



Productivity in Indian Apparel Industry: Paradigms and Paragons **Rajesh Bheda, Professor**

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ABSTRACT

Labour costs are fast increasing in India and other Asian countries. To retain its competitiveness, Asian apparel industry will have to pay increased attention to productivity improvement. The 1960's and 70's witnessed major research initiatives on apparel productivity in Western countries leading to a considerable improvement. The Asian apparel industry, however, shows much lower productivity performance. Studies have shown that the productivity performance of an average Indian apparel factory is one of the lowest in Asia. This paper discusses the productivity level in apparel manufacturing in India, the factors associated with productivity in Indian apparel industry and the scope for improvement.

KEYWORDS: Productivity, Apparel, Manufacturing, Improvement, India.

1 Introduction

In today's world, textile and apparel industry plays a significant role in the industrial growth of most of the countries regardless of the level of their economic prosperity. Increasing number of countries, including India, are using this industry for promoting the growth of their economy. This industry is vital for them due to its employment potential and export earnings. Apparel manufacturing activity has been shifting from developed to developing to least developed countries. International apparel trade is moving away from 'East to West' and 'South to North'.

The restraints imposed on world trade in textiles and clothing under Multi-Fibre Agreements (MFA) shall end by January' 2005, paving way to restraint-free global trade in textiles and clothing. The post MFA era is likely to witness growing competition mainly for the major consumption markets of North America and Europe. The developing countries like India and many other Asian countries, which earn valuable foreign exchange by exporting apparel, will now have to open up their domestic market to international players. The competitiveness of the industry shall, therefore, become critically important. Indian apparel industry will need to improve its performance on quality, productivity and technology front.