

**INDIAN APPAREL EXPORT FIRMS: A STUDY OF
CHALLENGES AND CAPABILITIES**

by

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Submitted

In fulfillment of the requirements of the degree of Doctor of Philosophy

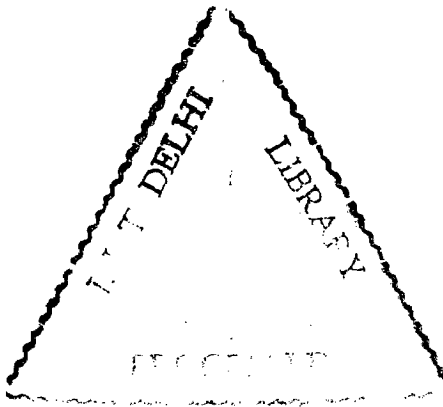
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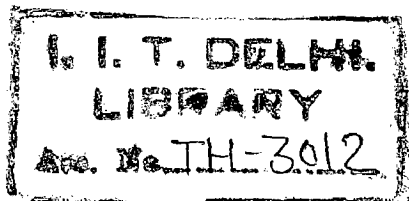
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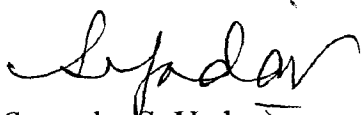


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The Thesis titled **Indian Apparel Export Firms : A Study of Challenges and Capabilities**, being submitted by P. Anuradha Balaram to the Indian Institute of Technology, Delhi, for the award of the degree of Doctor of Philosophy (Ph.D.) is a record of bona-fide research work carried out by her. She has worked under our guidance and supervision, and has fulfilled the requirements for the submission of this thesis, which has attained the standard required for a Ph.D. degree of this Institute. The results presented in this thesis have not been submitted elsewhere for the award of any degree or diploma.



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DEDICATED TO THE MEMORY OF MY DEAR PARENTS

K.P.SREEKUMAR AND DR. MEERA SREEKUMAR

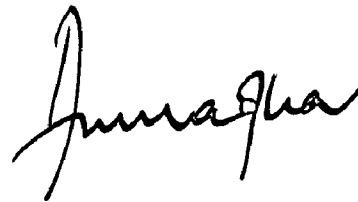
WHO BELIEVED IN ME

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A handwritten signature in black ink, appearing to read 'Suma', with a stylized, flowing script.

ABSTRACT

This study has identified the various challenges that Indian apparel export firms are likely to face in the coming years on account of rapid changes in the rules of global apparel trade. According to this study, there is a need for capability development at the national, inter-firm and firm level to ensure that there is a growth in exports of Indian Apparel Firms. The changes in the International Business Environment, according to this study, are (1) phase out of the quantitative restrictions that currently exist (as per the Agreement on Textile and Clothing); (2) rapid growth of preferential trade arrangements; (3) emergence of new and varied non-tariff barriers in international trade of apparel; (4) dominance of China in world apparel markets; (5) evolution of the informed and value conscious customer and (6) the increased use of information and communication technologies in the apparel supply chain.

The study has attempted to find out whether Indian firms have the necessary capabilities to successfully combat the challenges offered by the business environment. The findings are based on a comprehensive literature review and statistical analyses of secondary and primary data. On the basis of a sample survey of 176 firms, the relationship between various capabilities and (1) net export growth of firms and (2) net profit growth of firms have been analysed. Apart from the firm level sample survey, the study includes the findings of an expert-level survey and six select case studies. The study concludes that the major responsibility for developing these capabilities (quality consciousness, cost-control, development of strategic alliances, use of modern technology and skilled labour,

new product development, developing a competence in design etc.) lies with the management of each firm or with joint management of a coalition of firms. At the same time, the Indian government also has a responsibility for developing certain macro capabilities (for example, better transport infrastructure), which will facilitate the growth of all domestic firms.

The study makes a projection of the World's import growth and India's export growth of different categories of apparel in the year 2010. It also identifies the main apparel exporting countries, which are likely to be dominant global exporters of apparel after the phase-out of Quantitative Restrictions in December, 2004.

The findings of the study are expected to bring about greater clarity in some of the concepts and operational aspects of the apparel trade. It could be used to assist policy makers at the Government level and managers at the firm level in making informed decisions to enhance apparel export growth in future.

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