



AN ANALYSIS OF EXPORT PERFORMANCE OF THE COIR INDUSTRY IN INDIA- WITH SPECIAL REFERENCE TO THE MSME SECTOR

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The industries which are working in India depend on agriculture for inputs operations. India is the largest cultivator of products like Coconut, Jute, Sugarcane, Rice, Wheat, Pulses and Spices. India has conventional Micro Small, and Medium Enterprises (MSMEs), which contribute expansively to India's Social and Economic advancement. It empowers businesses and creates tremendous work openings at a relatively lower cost of capital. MSMEs are complementary to large-scale industries for their effective functioning. The MSME sector contributes significantly to all industrial development of the nation. Coir is the by-product of Coconut's outer shell, which is used for manufacturing umpteen number of products such as Coir fibre, Coir Yarn, different Mats, Matting rugs, Non-woven products, Non-Woven mats, Coir Geo-Textiles, Coir pith, Garden Articles, Curled Coir, Needled felt, Hand Knotted Netting, Coir ply articles, Coir Braid, Coir Rope, Coir Tea Leaf Bags, Coir Brushes, Lunch Bags, Office Bags, Chapels, Pouches and many more. Coir is an excellent money winner and Foreign Exchange earner for the nation. Under the established Coir Board, the Central Government of India monitors Coir industries in the country. MSMEs also formulated promotional and subsidy schemes to promote Coir industries.

Key Words: MSMEs, Growth, Performance, Export, Product, Industry, Challenges.

1.1 INTRODUCTION

The economic development of any country demands industrialisation. However, it has got recognition in our country, and it is high time we thought about balanced regional development, an essential component of industrialisation. India most of the industries developed in India, rely on agriculture to draw their inputs for operations. India is the largest cultivator of products like Coconut, Jute, Sugarcane, Rice, Wheat, Pulses, Spices etc. India has ordinary Micro Small, and Medium Enterprises (MSME), contributing expansively to India's Social and Economic advancement. It empowers businesses and creates tremendous work openings at a relatively lower cost of capital. MSMEs are complementary to large-scale industries for their effective functioning. The MSME sector contributes significantly to the industrial sector development of the country. Coir is the by-product of Coconut's outer shell, which is used for manufacturing umpteen number of products such as Coir fibre, Coir Yarn, different Mats, Matting rugs, Non-woven products, Non-Woven mats, Coir Geo-Textiles, Coir pith, Garden Articles, Curled Coir, Needled felt, Hand Knotted Netting, Coir ply articles, Coir Braid, Coir Rope, Coir Tea Leaf Bags, Coir Brushes, Lunch Bags, Office Bags, Chapels, Pouches and many more. Coir is an excellent money winner and Foreign Exchange earner for the nation. Under the established Coir Board, the Central Government of India is monitoring and promoting the functions of Coir industries in the nation. The MSMEs also formulated promotional and subsidy schemes to promote Coir industries.

1.2 REVIEW OF LITERATURE

Dr.R.Venkatesh and Dr.K.Kumaran(2019), in the article “Export Performance of Coir Industry in India”, explained increased gradually after globalisation. Also found the export performance of other coir products reducing pattern. Finally, the author concludes that the Handloom Mats, Power loom Mats, Rubberized Coir and Tufted Mats, Export increased.

Apoorva Gupta, Ila Patnaik and Ajay Shah (2018), in their research paper “Exporting and firm performance evidence from India”, have concluded that do firms learn by exporting, learn to export? This question is a critical question which shapes our understanding of trade theory and influences policy questions ranging from microeconomic interventions to support firms that export, to exchange rate undervaluation for economic growth.

K.Praveenkumar and Dr.G.Vinayamoorthi (2017), in a paper entitled “A Study on Export Performance of Coir Industry in India”, the author found that China is the primary importer of Indian coir products. Coir pith is used in various forms of products in central European countries. The export promotion council of India and the Coir Board of MSMEs offer to help increase the export of coir products, and governments have many plans to develop the coir industry. It was also observed that the people involved in the industry lack awareness of the devolvement, promotional and subsidy schemes available for the coir industry.

Dr. Surat Singh & Dalbir Singh (2017), in their research paper, “Small scale industries and economic growth” Empirical evidence from India during post economic reform era' revealed that exports have a significant role in explaining variations in Gross Output and not a vice-versa in India.

B. Gururaj, M. Satishkumar, and M.K. Aravinda Kumar (2016), in their research paper “Analysis of factors affecting the performance of exports in India”, indicated that To build the resilience of the economy to trade shocks and improve the competitiveness of exports, it would be helpful for the Government to consider mitigating strategies

Surbhi Goyal (2016), in her research paper “A Study on comparison of Export Trends of India over a Decade”, highlighted the past performance of export and the requirement to reform export policy in her opinion, In 2000-01, India was mainly dependent on the US for the exports with a share of 20.96%, but over some time this share has been reduced to 12.45% and the country is shifting to the countries like China, Singapore, Saudi Arabia which

validates the Look East policy of the Government of India. Exporters should take advantage of the Make in India scheme started by the prime minister of India. Research and development need to be emphasised.

In his study, R.Senthilkumar.R (2015) recorded that although Coir Industries in India face many challenges, it has various opportunities for further growth and development. The coir industry has broad prospects in terms of products like coconut husks, providing employment, generating income, alleviating poverty, improving the standard of living of the nation's people, creating significant demand in internal and external markets, developing entrepreneurship and promoting the nation. Author finally explains that the Government of India, through Coir Board, can promote the coir industry in terms of solving the various problems faced by the coir industry in India and opening the gateway for prospects.

Dr. B.S.Khurud (2015), in his research paper“Export Performance of MSME sector in the post-liberalisation era”, suggested that sincere and dedicated efforts are also needed to improve the quality of exportable goods because there is immense scope for increasing exports of quality products in the global market and also pointed out that new emerging markets like EU, UAE, African countries and CIS countries have much potential for absorbing more MSME export. Hence efforts should be made to tap these markets.

Dr. Suhail Mohommad Ghouse (2014), in his research paper “Export competitiveness of India”, The role of MSMEs to play suggested that a comparative study between Indian and China can be done in the context of MSMEs export performance in the different problems of other country MSMEs and make a comparative with Indian MSME exporters and increase the competitiveness of exporting MSMEs.

1.3 METHODOLOGY

This study uses secondary data such as the articles published in press reports of the Coir Board, reviews from the research journals, data collected from the web sources of the coir industry, ministry of MSME reports, and daily newspapers.

1.4 OBJECTIVE OF THE STUDY

1. To study the growth and Export Performance of the Coir Industry in India.
2. To study challenges encountered by the Coir industry in India
3. To suggest to improve the Export of Coir product.

1.5 GROWTH OF THE COIR INDUSTRY IN INDIA

Coir Board is a Statutory Body set up under the Coir Industry Act 1953 to promotethe overall development of the coir industry, including export promotion of Coir and Coir Products and improvement of the living conditions of the workers engaged in this traditional industry in India. India is the world's largest coir producer, accounting for over 80 per cent of the total coir fibre production. The coir sector in India is very diverse and involves households, co-operatives, NGOs, manufacturers and exporters. This is the best example of producing beautiful artefacts, handicrafts and utility products from coconut husks,otherwise a waste. The coir industry employs about 7.37 lakh persons, mostly from rural areas belonging to the economically weaker sections of society. Nearly 80% of the coir workers in the fibre extraction and spinning sectors are women. The Boardis tasked with promoting the development of the Coir industry and increasingthe living conditions of the workers engaged in this traditional industry.

Coir is a fibre extracted from husk, the fibrous outer shell of Coconut. Ropes and cordage built from coconut fibre have been used earlier. Indianwho sailed the seas to Malaya, Java, China and the Gulf of Arabia for centuries using Coir as their ship's cables. Matting and other floor coverings started in Indiaon a factory basis over 150 years ago when the first factory was established in Alappuzha in 1859. The Coir industry is an agro-based

traditional industry that originated in Kerala state and other Coconut producing states such as Tamil Nadu, Karnataka, Andhra Pradesh, Orissa, West Bengal, Maharashtra, Assam, Tripura, etc. It is an export-oriented industry with the possibility to appreciate exports by value addition through technological interventions.

Coir is transforming into different products for different uses, like Coir fibre, Coir yarn, Coir products, and Coir rope. Curled Coir and Rubberised Coir. All these varieties attract both internal Trade and external Trade. Some production varieties involve value addition before they are sent to the market. Table No. 1 reveals the production status of coir products from the financial year 2018-2019 to 2020-2021. In all the product categories for all four financial years, there is improvement in production. Production of all coir products saw a significant improvement in 2020-21 compared to the previous financial year, 2018-19. The Compound Annual Growth of all Coir products from 2018-19 to 2020-21.

Table.1 Growth in Production of Coir Products during 2018-19 to 2020-2021(QTY in MT)

PRODUCT	2018-19	2019-20	2020-21	2020-21
Coir fibre	7,49,600	7,41,000	5,19,000	7,10,000
Coir yarn	4,49,800	446000	3,12,400	4,27,300
Coir products	2,96,800	294200	2,06,100	281900
Coir Rope	90,000	89200	62,500	85,500
Curled Coir	89,900	88800	62,200	85,100
Rubberised Coir	89100	89500	1,19,900	90,700

Source: MSME annual report- 2020-21

1.6 EXPORT PERFORMANCE OF COIR AND COIR PRODUCTS IN INDIA

The export of coir and coir products was high for 2020-21. A total quantity of 1,163,213 MT of coir and coir products valued at Rs.3778.98 cores were exported from the country during 2020-21 against the export of 988,996 MT valued at Rs.2757.90 cores during the last year. A growth rate increase of 17.6% in terms of quantity and an increase of 37% in terms of value over the export achieved during the last year. There is an increased growth of 37% in value, the ever-highest growth rate that the export of coir products has shown in table 2. The export target fixed for coir and coir products by the Ministry of MSME, Government of India, for 2020-21 was Rs.3500 cores. The achievement during the reporting period works out to 108% of the target fixed by the Govt. of India. Despite the Covid19 pandemic and its restrictions, the export of coir and coir products grew.

Table.2 Export of Coir Products in Comparative Statement (2020-21 and 2019-20)

COIR PRODUCTS	2020-21 (in MT)		2019-20(in MT)		GROWTH (%)	
	Quantity	Value	Quantity	Value	Quantity	Value
Coir Fibre	354123	62890.6	308457	49842.6	14.8	26.2
Coir Yarn	3849	2919.3	3028	2301.22	27.1	26.9
Handloom Mat	20527	24662.1	16910	19630.1	21.4	25.6
Poweloom Mat	65	106.51	26	49.65	144.4	114.5
Tufted Mat	81799	80690.8	58300	56344.1	40.3	43.2
Handloom Matting	1418	1712	1177	1366.41	20.5	25.3
Power loom Matting	11	19.24	5	8.53	103.9	125.6
Coir Geotextiles	8583	7059.05	8068	6389.45	6.4	10.5
Coir Rugs & Carpets	327	427.9	367	483.82	-10.9	-11.6
Coir Rope	505	491.76	512	466.03	-1.4	5.5
Curled Coir	9381	2422.22	11290	2681.57	-16.9	-9.7
Rubberised Coir	982	1321.41	578	786.82	70	67.9
Coir Pith	680898	191974	579980	134963	17.4	42.2
Coir Other Sorts	744	1200.96	298	476.93	150	151.8
Total	1163213	3778.98	988996	2757.90	17.6	37

Source: www.coir Board.com

Coir Pith constituted 58.5 % in quantity and 50.8% in the value of the overall export of Coir and Coir products during 2020-21, the period under the board report. Tufted Mats constituted 7% in quantity and 21.4% in value, one of the essential items of coir products exported from India. Coir fibre constituted 30.4% in quantity and 16.6% in value. All value-added products together constituted 31% of the total exports in terms of value. The table.3 showing, during 2020-21 the item-wise composition of the export of Coir and Coir products in terms of quantity and value.

Table.3: Export of Coir and Coir Products during 2020-21 in terms of Quantity and Value (in MT)

PRODUCTS	2020-21		COMPOSITION (%)	
	Quantity	Value	Quantity	Value
Coir Pith	680898	191974	58.54	50.8
Tufted Mat	81799	80690.8	7.03	21.35
Coir Fiber	354123	62890.6	30.44	16.64
Handloom Mat	20527	24662.1	1.76	6.53
Coir Geotextiles	8583	7059.05	0.74	1.87
Coir Yarn	3849	2919.3	0.33	0.77
Curled Coir	9381	2422.22	0.81	0.64
Handloom Matting	1418	1712	0.12	0.45
Rubberised Coir	982	1321.41	0.08	0.35
Coir Other Sorts	744	1200.96	0.06	0.32
Coir Rope	505	491.76	0.04	0.13
Coir Rugs & Carpets	327	427.9	0.03	0.11
Poweloom Mat	65	106.51	0.01	0.03
Powerloom Matting	11	19.24	0.001	0.01
Total	1163213	377898	100	100

Source: Coir Board Annual Report 2020-21

➤ COMMODITY-WISE ANALYSIS OF COIR INDUSTRY EXPORTS

The items of export, the items which recorded significant increases and decreases in terms of quantity and value, are detailed in the tables below:

Items such as coir rugs, carpets, and curled Coir have shown a negative trend in quantity and value.

Table.4 Commodity-Wise Analysis of Exports (Decrease in Quantity and Value)

Sl. No.	COMMODITY	2020-21		2019-20		Growth (%)	
		Quantity	Value	Quantity	Value	Quantity	Value
		(MT)	(Rs. Lakhs)	(MT)	(Rs. Lakhs)		
1	Curled Coir	9381	2422.22	11290	2681.57	-16.9	-9.7
2	Coir Rugs & Carpets	327	427.9	367	483.82	-10.9	-11.6

Source: Review Export report 2020-21

Coir Rope has a decrease of 1.4% in quantity and an increase of 5.5% in value. This may be due to an increase in the unit price of coir rope.

Table.5 Commodity-Wise Analysis of Exports (Decrease in Quantity but Increase in Value)

Sl.No	COMMODITY	2020-21		2019-20		GROWTH (%)	
		Quantity (MT)	Value (Rs. Lakhs)	Quantity (MT)	Value (Rs. Lakhs)	Quantity	Value
01	Coir Pith	680898	191974	579980	134963	17.4	42.2
02	Tufted Mat	81799	80690.8	58300	56344.1	40.3	43.2
03	Coir Fiber	354123	62890.6	308457	49842.6	14.8	26.2
04	Handloom Mat	20527	24662.1	16910	19630.1	21.4	25.6
05	Coir Geotextiles	8583	7059.05	8068	6389.45	6.4	10.5
06	Coir Yarn	3849	2919.3	3028	2301.22	27.1	26.9
07	Handloom Matting	1418	1712	1177	1366.41	20.5	25.3
08	Rubberised Coir	982	1321.41	578	786.82	70	67.9
09	Coir Other Sorts	744	1200.96	298	476.93	150	151.8
10	Power loom Mat	65	106.51	26	49.65	144.4	114.5
11	Powerloom Matting	11	19.24	5	8.53	103.9	125.6

Source: Review Export report 2020-21

Table.6 Country Wise Export of Coir & Coir Products during 2021-22

Sl.No.	COUNTRY	QUANTITY (%)	VALUE (%)
01	USA	16.9	19.82
02	CHINA	37.6	29.79
03	NETHERLANDS	8.7	8.77
04	UK	3.6	5.1
05	SOUTH KOREA	5.9	4.95

Source: WWW.CoirBoard .com

The table above shows the export of the top five countries. 19.82% export coir products to the USA and 4.95% to South Korea but export 37.6% Quantity coir products to china.

1.7 CHALLENGES OF THE COIR INDUSTRY IN INDIA

- **Modernisation of Traditional Units:** Modernisation of traditional units is the most crucial thing to challenges of the coir industry in India .modernization is one tool to promote the coir industry push into the global village concept without modernisation. Modernisation creates the problem of a lack of proper types of machinery for increasing production units, so the non-availability of modern tools affects the development of mass production.
- **Skilled Labour: is one of the fundamental factors** for every production industry. The coir industry is one of the traditional industries, so many unskilled labourers are engaged in productivity. A significant portion of the workers in the coir industry are women, especially in the spinning and manufacturing sectors, and their productivity is very low compared to men. Labour absenteeism, low wages, turnover, and low productivity are significant labour problems in the coir industry.
- **Guidance from Proper Channel:** The coir industries development board in India, called the coir board under the ministry of M.S.M.E, plans significantly favour coir manufacturers, but same time problems arise in the implementation of planning. Coir board will give more importance to the implementation s of planning, so they quickly achieve their goals in the coming fiscal year.
- **Competition:** The coir industry is facing tough competition against other natural and synthetic fibres, so the use of Coir is replaced with other cheap fibres. Other countries which produce Coir, like Sri Lanka and Vietnam, are also giving competition to India.
- **Worker's Safety:** Workers' safety is another big challenge for the industry as the coir industry is the worker and labour-oriented, and workers' health is badly impacted in working with the coir fibre, so necessary steps should be taken for the health and safety of the workers.
- **Shortage of Raw materials:** China and other countries import only coir fibre and prepare the products in their countries; thus, in India, there is a shortage of coir fibre raw materials and unable to meet the demand for other coir products.
- **Migration of workers:** There was a migration seen in the previous years when workers left the coir industry and shifted to other industries. The reasons for the migration include low salaries, the workers' health etc.

1.8 SUGGESTIONS

- **Widening the Farming Area:** The production of Coir can be increased with the cooperative efforts of Central and State governments by giving
- **Innovative Products:** The manufacturing of Coir products in collaboration with the Coir Board can design new and attractive products that consumers can offer in order to improve sales and profit.
- **Coir Instead of Plastic:** Coir products are eco-friendly. So, the state governments that ban plastic products in their administration can promote the coir products by providing a marketing platform for them coir products.
- **New Markets:** The untapped other nations and domestic nation markets can be traced, and steps can be taken to export Coir products to widen the export of coir products.
- **Consumer Exhibition:** The marketing of coir products can be encouraged to participate in Consumer Exhibitions with a privilege fee or without any fee for improving the marketing of Coir products.
- **E-Commerce:** Steps can be taken by Coir Board to offer the coir products through the E-Commerce platform with the prominent online sellers to improve the volume of sales.
- **New Technology and Machines:** New cost-effective and energy-efficient technology and machines can be invented to reduce the process of Coir and its manufacturing.

- **Adequate pay to employees:** The rate of growth of the number of employees involved in coir industries is meagre. This indicates that the wage and salaries offered by Coir industries are insufficient. However, when industries, Coir Board and Governments can implement the suggestions mentioned above, the profit-earning capacity of the units can offer more equitable remuneration to their employees. It will attract more employees towards the coir industries.
- **Use by Governments:** Central Government, State Government, and local authorities can act as role models by encouraging the use of coir products on its premises which can provide a good share of the market to coir industries.

1.9 CONCLUSION

India has a rich source of Coir in various states as growing coconut trees is a long-time agricultural activity in the country. The availability of a massive workforce in India has paved the way to employ more people in this sector. The export quantity of Coir from India also increased steadily during the analysis period. Industries involved in Coir products manufacturing also adopt new technology in the production process and product innovation, identify new markets for their products and promote Coir products marketing in domestic and foreign markets. Government support plays a crucial role in the survival and growth of this unit. Central and state governments have formulated schemes and programmes to promote this sector's export. They provide excellent support to assist the coir industry sector. A significant change in the behaviour of Indian consumers who started supporting products of nature will be very supportive of the coir sector. Many state governments have also banned plastic products' production, sale and consumption. All these positive aspects of the Coir Industry in India will have good prospects in the coming years, primarily when the suggestions made in this study are implemented.

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