



PRESS RELEASE

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Garment exports fall short of \$11.6 billion target due to economic slowdown

New Delhi, Apr 29 – Garment exports from India fell 14 per cent short of the 11.62 billion dollar target for 2008-09 but leveled 4.6 per cent over last year's performance.

Provisional figures released today by the Apparel Export Promotion Council (AEPC) showed that 10.13 billion dollars worth of garments were exported in the last financial year compared to 9.68 billion dollars in 07-08.

In rupee terms, the figures work out to Rs 46,628 crore for 08-09, up 19.55 per cent from Rs 39,002 for 07-08.

“We are happy that garment exports have crossed 10 billion dollar mark for the first time,” said AEPC chairman Rakesh Vaid. However, he expressed concern over consistent deceleration in growth rate over the past two years.

Mr Vaid hoped the new government (after general elections) will take steps to boost the sector so that India can retain its share in international markets.

AEPC officials said the first four month of 08-09 were good with apparel exports moving up to 963 million dollars in April compared to 682 million dollars in the same month of previous year.

The figures were up again in May 867 million dollars (779 million dollars), in June 891 million dollars (764 million dollars) and in July 876 million dollars (810 million dollars).

But the downward movement started in August when retail orders from the United States, the European Union and elsewhere began to feel the impact of global economic recession. Garment exports tumbled to 792 million dollars in August 08 from 800 million dollars in the corresponding period of previous year.

In September, the figure slid further to 656 million dollars (683 million dollars). In October, the exports totalled 658 million dollars (713 million dollars) which moved down further to 700 million (709 million dollars) in November.

The depreciating value of rupee against US dollar, however, helped in December and January as exporters were able to lower prices and bag more orders from competing countries like China, Bangladesh and Vietnam.

So Indian garments worth 920 million dollars were exported in December 08 compared to 890 million dollars in the same month of previous year. In January 09, the figure moved up to 972 million dollars compared to 923 million dollars in January 08.

It declined again in February to 908 million dollars (951 million dollars) and 933 million dollars (963 million dollars) in March.

Many garment exporters say the negative trend is likely to continue during the first quarter of current fiscal (April to June 09-10). Significantly, the unit value realisations have also slipped in recent years.

For example, the realisations for garments exported to the United States fell from 3.6 dollars per piece in 07 to 3.4 dollars in 08 to 3.3 dollars in January and February 09.

Recent surveys conducted by the AEPC in clusters where garment manufacturing is concentrated suggest many exporters have temporarily shut their units, or cut down the number of working days from seven to five or four, or cut the number of shifts from three to two or one.

The AEPC represents over 8,000 small, medium and large exporters. The country ranks sixth among the top garment exporting countries globally.

Nearly 78 per cent of garments exported from India are cotton-based. The main products are ladies garments, blouses, skirts and T shirts, trousers.