A REVIEW OF FACTORS AFFECTING INDIAN TEXTILE EXPORTS

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ABSTRACT
The global economy is fueled in large part by the thriving textile and garment sectors. The economic growth of the country is significantly aided by the contributions of the Indian textile sector. It has a significant position in the Indian economy with regard to the production of industrial goods, employment, and international trade. The purpose of this study is to combine and contrast the findings of previous studies that have been undertaken on the topic of the factors that determine the export performance of the Indian textile sector. The study underlines the fact that the majority of the research have been conducted on establishing the link between export performance of the textile sector and variables such as GDP, currency rate, labour, foreign direct investment (FDI), and technology. The majority of the studies conducted on the topic came to the conclusion that there is a favourable connection between the aforementioned factors and textile exports.
Keywords: Textile Industry, Exchange Rate, Gross Domestic Product (GDP).

INTRODUCTION
The global economy is fueled in large part by the thriving textile and garment sectors. The traditional heavyweights in the manufacture of textiles and clothing are the countries of China, India, Pakistan, and Vietnam, all of which are in direct competition with one another. The economic growth of the country is significantly aided by the contributions of the Indian textile sector. It has a significant position in the Indian economy with regard to the production of industrial goods, employment, and international trade. It is responsible for 14% of industrial output, 4% of the GDP, employs 45 million people (the second greatest number after agriculture), and accounts for 13% of the total exports basket. Over the course of the last several years, India has seen a consistent rise in the amount of textiles and apparel goods that are exported from the country, notably after the year 2004, when the limit on textiles exports was lifted. India is the country that produces the third most amount of cotton, the second most amount of silk, the most amount of jute, and the fifth most amount of man-made fibres and yarn.

One of India's most important export sectors is the textile garment and apparel industry. During the years 1981–1982, garment exports were responsible for around 9 percent of India's overall exports. By 1994–1995, the percentage had almost doubled, reaching 17 percent. During the whole decade of the 1980s, the value of these exports increased at an annual compound rate that was 22 percent. The yearly growth rate of garment exports has been as high as 32% on average from 1985–1986 to 1989–1990, which was the span of time covered by this study. During the 1987–1988 fiscal year, small scale manufacturing units exported close to 33 percentage points of their domestic output of hosiery and garments.

The Indian Textile Industry is now regarded as one of the most successful textile industries on a global scale. Even though it was an unorganised business before to 1991, things began to change with the liberalisation of the Indian economy in 1991. (Corporate Catalyst India, 2014). The textile sector is quite varied, and the things it produces are used by almost every single person on the planet. The textile industry is one of the most established and competitive industries in the world. It is also one of the oldest. The industry that deals with textiles is known as "Traditional Industry," and it is also regarded

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India's textile exports were worth 4693.1 million US dollars in the 1991–92 fiscal year and 31476.2 million US dollars in the 2013–14 fiscal year. Cotton was the most exported product, and its exports more than quadrupled in only five years, going from 4,612.28 million US dollars in 2009-2010 to 9,926.42 million US dollars in 2013-2014. After cotton, the most popular commodity that was exported was articles of clothing and clothing accessories that were not knitted or crocheted. It contributed 8,343.35 million US dollars, which is equivalent to a 2.65 percentage point share of India's overall exports.

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Oskoee (1991) investigates the link that exists over the long term between the actual effective exchange rate and the trade balance. The findings of the research demonstrate that the actual effective exchange rate and the trade balance are intertwined. Additional research revealed that, over the course of several years, a devaluation would result in an improvement to the trade balance of the Least Developed Countries (LDCs).
The difficulties that India's garment exports face on the international market are investigated in detail by Ramaswamy, K.V. and Gary Gereffi (2000). According to the findings of the research, India's proportion in global garment exports has not increased since 1994. It would seem that the immediate reason is a slowing in the growth of imports from India's key markets, namely the United States and the European Union. The garment industry is still subject to entry limitation, which means that the policy changes of the 1990s have not had a significant influence on the industry (licensing for large-scale plants).
According to Verma (2000), the Indian textile and garment sector suffers from a number of problems. These problems are, in no little part, a result of the inconsistent government policy that has been in place in India since 1947. But now there has to be a shift. It is necessary for it to evolve in order to avoid being blown away by the forces of the global market, which include imports in the home territory as well as competition on the worldwide market.
Using a panel data analysis for a selection of states over the course of the 1989-97 time period, Hashim (2004) makes an effort to investigate the cost and productivity factors that are associated with the three primary types of textile industries, namely cotton yarn, man-made textiles, and ready-made garments. According to the findings of the research, the mill sector, which accounts for practically all production of cotton yarn, needs a fair playing field that is comparable to that of the handloom and powerloom sectors. Additionally, there is a need to stimulate manufacturing on a wide scale, notably in the domains of manufactured goods and garments. The basic policy measures that would help the Indian textile and garment industry become more cost effective include the following: the disbursement of credit; cheaper raw materials; increased availability of electricity at reasonable rates; the promotion of better capacity utilisation; flexible labour laws; and easy entry-exit norms for firms. All of these factors would help the industry become more cost effective.
The article by Nordas, H.K. (2004) investigates the Global Textile and Clothing Industry after the

Agreement on Textiles and Clothing came into effect. The purpose of this paper is to evaluate the potential effects of liberalisation by taking into account recent advances in technological and managerial practises within the industry, with a particular emphasis on recent advancements in supply chain management practises within the apparel and textiles industries. According to the findings of the research, China and India have the potential to get 29% and 9% of the markets in the EU, respectively, as well as 50% and 15% of the markets in the United States, respectively.

Research conducted by Chan, E.M.H., K.F. Au, and M.K. Sarkar (2008) investigates the factors that led to India's increased textile exports between the years 1985 and 2005. According to the findings of the research, the number of factors that determine high or low growth in textile export is significant. The factors that determine the level of effect, such as the Gross Domestic Product (GDP), the real exchange rate, the GDP per capita, and the population growth rate of the importers, all have a substantial bearing. When the GDP growth rate is positive in India and national income is greater for importers, there is a tendency for more textiles items to be imported. As a result of the depreciation of the Indian rupee, purchasers would be able to purchase textile items at lower prices, which would lead to an increase in textile exports.

Kaur (2009) investigates how competitive India's manufactured exports are in the global market. The findings of the research indicate that both the Exchange Rate and Real Effective Exchange Rates are important factors to consider when attempting to explain the export competitiveness of the majority of the manufactured exports. Within the realm of manufactured exports, there is potential for future development in the field of textile items such as men's outerwear and textile yarn.

In their 2010 study, Bhavani, T.A. and Suresh D. Tendulkar investigate the factors that determine the export success of individual companies in India's textile, garment, and apparel sector. According to the findings of the study, the government should create conditions that make it easier to bring about these changes, which are feasible in the near future, while also providing businesses with the appropriate incentives to improve their long-term competitive advantage in the global marketplace.

Research conducted by Kar and Mausmi (2010) looks at the Multi-Fibre Agreement (MFA) and South Asia's textile sector. According to the findings of the research, throughout the ten-year transition period of the MFA phase-out, nations like China, Bangladesh, India, and Pakistan, who have historically been the most effective exporters of textile items, became less competitive. Some Asian nations who had previously benefited from the protection of bilateral import quotas but were not necessarily the most productive producers have been negatively affected as a direct result of the removal of MFA.

According to Abraham and Sasikumar (2011), the export performance of Indian companies in the textile and garment industry was achieved by capitalising on the labour factor in order to get access to the worldwide market. On the other hand, the export performance of Indian companies in overseas markets was not affected in any way by variables based on capital or technology.

Tandon and Reddy (2013) conduct research on the developing tendencies in India's textile sector. According to the findings of the research, both the textile sector and its labour relations are now experiencing significant shifts. As a result of the opening of the retail market, the manufacturers now have a greater degree of influence over the product market. There is potential for an increase in the contribution of textiles to the GDP if there are improved programmes for employees' access to credit and for the development of their skills. The sector and the government need to work together to devise a plan of action that tackles important challenges, identifies and eliminates impediments to development, and develops sourcing strategies. This has to be done as soon as possible.

Wang (2013) investigates the factors that determine the level of success that Asian nations have with their textile and clothing exports. According to the findings of the research, the amount of money spent on labour expenses had a significant impact on the amount of fabric and clothing that was exported from poor nations in Asia. In most cases, an increase in labour expenses is followed by a decline in export performance. In further studies, the influence of additional factors that determine the success of textile and garment exports may be investigated.

The research conducted by Yoganandan.G and Jaganathan A.T (2013) investigates the variables that influence the export performance of the textile sector in developing countries. The purpose of this study was to conduct a literature review on previous research that had been done in the field of determining variables and factors that impact the export performance of the textile sector. According to the findings of the study, the majority of previous research has focused on determining the connection between export success in the textile sector and factors such as GDP, currency rate, labour, foreign direct investment (FDI), and technological advancement. The majority of the studies conducted on the topic came to the conclusion that there is a favourable connection between the aforementioned factors and textile exports. It has been recommended that further studies might be conducted with the other variables, such as aspects relating to the legal environment and the productivity of capital, taken into consideration.

According to the findings of Chakrabarty (2014), India is still among the most competitive countries in the world in the textile industry. Although China is the undisputed market leader in this industry, the country is now struggling with high labour costs. Therefore, the early growth of India's skilled labour markets might be beneficial to the country.

CONCLUSION

According to the material shown above, it is abundantly obvious that the changes that were implemented in 1991 have done an excellent job of boosting exports. India must prioritise increasing the proportion of the global market that is comprised of its exports. Because of India's location, it has both a physical and cultural proximity with Bangladesh, Sri Lanka, Nepal, and Pakistan, which is a significant advantage for the Indian nation. Therefore, there is room to grow commerce with these nations. According to the findings of the research, the amount of money spent on labour expenses had a significant impact on the amount of fabric and clothing that was exported from poor nations in Asia. In most cases, an increase in labour expenses is followed by a decline in export performance. The factors that determine the level of effect, such as the Gross Domestic Product (GDP), the real exchange rate, the GDP per capita, and the population growth rate of the importers, all have a substantial bearing. As a result of the depreciation of the Indian rupee, purchasers would be able to purchase textile items at lower prices, which would lead to an increase in textile exports. The research also demonstrates that during the 1996-1997 time period, developed nations imposed non-tariff obstacles, which resulted in a decrease in the demand for exportable goods from India. Supply-side variables are vitally critical for sustaining strong export growth in a sustainable manner. Some examples of supply-side problems are procedural delays and insufficient infrastructure. On the basis of the current knowledge of the factors that determine export performance, it is strongly recommended that more study be conducted to examine efficient ways that may enhance the performance of exports of textiles and clothing.

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