



An Overview of Tirupur: the Textile city in India

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ABSTRACT

Tirupur is a dominant player in the knitting garment sector. The apparel exporters in Tirupur mostly produce and export knitted garments and the share of woven garment is insignificant when compared with knitted garment production and exports. Tirupur is known for the cluster activity and mostly each activity of garment making is being carried out in the outside units viz., knitting units, dyeing & bleaching units, fabric printing, garmenting, embroidery, compacting and calendaring and other ancillary units. The textile industry in Tirupur is facing many challenges like poor road and other transport infrastructure, labour shortage during peak season, outdated machineries, pollution, exchange rate fluctuations and cotton yarn price fluctuations and over dependence on cotton. To encourage apparel exporters to increase the export marketing activity the Indian government has to focus on manpower development and other innovative methods.

KEYWORDS : Apparel industry, Exporters problems, Textile industry problems, Tirupur.

INTRODUCTION

The apparel industry in India includes woven and knitted garment industry. Tirupur is a dominant player in the knitting garment sector. The apparel exporters in Tirupur mostly produce and export knitted garments and the share of woven garment is insignificant when compared with knitted garment production and exports. In India, the other major knitted garment production centres are Ludhiana, Delhi, Kolkata and Mumbai. This industry is also called as hosiery sector, hosiery garment sector, knitted garment apparel sector and knitted garment sector (Jayabharathi 2010). Tirupur is spread over 27.20 sq. kms and the seventh largest town in Tamil Nadu and 60 kms. from Coimbatore, the Manchester of Southern India. It has grown by encompassing peripheral villages like Avinashi, Nallur, Mangalam, Kangeyam, Palladam, Koduwai, which are situated around 15-20 km. radius from Tirupur (Devaraja TS 2011). Tirupur is also called as the Knitwear city, Banian city, Kutti (Small) Japan, Dollar city and is surrounded by other regions (cities) famous for their contribution to textile industry (Vetrivel T & Manivannan L 2011). Karur is situated 80 kilometers east of Tirupur. Karur is famous for home furnishing textiles. Erode is 50 kilometers from Tirupur and is famous for Lungi (Dhoty). Nearby city Chennimalai is famous for handloom bed-sheets whereas Bhavani, another town near to Tirupur is famous for bed-sheets and carpet and it is popularly called as carpet city. The neighbouring Coimbatore city is known for its machine tools, pumps, yarn and fabrics. Till 2009, Tirupur was one of the taluks of Coimbatore district in Tamil Nadu. The year 2009 saw the birth of new district Tirupur which was created by reorganizing the districts of Coimbatore and Erode. The garment industry employs 2 lakh people in 2008 which increased to 3.5 lakhs in 2010 and nearly 50000 employees commute to Tirupur every day and the total population has reached 90 lakhs (Prithiviraj 2001; Arun et al 2011; UNIDO- Report 1997). The advantage of apparel industry in Tirupur are large and low cost labour force, sizable supply of fabric, sufficiency in raw material and spinning capacities while the shortcomings are labour issues, power cuts, drinking water issues, water pollution, air pollution and poor roads (Devaraja TS 2011). Apparel industry in Tirupur is predominantly a small scale industry where large numbers of players are small exporters. The exporters in Tirupur focus on low-volume mid-fashion segment particularly the women and children wear segments.

MATERIALS AND METHODS

The study is based on secondary data sources. The aim of this article is to disseminate information pertaining to Textile industry in Tirupur so that the researchers in the future can understand and also address the challenges faced by the textile exporters.

CAPACITY OF UNITS IN VARIOUS OPERATIONS

Tirupur is known for the cluster activity and mostly each activity of garment making is being carried out in the outside units viz., knitting units, dyeing & bleaching units, fabric printing, garment-

ing, embroidery, compacting and calendaring and other ancillary units. There were 3000 knitwear exporters, 2000 knitwear domestic business oriented business houses, 1000 garment making units 100 embroidery units, 764 fabric printing units, 100 compacting units, and 729 dyeing units in 2009 (Office of Special Officer 2009).

PROBLEMS FACED BY APPAREL INDUSTRY IN TIRUPUR

Exports is dependent on many factors including broader macro environmental factors, industry related factors and finally at the micro level company related factors. The apparel industry in Tirupur (apparel exporters) faces many such challenges.

FLUCTUATION IN COTTON YARN PRICE

One of the biggest challenges faced by apparel exporters in Tirupur is the fluctuation in yarn price (Vetrivel T & Manivannan L 2011). The fluctuations reduce the exporters confidence in accepting and executing an export order since fluctuations create an uncertain business environment.

EXCHANGE RATE FLUCTUATIONS

The recent months provided the much needed fillip to the exporters in the form of Indian rupee depreciating against US dollar. Though the depreciation is a welcome sign for exporters, the fluctuations create an uncertainty situation for exporters deciding the final price for an order. Also, the buyers started asking discounts as they also know the benefits that exporters will get from rupee depreciation (Vetrivel T & Manivannan L 2011).

POLLUTION

Tirupur faces pollution on many fronts. There is water pollution, air pollution and soil pollution. The main reason for soil and water pollution is the untreated effluents from dyeing units that enter into water bodies (Noyyal River) and fertile land. From 1980 to 2002, the cumulative pollution load discharged by the Tirupur units, is estimated to be 2.87 million tonne of total dissolved solids (TDS) like chloride and sulphate (Nelliyat, 2007). Around 80 per cent of the pollution load has accumulated in the Tirupur area. With an annual average of 617 mm., the quantum of rainfall is not enough to reduce the severity of pollution (Arun et al., 2011; Vetrivel T & Manivannan L 2011; Karuppusamy 2012).

INADEQUATE NUMBER OF DYEING UNITS

Due to government initiative on containing the water pollution many dyeing units were closed down. Now exporters send their fabric/yarn to nearby districts or to northern states like Gujarat and Maharashtra for dyeing (Vetrivel T & Manivannan L 2011). This increases the cost of production and also the lead time.

LABOUR SHORTAGE

Tirupur faces problem of labour shortage of a different kind. There are job seekers who after getting a job would not settle with that

employer. The employee turnover is very high in apparel industry in Tirupur. The reason could be lack of motivation among employees as they are not permitted to take part in managerial decision making and also they feel that they are underpaid (Shanmugasundaram, Loganathan & Panchanatham 2010).

OUTDATED MACHINERIES

Though the apparel exporters in Tirupur have taken initiative to modernise their production process many exporters are still using local machineries which are not world class. As a result, the quality of finished product is also got affected. The exporters in order to cut down the production cost indirectly allow dilution in the quality of finished goods (Shanmugasundaram, Loganathan & Panchanatham 2010).

POOR INFRASTRUCTURE

The road facilities, water supply, electricity supply and other basic infrastructures are not adequate in Tirupur. Consequently, the exporters indirectly bear the burden of delay in transportation, delay in production, increased cost of production and poor health and safety of workers (Arun et al., 2011).

INADEQUATE GOVERNMENT SUPPORT

Though government has taken many steps to promote exports, they are not adequate are not effectively reaching the apparel exporters.

CONCLUSION

The textile industry is one of the oldest industries that employ millions of people throughout the world. Economies engage in international trade for mutual gain but the terms of trade can shift the gain of one member to other member. The textile industry in Tirupur is facing many challenges like poor road and other transport infrastructure, labour shortage during peak season, outdated machineries, pollution, exchange rate fluctuations and cotton yarn price fluctuations and over dependence on cotton. Though the textile industry in India receives lot of promotional support from government of India like duty drawback, textile parks, technology upgradation fund etc., it is not yielding the expected results. To encourage apparel exporters to increase the export marketing activity the Indian government has to focus on manpower development and other innovative methods.

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