

Vol 6 Issue 12 Sept 2017

ISSN No : 2249-894X

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*Monthly Multidisciplinary  
Research Journal*

*Review Of  
Research Journal*

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## HISTORY AND PRESENT SCENARIO OF READYMADE GARMENT INDUSTRY

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### ABSTRACT :

In India *roti kapda and makan* means food clothing and shelter are considered as essential items for comfortable living. It is primary responsibility of readymade garment (RMG) industry to provide this need of human beings. Garment industry means makers and sellers of fashionable clothing. India's textile and garment Industry is independent and self reliant. It contributes about 14 per cent to the industrial production, 5 per cent of the GDP and 27 per cent of the export revenue. According to the International Trade Statistics 2015 WTO Secretariat India has exported of 18 billion SU\$ garments in 2015. Present paper has focused on historical perspectives of RMG industry, domestic trends and export trends of RMG industry. There are some strengths opportunities and threats before RMG industry.



**KEYWORDS:** Readymade Garment Industry, Fashionable Clothing, Production for Masses etc.

### INTRODUCTION

In India *roti kapda and makan* means food clothing and shelter are considered as essential items for comfortable living. This is true not only in Indian context but for also to all the human beings all around the globe. It is primary responsibility of readymade garment (RMG) industry to provide this need of human beings.

Indian garment industry produces high quality, stylish and well designed garments at economical prices. Readymade Garment (RMG) Industry occupies a unique position in the textile industry and also in the Indian economy. It contributes about 14 per cent to the industrial production, 5 per cent of the GDP and 27 per cent of the export revenue. It provides direct employment to about 40 million workers including substantial segments of SC, ST and OBC women. RMG Industry provides maximum employment with minimum capital investment.

Garment industry means makers and sellers of fashionable clothing. Garment is related to textile and laundry industry. Textile refers to the production of intermediate producers like fabric and yarn etc., which are used to make final product i.e. 'Garment'. Garment industry produces all types of readymade cloths for all types and all ages of the people. Different segments of the Garment industry are:-Men's Garment, Women's Garment, Children's Garment, Kids Garments, Unisex Garments, Uniforms and Leather Garments. Moto of this industry is production for masses and not mass production. The garment industry produces hundreds of varieties of garments for different end users.

## 2. SCOPE OF THE STUDY

The study of RMG industry in India is very vast. The scope of this study consists the historical perspectives, domestic trends and export trends of RMG industry. The present paper is examining strengths and opportunities of Readymade Garment Industry.

## 3. METHODOLOGY OF THE STUDY

The present study has been descriptive; the data for this study were obtained from secondary sources. The secondary data has been collected from various references which already existed in published form; part of the paper is based on literature review the method comprising of collecting all the available papers relating to the theme and selecting relevant papers/books for the review purpose.

## 4. DEFINITION OF RMG INDUSTRY

RMG industry is an establishment, where mass production of finished products of clothing is made from different types of fabrics of various sizes, which are based on anthropometric studies and not on custom tailored measurements. - By researcher

## 5. OBJECTIVES

- 1) To know the historical background of RMG industry.
- 2) To know the domestic trends of RMG industry.
- 3) To know the export trends of RMG industry.

## 6. HISTORICAL BACKGROUND

Tentative beginning of the ready-to-wear industry was made in the men's branch in the eighteenth century with establishment of slop shops. In 1831, the first recorded clothing factory was located in Newark city. In 1831, George Opdyke (mayor of Newark) began the small scale manufacturing of readymade clothing activity, which he stocked and sold largely through a store in New Orleans.

([www.Srnteach.us/HIS1700/html/projects/unit3popus/readings/garme.html](http://www.Srnteach.us/HIS1700/html/projects/unit3popus/readings/garme.html).)

In the early 19th century clothing was still handmade product for the family activated by the women in the house. The mass production of readymade cloths was stimulated by the need of sailors and minors. Civil war demanded uniform production. This demand led to introduction of standardization of sizes. Sewing machines emerged in 19th century and motivated to boost RMG production. It is found that RMG were less costly and satisfactory than custom made clothing. Tremendous urbanization also boosted this RMG industry's expansion. During the world war 1st RMG industry produced variety of apparels for armed forces, immigrants that came to U.S. The latter half of the 19th century RMG was emerged in the world. In the year 1992, the modern RMG industry has been begun in prominence.

China has dominated textile and garment Industry from last thirty years.. Vietnam, Indonesia, Cambodia, Bangladesh, Pakistan, Shrilanka, Myanmar are also showing great potential in this sector. Here is some Asian countries short history which dominates World's RMG exports.

### a) China :-

From thirty years China has dominated in textile and garments exports. China is called as World garment factory. China is also largest clothing consumer in the world. China's textile apparel production accounted for 1/10th of the national output. ([www.cnga.org.cn/engl/about/overview.asp](http://www.cnga.org.cn/engl/about/overview.asp)).

### b) Pakistan

RMG industry Pakistan has started 70's as a SSI Majority of units making cotton fashion garments. Pakistani colorful lawns are very popular to maintain body cool in summer days. Measure importers of Pakistani RMG's are North America and EU. In 2011-12 Pakistan exports RMG's of worth US \$ 1.77 billion.

### c) Bangladesh :-

In 1978 the RMG industry was established in Bangladesh with nine enterprises. The increasing wages in

clothing producing countries paved the establishment of RMG in Bangladesh. Now there are 4000 RMG units with export earning \$6.40 billion per year. RMG industry of Bangladesh alone contributes 79% of export earnings of country. Bangladesh exports 59.59% to EU of its total exports.

#### e) South Korea:-

South Korea contributes 2% share of global market of Textile and apparel. Korea is 7th largest exporter of textile & RMGs. Korea Federation of textile Industries (KOFIT) Textile and apparel export contributes 3 percent of South Korea's total exports. China is main export market of South Korea which accounts 19.8% and in value term was US\$ 2.7 billion. Vietnam is 2nd exporter market of South Korea.

#### h) Sri Lanka:-

Textile and clothing industry had made its beginning in 1950's in Sri Lanka. From 1960's Sri Lanka started to exports RMG in UK and union market. After 1970's there was rapid expansion of RMG industry of Sri Lanka. Multi fiber Agreement (MFA) benefited Sri Lanka.

**Table No. 3.7 Top Ten Exporters Countries of Textile and Clothing to World  
(In billion US\$)**

Textiles {2015}				Clothing {2015}			
Rank	Name of the country	Value	% world share	Rank	Name of the country	Value	% world share
1.	China	109	37.4	1.	China	175	39.3
2.	EU-28	64	22.1	2.	EU-28	112	25.2
3.	Extra-EU(28)exports	20	6.9	3.	Extra-EU(28)exports	28	6.2
4.	India	17	5.9	4.	Bangladesh b	26	5.9
5.	United States	14	4.8	5.	Vietnam b	22	4.8
6.	Turkey	11	3.8	6.	Hong Kong China	18	-
7.	Korea, Republic of	11	3.7	7.	India	18	4.1
8.	Taipei, Chinese	10	3.3	8.	Turkey	15	3.4
9.	Hong Kong China	9	-	9.	Indonesia b	7	1.5
10.	Pakistan	8	2.9	10.	Cambodia b	6	1.4
	World Total	273	90.8		World Total	387	87.0

Source: - International Trade Statistics 2015 WTO Secretariat

Table No 3.7 explores the top ten countries of textile and clothing during the years 2015 and their percentage share in exports. China ranks first in textile and clothing exports in the years 2015. In comparison with year 2011 India's percentage share has increased by 0.8 percent in textile exports and ranks fourth, however, India's clothing exports were decreased and rank also come down. India ranks 7th in clothing exports in 2015.

## 7. THE INDIAN GARMENT INDUSTRY

India was the first place where cotton cloths were worn and made up of locally growth cotton in 2500 B.C. Since ancient times India is well known for textile goods. 'Rig-Veda' the earliest Veda contains the literary information about textiles.

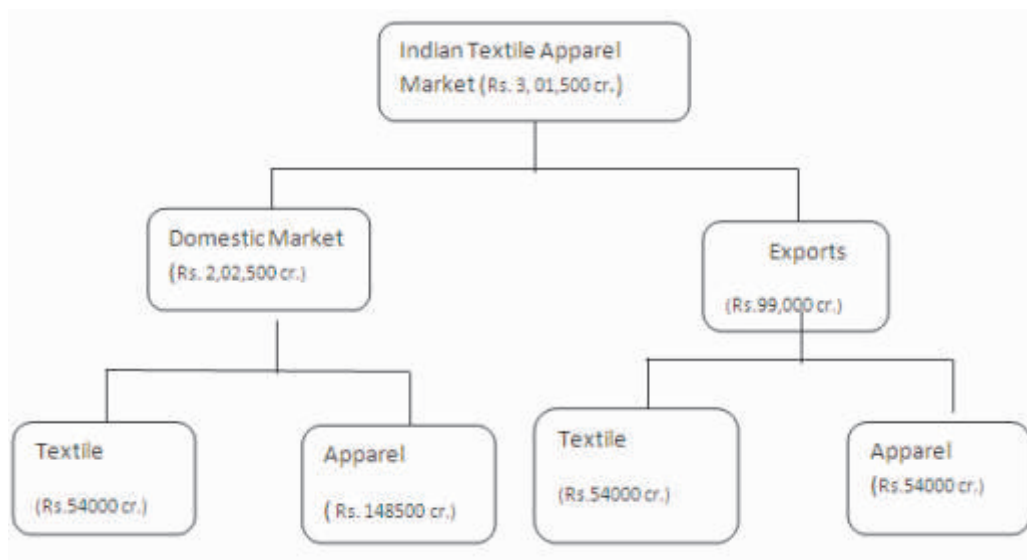
The origin of RMG was attributed in Delhi to the Mogul period. India produces a variety of textile clothing items. It is a result of diverse cultural influences, climates, conditions, geographical factors and trade. One of the most renowned textiles of India the 'Brocade' of Varanasi comes from Uttar Pradesh. Gujarat, Kutch is known for their 'Mirror Work Embroidery' for the rich and vibrant colors. Tamilnadu is known for 'Kanchipuram' saris 'Punjab' is famous for 'Pulkari' work. In every part of India we found various forms of textile products. (Deshpande 2009)

First Indian garment industry was started in Bangalore during the British rule by M/S Bangalore dress making Co. Now there are thirteen clusters of RMG industry i.e. Tripur, Ludhiana, Jaypur, Bhiwandi, Malegaon, Nagpur, Madurai, Salem, Kolkatta, Mumbai, Delhi/Noida/Gurgaon, Indoor and Bangalore.

### 8. DOMESTIC TRENDS OF RMG INDUSTRY

Rural and urban segments are two segments of the domestic apparel market. Around 70 per cent of rural Indians contribute of 55 per cent of the total domestic RMG industry in value terms. Development of RMG industry was started in the year 1970. In According to data of ASI and NSSO an unorganized manufacturing sector show those 1.585 lakhs units. Most of the commercial activity is also carried out in small scale units. Today apparel is one of the strongest categories, because of consumer demand, which has shifted from basic need purchases to occasion based purchases. The demand of RMG is increasing at around 18.20 per cent annually in the country. Branded RMGs have 24 per cent share in the garment market.

**Figure No. 3.1 Trends In Indian Domestic Fashion Market**



All the figures are in Rs. corers.

Source: - Technopak Analysis Estimated Exports for 2009 (values rounded off)

The Indian domestic apparel market size is US \$ 33 billion of which 16 per cent is organized.

### 9. SWOT ANALYSIS OF RMG INDUSTRY

#### Strengths:

- 1) India's textile and garment Industry is independent and self reliant.
- 2) India is rich in highly trained man power. India is third lowest rate as compared to other key garment companies.
- 3) Indian RMG industry is very diverse in size, manufacturing facility, type of apparel produced, quantity and quality of output, cost requirements to fabric etc.

#### Weaknesses:

- S1) Labour force giving low productivity as compared to other competing countries like China.

#### Opportunities:

- 1) Favorable demographics in domestic market i.e. increasing young population coupled with rising income levels.

- 2) Emergence of retail industry as malls provide huge opportunities for apparel segments.
- 3) Replacement of MFA and Integration of the textile and RMG industry resulting in huge opportunities for exports..

**Threats:**

- 1) The major exporter of RMG sector for all over the world are giving through competition to India they are providing higher productivity with lower costs. This affects the domestic market and may lead increased consideration.
- 2) Ecological, social awareness is likely to result in increase pressure on the industry to follow international labour and environmental laws.

**10. CONCLUSIONS:**

In 1831, the first recorded clothing factory was located in Newark city. China has dominated textile and garment Industry from last thirty years. The origin of RMG was attributed in Delhi to the Mogul period. First Indian garment industry was started in Bangalore during the British rule. Development of RMG industry was started in the year 1970 onwards. According to the International Trade Statistics 2015 WTO Secretariat India has exported of 18 billion US\$ garments in 2015. Increasing working class, changing life style are some of the causes of growing apparel sector fast.

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