

Role of Associations in Promoting Garment Industry at Tirupur

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Abstract

Garment industry has the pride of place in contribution to developing the economy of our nation. A number of economic activities happen in production of knitted garments and exports in Tirupur and the place can be considered as a world leader in the knitted garment industry. This article focuses on knitting business at Tirupur, growth of the industry and the association's involvement for the development of the industry; augment the scope of textile and knitwear interest and knowledge among the youth. The committees and associations involved have initiated to bring up a business school to extend the knowledge on exporting and merchandising.

Key Words: Knitting, Garment industry, Institutions, Textile, Exporters

Introduction

The textile industry is one of the oldest and most developed industries in India.

It is the backbone of the Indian economy in view of its significant contribution of around eight percent to GDP, 14 percent of the value addition in the manufacturing sector and more than 30 percent of the export earnings of the country. It is the single largest employer with an estimated workforce of 35 million (TEA Bulletin, 2005). Tirupur, a small town in Tamilnadu, India is known for its knitted garment exports in the world market. Tirupur is a textile town situated 50 kilometers east of Coimbatore city in Tamilnadu. The municipal area of the town is 27.20 Sq.Km. with a human population of around seven lakh persons. The momentum for exports in Tirupur started in 1990's with its share of 34 percent in 1990 which rose to 56 percent in 2004 (AEPC statistics). This township started the production of low valued cotton hosiery items, mainly the undergarments in 1980's. Later a variety of garments including cardigans, jerseys, pullovers, ladies blouses, skirts, sports wear, trousers and T-shirts was manufactured.

Predominant features of Tirupur cluster are: cotton based knitted garments; sole proprietorship or partnership form of organisation controlled and directed by family management; large number of units involved in cutting, making and trimming knitted fabrics in pieces. Innovative business development services such as pre-production checks, initial and during production checks, product consultancy, laboratory testing, sourcing assistance provided by several enthusiastic entrepreneurs and associations formed by the entrepreneurs help the industry to improve. There are fifteen active trade associations and few educational institutions, which play a commendable role in helping the firms in Tirupur to develop. This paper discusses the institutional support extended by these trade associations and educational institutions that had a tremendous impact on the growth of the industry in Tirupur.

Growth of the Industry

Tirupur's performance in textiles is determined by the pace of its performance in technological process and the quality of its

macro economic environment. It also derives much of its ascent from improved perception of its public service. The World Bank Report 2002 states since 1985 Tirupur has become a hot bed of economic activity in production of knitted garments. By 1990's, with high growth rates of exports, Tirupur is a world leader in the knitted garment industry'.

There are a number of local representative institutions and support bodies that give an important impact on the development of the knitwear sector in Tirupur. This helps in the growth of exports in the region. Buyers from 35 countries frequently visit Tirupur. Tirupur can deliver customized samples in less than 12 hours; half a million pieces in a matter of days. The significant contribution of Tirupur to the export performance of India's is recognized in the Export Import Policy, 2002-07 of Government of India which conferred the status of 'Town of Export Excellence' to Tirupur (Somu, 2006). The rich availability of raw materials and being in close proximity to Coimbatore which is a major centre of cotton spinning industry in the country gives Tirupur access to its basic raw materials quickly and as and when required. The strong entrepreneurial skills and personalized management contribute to efficient management of negotiations and direct control of operations causing cost effective competitiveness of the Industry; quick delivery and quality of products add dimension to Tirupur's prowess as a centre to outsource excellent products.

Institutional Assistance

In terms of targeted institutional support to the local knitwear industry, a few organisations stand out: the Textiles Committee under the Ministry of Textiles, Apparel Export Promotion Council (AEPIC); the South Indian Hosiery Manufacturers Association (SIHMA), more dynamic, Tirupur

Exporters Association (TEA) that represents the city's knitwear exporters; and Knit Cloth Manufacturer's Association (KNITMA). The details of the institutions as cited in various websites are as follows.

Textiles Committee

The Textiles Committee's main objective is to ensure the quality of textiles and textile machinery for both internal consumption and export purposes (Business line, 2005). The Textiles Committee, as corollary to its main objective of ensuring the quality of textiles and textiles machinery has been entrusted with the following functions:

- to undertake, assist and encourage, scientific, technological and economic research
- to establish standard specifications for textiles, textile machinery and the packing materials
- to establish laboratories for the testing of textiles and textile machinery;
- to provide training in the techniques of quality control
- to provide for the inspection and examination of textiles and textile machinery
- to promote export of textiles
- to collect statistics and
- to advise the Central Government on all matters relating to textiles and textile machinery, etc. In Tirupur, the Textiles Committee has created an excellent impact on the industry through continuous and timely interventions. It is involved in almost all the value chain activities and maintains relationship with all industrial associations. It is seen by the industry as a dependable and

most active government body by the exporters in Tirupur.

South India Hosiery Manufactures Association (SIHMA)

It is one of the oldest associations established in 1951 with 60 export members and 1200 domestic members assisting them to get financial assistance from the banks and financial institutions. On the procedural front, assistance is also provided in getting the registration certificate of small-scale industry, RBI Code, exports import license issued. It also files legal suits in courts and represents on behalf of their members. SIHMA offered various HRD training programmes in the following areas: women entrepreneurship training through SISI; CAD course for exporters; skill up gradation courses for merchandisers in pattern making, quality control; facilitating ISO certification.

Apparel Export Promotion Council (AEPC)

The AEPC acts both in a regulatory as well as a promotional role in the local knitwear industry. The AEPC was set up in 1978 by the union government to stimulate export growth and act as advisor to buyers, exporters and government. It had in the mid 1980s over 6,000 members who were all exporters, and had set up regional offices in various locations, including Tirupur, to provide support at the doorstep. In Tirupur, the AEPC has a dual role: to administer the export of garments via the management of a quota system and to deal with the implications of bilateral trade agreements in force with importing countries and secondly to promote the export of Indian garments. The AEPC also sponsors buyer/seller meetings, organises trade delegations, individual sales tours and sets up market survey teams. The council collects trade data, both locally and from abroad, and is

particularly active in seeking out markets in countries where India's exports are not quota bound (such as Eastern Europe, Latin America, and East Asia).

In its endeavour to produce excellent work, AEPC has set up an AEPC-SITRA Knitwear Service Centre, which has been functioning in Tirupur. It offers services such as testing of samples of various quality entrepreneur development programmes, imparting training in various disciplines of garment manufacturing, etc.

Tirupur Dyers Association (TDA)

It was established in the year 1985. Currently, it is operating with 750 members, assisting them through advocacy on policy issues. It also acted as a principal body in setting up of eight common effluent treatment plants. It has coordinated with Textiles Committee for various Skill up gradation programmes for the capacity building of its members. It is renamed as Dyers Association of Tirupur (DAT).

Tirupur Exporters' Association

This is popularly known as TEA was established in the year 1990. This is an association exclusively for exporters of cotton knitwear who have production facilities in Tirupur. From a modest beginning TEA has grown into a strong body of knitwear exporters. Today, TEA has a membership of 458 life members and 154 associate members. The organisation focuses on: multilateral growth of knitwear industry and exports; development of infrastructural needs for Tirupur; implementation of schemes for the benefit of the society and public; promotion of constructive cooperation with workers with fair division of rewards; general upliftment of quality of life of Tirupur.

For foreign buyers, TEA provides the following assistance:

- offers conferencing and secretarial services;
- helps in locating suitable suppliers; and
- helps in resolving disputes.

TEA promoted several educational institutions to enhance the quality of apparel expertise. TEA Public School and NIFT TEA Fashion Institute are established and a business school with international standards is in line. The association also takes initiatives to bring buyers and sellers at one place through their India knit fair Convention Centre, and promotes the development of exports with state-of-the art infrastructure at Netaji Apparel Park.

NIFT-TEA Knitwear Fashion Institute

NIFT-TEA Knitwear Fashion Institute is a college of Fashion Design, Knitting Technology, Production, Management and Marketing of Knitwear. The Institute, exclusively for Knitwear - the only one of its kind in South India was started in the year 1997 with the vision to cater to the manpower needs of the rapidly growing fashion industry, which has turned into a lucrative business. The Institute has now earned nationwide reputation as a centre for knitwear fashions. Promoted by Tirupur Exporters Association (TEA) with the initial grant by the Ministry of SSI & ARI, Ministry of Industry, Govt. of India and New Delhi, it also has the status of being financed by Industrial Credit and Investment Corporation of India Limited (ICICI), Mumbai.

The Institute currently offers full time Bachelor and Master Degree Courses under off-campus programme of Alagappa University, Karaikudi. The institute is

managed by a governing council comprising of eminent knitwear exporters, officials from the Government of Tamilnadu and Government of India, academicians from other prominent educational institutions. The Institute is well equipped with imported knitting machines, cutting machines, sewing machines, latest design studio consisting of LECTRA CAD System and Computer aided colour matching system. A unique feature of our courses is that they are designed to meet the changing needs of the industry and as such our students on completion of their courses can immediately fit to their professional career in the industry smoothly.

Since, the institute has been promoted by the industrialists themselves; it has the full support and backing of the entire knitwear export industry of Tirupur for the developmental activities, training and placement.

India Knit Fair (IKF)

The India Knit Fair, the India's biggest exposition on knit garments, is now at the centre stage of leading International Garment Fairs in the world. The Apparel Export Promotion Council (AEPIC) in co-ordination with Tirupur Exporters' Association (TEA) has formed a society called 'India Knit Fair Association' under the leadership of Shri A. Sakthivel, and constructed a Complex of international standard called 'India Knit Fair Complex'. The first ever India Knit Fair was organised in 1995. Each India Knit Fair adopts its theme from the seasons, namely, Spring/Summer and Autumn/Winter and depicts the trends being followed in that particular season. Since this India Knit Fair has already attained the international fame and with these type of wide publicity the response for the fairs was extremely good. During the fair time, fashion shows are also being organised. When one visits the IKF, he/she can be sure to feel

the winds of fashions set to sweep the 21st Century.

IKF-Acmatex Fair

The IKF-Acmatex fair will offer the latest fashion trends in colour, designs and fabrics for all seasons to the exhibitors as well as visitors to develop their collection for the international buying season, most attractively. Further, this fair has been timed to match the active product development and sourcing seasons of the exporters, buying offices as well as foreign buyers. The exhibition will be held regularly at the centrally air conditioned IKF Complex at Tirupur- Accessories, materials and trend exposition fair being held annually during January. The exhibition will be spread over to two halls. Some of the biggest names in international fashion, some of the world's leading fashion labels and most of India's reputed fashion designers, buyers and dealers in India will congregate at Tirupur for one-to-one interaction with local hosiery accessory manufacturers. So we will get to showcase the trimmings and embellishments like buttons, interlinings, elastics, appliqués, threads, labels and fasteners to the entire world. Around 2500 numbers of visitors represents about 1200 numbers of firms from Tamil Nadu, Karnataka, Kerala, Andhra Pradesh, Maharashtra, Rajasthan, Gujarat and New Delhi have visited the fair during all the three days, which speaks of optimum strength and prominence of the fair. A short film with a on the consolidation of Tirupur Knitwear Industry through CD-ROM which covers areas like availability of infrastructural facilities and advance technology, etc. for dissemination of information on Tirupur Knitwear Industry and project of image of India Knit Fair alike / on 'Tirupur Knitwear Industry'.

Netaji Apparel Park (NAP)

A direct initiative of the Tirupur Exporters' Association is to promote a state-of-the-art Netaji Apparel Park at Tirupur spread over a sprawling 220-acre land in the Avinashi-Perumanalloor National Highway, New Tirupur. Inaugurated on 10th January 2005, it has 65 units. The power for these units will be provided by captive power plant having a capacity of 4 MW. Half a million liters of water will be supplied to the Park by NTADCL. It will have aside from the units, green belt, R&D facilities, auditorium, conference halls, buyers lounge, working women's hostel, etc.

The Apparel Park has the design of production facilities as in the European Union and USA with the basic objective of creating a world class knitwear manufacturing facility. The total cost infrastructure facilities, the Captive Power Plant and the factory buildings worked out to Rs. 92 crores. The Park has 53 companies manufacturing knitwear for exports. Each unit will be a model to answer the requirements of international standards in all aspects. In addition to investment of Rs. 92 crores on infrastructure and factory buildings about Rs.150.00 crores is being invested on machinery.

Ministry of Textiles, Government of India, New Delhi has given a grant of Rs.13.50 crores for the Park. The standard unit in NAP area will produce 7500 pieces per day and the value will be 3 dollar per piece and the total value of production per day in US dollars will be 22,500 dollars or Rs. 10.50 lakhs per day in Indian rupees expecting a full annual production of 240 man days. The total turn over for the unit will be Rs. 25.20 crores. If all the units achieved this maximum production level, the value will be Rs. 1500 crores per annum and with Tirupur contributing Rs. 5000 crores, the NAP will fetch Rs.1500 crores in three years.

Apparel Training and Development Centre (ATDC)

At present the centres of the ATDC at Delhi, Gurgaon, Noida, Ludhiana, Jaipur, Kolkata, Chennai, Hyderabad, Bangalore, Trivandrum, Tirupur and Mumbai are functioning and imparting training. These training centres are committed towards imparting professional training to the personnel in the field of garment manufacturing technology, including pattern making / cutting techniques, production supervision & quality control techniques to ensure that quality garments are manufactured.

New Tirupur Area Development Agency

It is a joint venture company with equity participation from the State Govt., Central Government, Industrial Leading and Financial Services (IL &FS) and Tirupur Exporters' Association. It came into being for the purpose of promoting infrastructure facilities in Tirupur. It is a matter of deep satisfaction that the knitted sector of the garment industry which traditionally was a laggard, has become aware of the changes taking place in the domestic and international arena and has already geared itself to seize the opportunities that present themselves to this sector. This is evident from the growth of this sector during the decade as compared to the overall growth of the garment industry.

Inland Container Depot (ICD)

In order to ensure efficient handling of cargo movement from Tirupur to gateway ports, TEA jointly with TEA / LEMUR established a container freight station in Tirupur. In the absence of efficient cargo movement facilities in Tirupur, exporters often missed sailings and were put to heavy financial loss. In order

to overcome this problem,

TEA jointly with LEE & Muirhead Limited, a reputed clearing, forwarding and shipping agents established a Container Freight Station in Tirupur. This container Terminal

TEA-LEMUR originally named as Container Terminals (P) Ltd. (TLCTPL) has been functioning since August 1995 and is now operating under the changed name **Tirupur Container Corporation**.

There are various other institutions like Tirupur Screen Printing Association (TSPA), Tirupur Narrow Tape Manufacturers Association (TNTMA), Tirupur Cloth Stitching Section Association (TCSSA), Indian Hosiery Yarn Mills Association (IHYMA), Tirupur Cotton Merchants Association (TCMA), Tirupur Merchants Association (TMA), Coimbatore District Powerloom Cloth Dealers Association (CDPCDA), Tirupur Powerloom Association (TPA), Tirupur Hosiery Yarn Merchants Association (THYMA), The Knit Compactors Association (KCA), South Indian Imported Machine Knitters Association (SIIMKA), Knit cloth Manufacturers Association (KNITCMA), etc. These institutions have rendered lot of services towards the development of the garment industry in Tirupur.

Conclusion

Tirupur, the Dollar City has crossed the export target of Rs.10, 000 crores fixed by Tirupur Exporters Association and has achieved exports of Rs. 11,000 crores during the financial year 2006-2007 (Economic Times, 2007). The extensive growth in this small town has been brought about by the exporters with a high entrepreneurial skill and their associations that support them to address different issues in the process. This study has highlighted the institutional support extended

to promote the knitwear industry to grow and flourish. This is done by educating, training, consulting and extending consistent support to the exporters in Tirupur.

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