

## **Abstract**

Apparel industry is one of the largest employment providing sectors in the country. The apparel is the finest value added segment of the textile industry. Apparel sector is the single largest sector which is earning maximum foreign exchange for the nation. Totally 15 percent of the exports are from the apparel segment. The sector has total employment of 3.66 million in 1999-2000 which has increased to 8.92 million for the year 2004-05 with the compound annual growth rate of 19.5 percent between 1999-2000 and 2004-05. However, a negative growth (almost 4 percent negative) was registered for the period between 2004-05 and 2009-10. The employment has come down from 8.92 million in 2004-05 to 7.32 million in 2009-10 with an absolute decrease of 1.60 million. The present study aims to explore the reasons for negative growth in apparel sectors' employment during the reference period 2004-05 to 2009-10. Various stakeholders at different levels were approached with the proper surveyed tools and techniques. Cluster wise approach was followed to gather the reasons. Several stakeholders like; Industry Associations/Federations, Key Players in the sector, Government Departments etc. were contacted. Depression world over caused loss of the employment opportunities which was maximum in units completely dependent export based. Domestic players were not affected much because of this slowdown of world economy. Study reveals that there is high scope and potential for growth of domestic market. Growing young population, rising household's disposable income levels, and growth of organised retail area are some of the favored situations which can make the sector grow at a healthy level. To achieve the desired levels and restore back the original position, appropriate policy initiatives and infrastructural provisions are must especially as the sector is facing acute shortage of electricity and frequent power cuts.