	17	30	60	11	23	50
Delay from supplier	10	19	30	59	10	21	50
Central/State Govt. procedure and regulations	7	14	30	61	13	25	50

Regarding “**Change in fashion**” 17% of the respondents Low Extend, 60% of the respondents Limited Extend, 23% of the respondents are Larger Extend.

Regarding “**Delay from supplier**” 19% of the respondents Low Extend, 59% of the respondents Limited Extend, 21% of the respondents are Larger Extend.

Regarding “**Central/State Govt. procedure and regulations**” 14% of the respondents Low Extend, 61% of the respondents Limited Extend, 25% of the respondents are Larger Extend.

It is clear from the table No.3 that majority of the respondents are Limited Extend with the factor of “**Lack of infrastructure facility, Power cut, Change in fashion, Delay from supplier, Central/State Govt. procedure and regulations**”.

In order to identify the factor which is more influencing the respondent towards attitude the Friedman’s test analysis was used and the results were given in Table No.3.

Table 3.1 Friedman Test- General problem

	Mean	SD	Mean Rank	Reliability
Lack of infrastructure facility	2.05	0.66	2.97	0.832
Power cut	2.12	0.60	3.11	
Change in fashion	2.05	0.63	2.93	
Delay from supplier	2.02	0.64	2.88	
Central/State Govt. procedure and regulations	2.11	0.62	3.10	

It could be noted from the above table that among the 5 factors “Power cut” was ranked first. It is followed by the “Central/State Govt. procedure and regulations”. “Lack of infrastructure facility” was ranked third and the reliability is 0.832.

Conclusion

The Home textile units is now in a good position, and also it is helpful to activate and facilitate the developments in the overall textile industry .The home textile units is more protective because its products have used for long standing .This units has good opportunities for expanding its market, so they may be ready and willing to accept the competition to prove their performance in global market.

Our study consisted of 50 respondents their agreement or disagreement with the set of 14 statements relating to the Problems in Export business in which are ‘Currency value, Price Fluctuation, Economic slowdown, Labour shortage, High price of yarn, Lack of infrastructure facility, Power cut, Increase in overhead and financial cost, Change in fashion, Inordinate delay in payments by importer/agents, Delay from supplier, Availability of skilled worker, Higher labour cost, Central/State Govt. procedure and regulations’ were limited extend.

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