A STUDY ON EXPORT PERFORMANCE OF MAN MADE FILMENTS IN INDIA

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ABSTRACT

This study examines the Export competitiveness and Export performance of Indian textile with respect to rest of the world. The study focuses on Export performance and competitiveness of Indian textile industry during the period of 2010-2013. Export competitiveness is calculated with the help of Revealed Comparative Advantage (RCA) of eleven different product group of Textiles. Our results show that seven out of eleven products have competitive advantage and rest four products don't have competitive advantage. The commodities which are more competitive in the international market are Silk; Cotton; Vegetable textile fibres, paper yarn, woven fabric; Manmade filament; Manmade staple fibers; Carpets and other textile floor coverings and Special woven or tufted fabric, lace, tapestry etc. The commodities that are performing fairly well in international market with the highest value of RCA are Cotton and Carpets and other textile floor coverings.

Keywords: Export Performance; Export Competitiveness; Revealed Comparative Advantage

EXPORT PERFORMANCE OF TEXPROCIL:

Since its inception in 1954, as an autonomous, non-profit body dedicated to promotion of exports, The Cotton Textiles Export Promotion Council, popularly known as TEXPROCIL has been the international face of cotton textiles from India facilitating exports worldwide. Texprocil has a membership of around 3,000 companies spread across major textile clusters in India. Its members are well established manufacturers and exporters of

cotton textile products like Cotton, Yarns, Fabrics and Home Textiles, showcasing a dazzling array of products across the value chain.

STATEMENT OF THE PROBLEM:

India is a large producer of cotton with world class spinning mills located aroundthe country. India has the second largest spindle age in the world11, Modernisation ofspindle age has resulted in the installation of state-of-the-art machinery and equipment, which includes electronic cleaners, auto-cleavers, splicer's, two-in-one twisters,automatic winders and spinning machines together with systems that meet ISO 9000 standards12. All these factors contributed towards an increase in the production of cotton yarn from 2022 mn. kg. during the year 1998-99 to 2177 mn. kg. during 2002-0313.

OBJECTIVES OF THE STUDY:

The following are the objectives of the study:

- To examine the growth and stability in man made fibres production and export.
- To study product wise export of fibres in India.
- To analyze the direction of export of filaments.
- To offer necessary suggestions based on findings.

RESEARCH METHODOLOGY:

Scientific methods are followed in the process of research, Samples, data collection and analysis are done with the help of scientific method as applicable to social sciences.

SAMPLE DESIGN:

The study is made for the purpose to find the export performance of Man Made filaments from India. The major eight products are selected by using convenient sampling method.

METHOD OF DATA COLLECTION:

The present study based on secondary data.The secondary data were collected from Cereals statistics and other web based sources.

- Secondary Data

Secondary Data: The secondary data is collected to supplement the primary data. The annual reports of sample units, Publications of wood Economic Survey of India, Publications of Ministry of Commerce and Copper, Bulletins Working and Occasional Papers of EXIM Bank,

Occasional Papers and Statistics on Indian Economy of RBI, Periodicals and Journals of Foreign Trade of wood produce, Publications of EEPC were used as important sources of secondary data for the study.

TOOLS AND TECHNIQUES

Tools used for this study are

- Percentage analysis
- Average
- Trend analysis
- Growth rate
- CAGR

PERIOD OF THE STUDY

The study period covers from 2005-2018 for Man Made Filaments.

LIMITATION OF THE STUDY:

- The efficiency level of the management cannot be assessed fully from the profitability measurement.
- This study is also based on the analysis of the primary data collected from the representative samples of the spinning mills.

REVIEW OF LITERATURE:

In1980**, Misu Kim** was "Export Competitiveness of India's Textiles in man-made filaments".Indian authorities recognized the importance of export and implemented an export promotion policy for economic growth. The Market Comparative Advantage (MCA) are used in tools. The CAC reports the export performance of India's T&C in the U.S. market in relation to India's T&C export performance in the global market. The T&C industry has an important role in Indian economy due to its significant contribution to exports, industrial production, and employment generation.

2009-2011in Priyanka Singh was "Export performance and competitiveness of Indian textile industry". To analyse the export performance of Indian Textile Industry for the period. Revealed Comparative Advantage (RCA) tools was used in the study. The index of RCA has a very simple interpretation. takes a value greater than unity, the country has a revealed comparative advantage in that product. Commodities like- cotton, vegetable textile fibres, Manmade filaments, Manmade staple fibres and carpets and other textiles floor coverings.

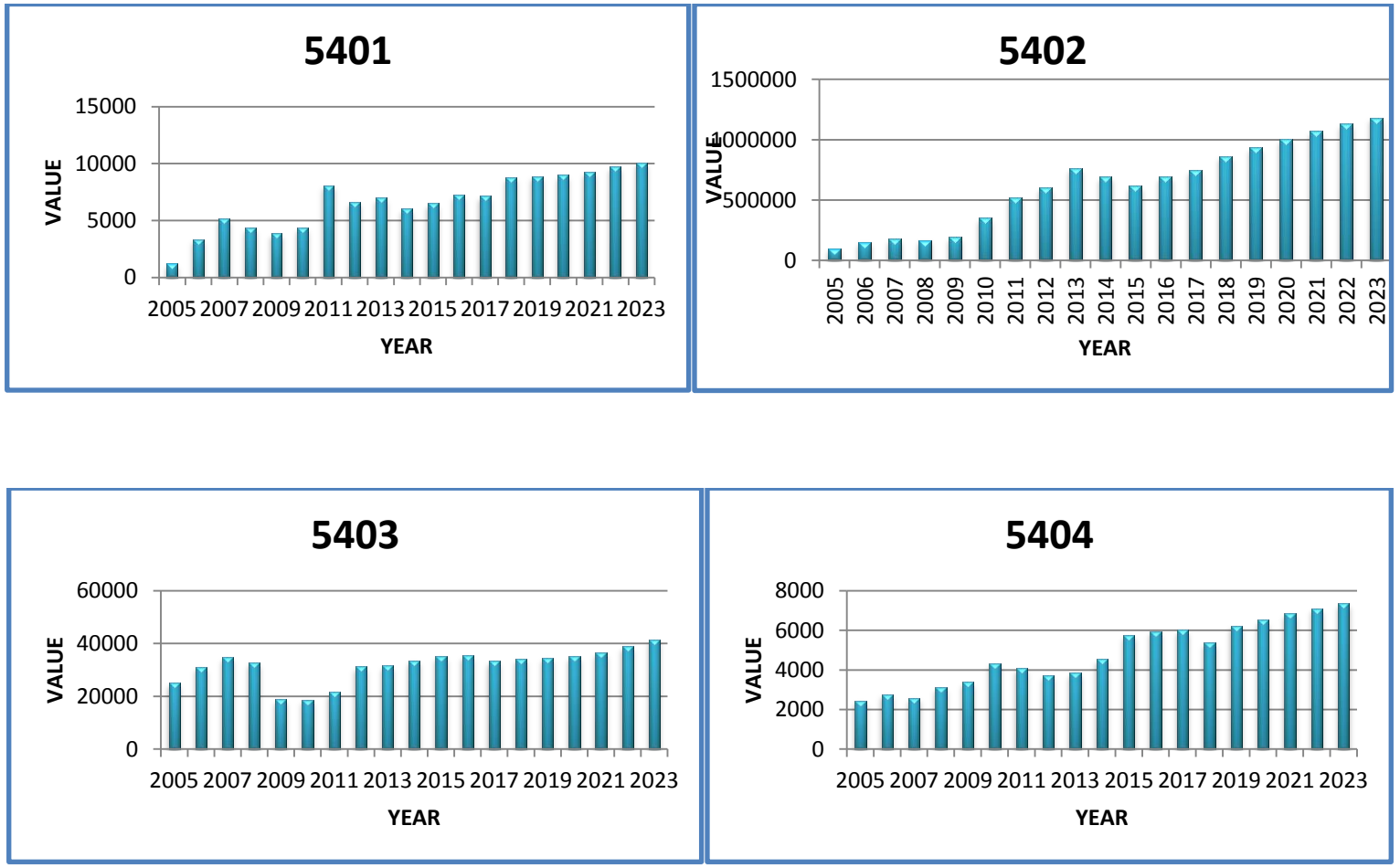
HS CODE	5401			5402			5403			5404		
YEAR	VALUE	%	GR	VALUE	%	GR	VALUE	%	GR	VALUE	%	GR
2005	1204.15	1.51		99847.56	1.50		31019.15	7.27		2451.87	4.23	
2006	3352.1	4.20	178.38	152366.39	2.29	52.60	34647.63	8.13	11.70	2764.76	4.77	12.76
2007	5171.32	6.48	54.27	179628.58	2.70	17.89	32806.32	7.69	-5.31	2571.25	4.44	-7.00
2008	4362.15	5.46	-15.65	166200.95	2.50	-7.48	18774.04	4.40	-42.77	3120.39	5.38	21.36
2009	3868.53	4.85	-11.32	190466.6	2.87	14.60	18755.77	4.40	-0.10	3377.24	5.83	8.23
2010	4363.71	5.47	12.80	351733.5	5.29	84.67	21603.07	5.07	15.18	4334.95	7.48	28.36
2011	8082.9	10.12	85.23	522750.16	7.87	48.62	31235.87	7.33	44.59	4087.67	7.05	-5.70
2012	6635.68	8.31	-17.90	604596.02	9.10	15.66	31707.58	7.44	1.51	3738.29	6.45	-8.55
2013	7002.77	8.77	5.53	763297.41	11.4	26.25	33498.71	7.86	5.65	3866.25	6.67	3.42
2014	6053.3	7.58	-13.56	692049.37	10.42	-9.33	35110.09	8.23	4.81	4551.01	7.85	17.71
2015	6527.75	8.18	7.84	615418.36	9.26	-11.07	35479.36	8.32	1.05	5751.45	9.92	26.38
2016	7262.63	9.10	11.26	695322.14	10.4	12.98	33268.64	7.80	-6.23	5955.73	10.28	3.55
2017	7149.3	8.95	-1.56	745695.44	11.23	7.24	34236.74	8.03	2.91	6024.3	10.40	1.15

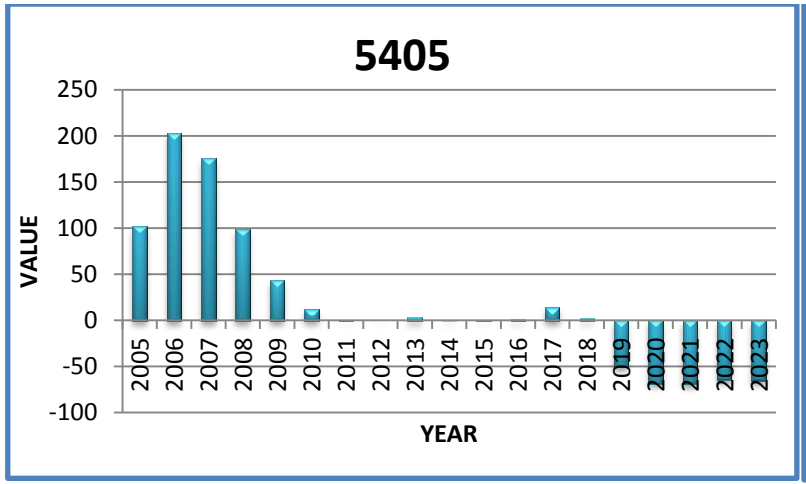
2018	8,805.34	11.03	23.16	863403.54	13.00	15.79	34275.08	8.04	0.11	5358.13	9.25	-11.06
TOTAL	79841.63			6642776.02			426418.05			57953.29		
AVERAGE	5702.97			474484.00			30458.43			4139.52		
CAGR	16.54			18.05			0.77			6.20		

HS CODE	**5405**			**5406**			**5407**			**5408**		
YEAR	**VALUE**	**%**	**GR**	**VALUE**	**%**	**GR**	**VALUE**	**%**	**GR**	**VALUE**	**%**	**GR**
2005	101.9	15.52		1382.43	11.07		251386.46	3.21		18640.32	8.46	
2006	202.65	30.87	98.87	1004.12	8.04	-27.37	257627.05	3.29	2.48	13049.15	5.92	-30.00
2007	175.43	26.72	-13.43	1220.4	9.77	21.54	309419.87	3.95	20.10	14112.4	6.40	8.15
2008	98.85	15.06	-43.65	1528.71	12.24	25.26	498684.23	6.36	61.17	13271.51	6.02	-5.96
2009	43.61	6.64	-55.88	3767.64	30.18	146.46	715874.55	9.13	43.55	17987.29	8.16	35.53
2010	12.46	1.90	-71.43	1154.76	9.25	-69.35	642919.9	8.20	-10.19	20764.86	9.42	15.44
2011	0.3	0.05	-97.59	595.64	4.77	-48.42	667051.71	8.51	3.75	12806.39	5.81	-38.33
2012	0	0.00	-100.00	350.81	2.81	-41.10	553446.62	7.06	-17.03	10762.39	4.88	-15.96

2013	3.36	0.51		375.35	3.01	7.00	738623.19	9.42	33.46	10813.97	4.91	0.48
2014	0.6	0.09	-82.14	279.72	2.24	-25.48	708028.75	9.03	-4.14	16035.88	7.28	48.29
2015	0.03	0.00	-95.00	241.41	1.93	-13.70	669439.14	8.54	-5.45	13170.9	5.98	-17.87
2016	1.27	0.19	4133.33	212.86	1.70	-11.83	579667.56	7.39	-13.41	11719.57	5.32	-11.02
2017	14.12	2.15	1011.81	296.86	2.38	39.46	586608.33	7.48	1.20	18417.63	8.36	57.15
2018	1.95	0.30	-86.19	74.21	0.59	-75.00	661028.96	8.43	12.69	28822.17	13.08	56.49
TOTAL	656.53			12484.92			7839806.32			220374.4		
AVERAGE	46.90			891.78			559986.17			15741.03		
CAGR	-26.24			-20.15			7.72			3.41		

LIST OF CHARTS

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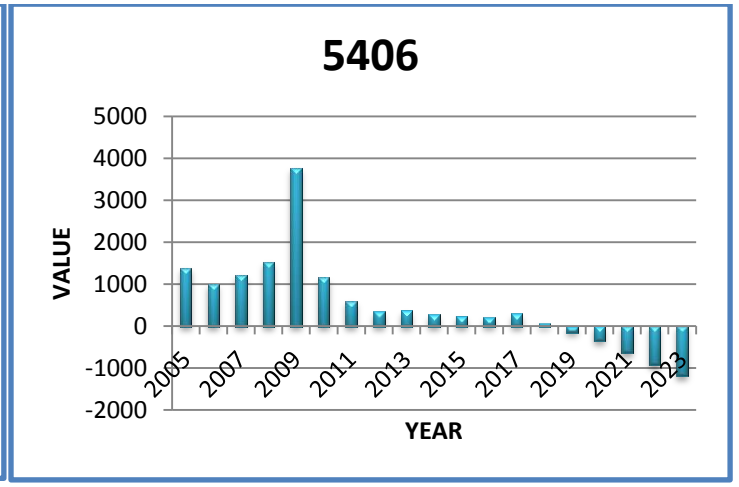
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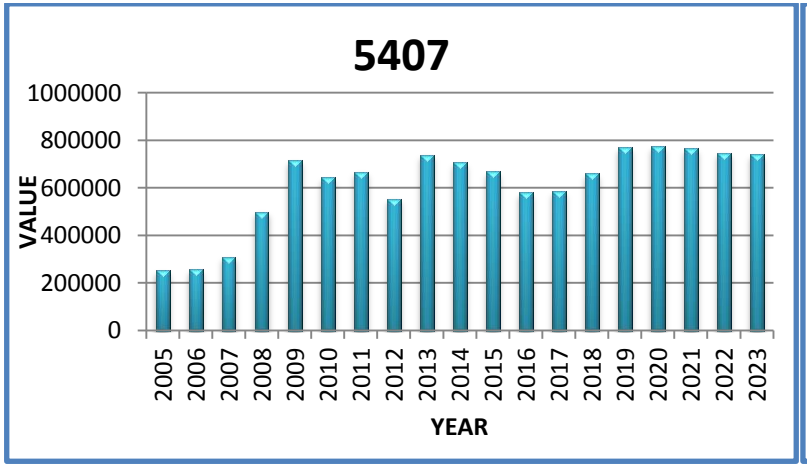
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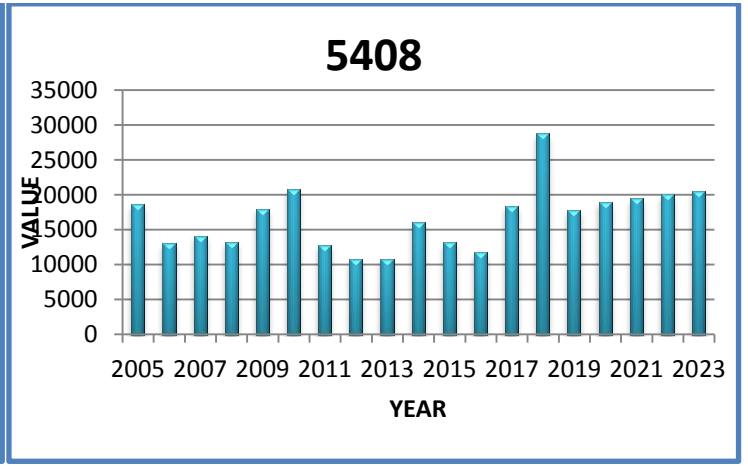
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ANALYSIS AND INTERPRETATION:

The above table (4.4) shows the total export of Man Made filaments (5401) India during 2005-2018. In the year 2005 export value of Man Made filaments stood at Rs.1204.15 million and it is raised to 8805.34 million in the year 2018. While computing growth rate forMan made filaments, it is found that Fourteen years exports showed both positive and negative growth. The Eight years export shows positive growth and remaining five years shows negative growth. The achieved peak level of growth in the year 2006 is 178.38 % as positive and -17.90 in 2012 as negative growth. The percentage has been increased from1.51 to11.03from 2005 to 2018. The average of exports is Man Made filaments (5401),Around eight years above the average and remaining six years below the average. The Man Made filaments of CAGR in export of value is 16.54%.In future, there is a chance for increase in value ofMan Made filaments export.

The above table (4.5) shows the total export of Man Made filaments (5402) India during 2005-2018. In the year 2005 export value of Man Made filaments stood at Rs.99847.56 million and it is raised to 863403.54 million in the year 2018. While computing growth rate forMan made filaments, it is found that Fourteen years exports showed both positive and negative growth. The ten years export shows positive growth and remaining three years shows negative growth. The achieved peak level of growth in the year 2010 is 84.67 % as positive and -11.07 in 2015 as negative growth. The percentage has been increased from 1.50 to 13.00from 2005 to 2018. The average of exports is Man Made filaments (5402),Around eight years above the average and remaining six years below the average. The Man Made filaments of CAGR in export of value is 18.05%.In future, there is a chance for increase in value ofMan Made filaments export.

The above table (4.6) shows the total export of Man Made filaments (5403) India during 2005-2018. In the year 2005 export value of Man Made filaments stood at Rs. 31019.15 million and it is raised to 34275.08 million in the year 2018. While computing growth rate forMan made filaments, it is found that Fourteen years exports showed both positive and negative growth. The Nine years export shows positive growth and remaining four years shows negative growth. The achieved peak level of growth in the year 2011 is 44.59 % as positive and -17.90 in 2012 as negative growth. The percentage has been increased from7.27 to 8.04 from 2005 to 2018. The average of exports is Man Made filaments (5403), Around eleven years above the average and remaining three years below the average. The Man Made filaments of

CAGR in export of value is 0.77%.In future, there is a chance for increase in value ofMan Made filaments export.

The above table (4.7) shows the total export of Man Made filaments (5404) India during 2005-2018. In the year 2005 export value of Man Made filaments stood at Rs.2451.87 million and it is raised to 5358.13 million in the year 2018. While computing growth rate forMan made filaments, it is found that Fourteen years exports showed both positive and negative growth. The Nine years export shows positive growth and remaining five years shows negative growth. The achieved peak level of growth in the year 2010 is 28.36 % as positive and -11.06 in 2018 as negative growth. The percentage has been increased from4.23 to 9.25from 2005 to 2018. The average of exports is Man Made filaments (5404),Around six years above the average and remaining eight years below the average. The Man Made filaments of CAGR in export of value is 6.20%.In future, there is a chance for increase in value ofMan Made filaments export.

Finding and commodity wise export of Man Made Filaments from India:

- Export of man made filaments (5401) during the year 2005 was1.51% but it increased in the year 2018 to11.3% average export of man made filaments during the year was at 5702.97. while computing Compound annual growth rate (CAGR) of man made filaments stood at 16.54% on total export of the product .
- Export of man made filaments (5402) during the year 2005 was1.50% but it increased in the year 2018 to13.00% average export of man made filaments during the year was at 474484.00. while computing Compound annual growth rate (CAGR) of man made filaments stood at18.05% on total export of the product.
- Export of man made filaments (5403) during the year 2005 was7.27% but it increased in the year 2018 to8.04% average export of man made filaments during the year was at 30458.43. while computing Compound annual growth rate (CAGR) of man made filaments stood at0.77% on total export of the product .
- Export of man made filaments (5404) during the year 2005 was4.23% but it increased in the year 2018 to9.25% average export of man made filaments during the year was at 4139.52. while computing Compound annual growth rate (CAGR) of man made filaments stood at 6.20%on total export of the product .
- Export of man made filaments (5405) during the year 2005 was15.52% but it reduced in the year 2018 to0.30% average export of man made filaments during the

year was at 46.90. while computing Compound annual growth rate (CAGR) of man made filaments stood at -26.24% on total export of the product .

- ❖ Export of man made filaments (5406) during the year 2005 was11.07% but it reduced in the year 2018 to0.59% average export of man made filaments during the year was at 891.78. while computing Compound annual growth rate (CAGR) of man made filaments stood at -20.15 on total export of the product. Export of man made filaments (5407) during the year 2005 was3.21% but it increased in the year 2018 to8.43% average export of man made filaments during the year was at 559986.17. while computing Compound annual growth rate (CAGR) of man made filaments stood at 7.72 on total export of the product .
- ❖ Export of man made filaments (5408) during the year 2005 was8.46% but it increased in the year 2018 to13.08% average export of man made filaments during the year was at15741.03 . while computing Compound annual growth rate (CAGR) of man made filaments stood at 3.41 on total export of the product .

CONCLUSION:

This chapter probed into the effect of quota removal on the composition and direction of Indian textile exports. The disappearance of WTO quota regime in textiles and garments has sent waves of joy among the textile and readymade garment fraternity of India and at the same time ending of quota has unleashed severe competition in the international market.

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