



SAVE

Tiruppur Update

VOLUME 10

ISSUE 4

APRIL 2018

SPECIAL POINTS OF INTEREST:

- ⇒ Garments
- ⇒ Labourers
- ⇒ Dyeing
- ⇒ Migrants
- ⇒ Spinning Mill
- ⇒ Trade Union

Social Awareness and Voluntary Education (SAVE)

SAVE (Social Awareness and Voluntary Education) is a registered Indian Non-Governmental Organization, promoted in the year 1993, as a growing response to the challenge of preventing the child labor practices. Internalizing the fact that the issue of child labor needs to be addressed in a multipronged strategy SAVE expanded its intervention among women and textile and garment industry workers focusing promotion of the comprehensive rights of the garment and textile industry workers and empowerment of women. Currently SAVE reaches out to children, young women, women, textile and garment workers including the migrant workers.

Since 1995, SAVE has been carrying out programs among children in distress primarily among the children working in textile and hazardous industries with specific emphasis on promotion of health and educational rights through special schooling for the drop out children and child laborers and through vocational training support. Community sensitization is one of the main activities towards prevention of child labor. SAVE initiated campaigns and advocacy strategies could mainstream the issues of child labor and the plight of young girls in the garment and textile industry. SAVE has the unique credibility of being the champion organization in exposing the child labor issues in Tiruppur.

TIRUPPUR UPDATE: A NEWSLETTER OF SAVE IS PUBLISHED BY
SOCIAL AWARENESS AND VOLUNTARY EDUCATION (SAVE)

Chief Editor : A.Aloysius
Executive Editor : A.Irudayam and
A.Viyakulamary

No. 5, Iswarya Nagar,
Dharapuram Road, K.N.P Colony,
TirupPur-641 608, Tamilnadu, India
Ph. 0421-2428100, Fax: 0421-2428200
E-mail: savetirupur@gmail.com /
save-ngo@eth.net / savealoy@gmail.com
Website : www.savengo.org

Garments

Many 'closed' garment units functioned to meet delivery deadline

The Hindu April 6, 2018

<http://www.thehindu.com/news/cities/Coimbatore/many-closed-garment-units-functioned-to-meet-delivery-deadline/article23446222.ece>

Tiruppur: Nearly 70 per cent of the garment units in Tiruppur remained closed 'on record' on Thursday in support of the agitation for constitution of Cauvery Management Board. However, many of the 'closed' units could be seen functioning with front shutters/gates locked.

Some of the unit owners said it was due to compulsions to meet the deadlines set for the delivery of consignments by the foreign buyers. Industrialists by and large felt that bandhs need to be avoided.

G.R. Senthilvel, secretary of Tiruppur Exporters and Manufacturers Association, was disappointed as the seven-tonne garment consignment of his company bound for United States could not reach Thoothukudi port on Thursday.

The reason was that the truck containing the goods was damaged by miscreants on Tiruppur-Dharapuram highway.

"The consignment has to go in a vessel sailing to Colombo from Thoothukudi port on Thursday night en route to New York. With the schedule upset, I now had to airlift the cargo to the buyer to fulfil the delivery commitments resulting in huge losses as the net rates were quoted based on sea freight charges", pointed out Mr. Senthilvel.

Tiruppur Exporters Association president Raja Shanmugam feels that people should explore other ways of protests instead of bandh, which stalls entire gamut of activities. "Non-fulfilment of delivery schedules can end up losing further export orders", he said.

The fare for the knitting works will be increased from May 1st - Due to the hiked prices of raw materials - KNITcMA and SIIMKA Associations announced

Daily Thanthi April 12, 2018

Tiruppur: It is because of the hiked prices of the raw materials for the garments manufacture the fares for the knitting works will be increased as per the announcement of KNITcMA and the SIIMKA Associations.

The special general body meeting of KNITcMA and SIIMKA was conducted in a private marriage hall in the Nataraja Theatre road yesterday. Rathinasamy, the president of KNITcMA presided over the event. Also, it was conducted with the presence of Vivekanadham, the president of SIIMKA and Palanisamy, the chairman of labour committee. Kuppusamy, the co-ordinator received the gatherings. Also, it was participated by Rajamani, the secretary of NITMA, Subramaniam, the treasurer, Sivanandham, the secretary of SIIMKA and Gopalakrishnan, the treasurer. They had delivered their speeches on the present conditions of the garments industry and the hiked prices of raw materials. Also, he said the reasons for the increase of fares related to the garments manufacture.

All the expenditures related to the manufacture of garments, readymade dresses, collars and cups machineries, spare parts, raw materials are increased. Under this circumstance, it is inevitable to increase the fares. So, the increased fares in detail will be released and implements from May 1st.

The weight of cone yarns meant for textile manufacture is measured with the modern weighting machines. Since these yarns are manufactured in the air cooled conditions. One percent of weight is decreased at the time of garments cloth manufacture. The companies which send the yarns must accept the lesser weight. The manufacturers must make payment for the garment cloth, collars and cubs manufacture must pay the amount within thirty days. In the case of the garments manufacture, the cloths are sent to the job work companies. Just like the exemption for the e-way bill up to 50kilometres was given. The job work amount must be changed up to 50 thousand. To transport the finished garments by the vehicles, the increase by Rs. 5 lakhs must be given as to enable us to increase the business by the GST council. The resolutions referred above were passed during the event. The cloth manufacturers within Tiruppur areas were participated in the event.

Textile crisis worsening

The Hindu April 17, 2018

http://www.thehindu.com/todays-paper/tp-opinion/textile-crisis-worsening/article23565983.ece?utm_source=tp-opinion&utm_medium=sticky_footer

The crisis in the textile industry is worsening and millowners are reported to be considering a proposal to curtail production in their units in the near future. The millowners will be meeting here [Coimbatore] on April 24 to take a decision. Mr. K. Sundaram, M.P. and Chairman of the Southern India Millowners' Association said here to-day [April 16] nearly 15 mills were not even able to pay wages to the workers. He told me that since the beginning of this month the distress sale of yarn had taken a turn for the worse in that the mills were not able to realise even the cost price and had to sell their stocks at a loss to meet other commitments. Mr. Sundaram who met the Secretary of the Union Commerce and Industries Ministry recently said that though the Centre was thinking of certain measures to afford relief to the industry and the consumer without at the same time losing its revenue, they were not likely to be of any help.

Knitwear exports decline

The Hindu April 17, 2018

<http://www.thehindu.com/news/cities/Coimbatore/knitwear-exports-decline/article23562586.ece>

Tiruppur: After witnessing a steady growth for the last many financial years, the knitwear exports from here have witnessed a decline of 3.93 % during the 2017-18 fiscal. The export growth rate during 2016-17 was 10.04 %.

This decline in exports occurred at a time when the overall trade in U.S. dollar, euro and British pound were more or less steady when compared to the previous years.

“Some of the reasons for the decline in exports may be the cash crunch caused by the reduction of incentives after the introduction of GST, low production efficiency, and trade tariff barriers in the U.S. and European markets,” said S. Dhananjayan, a chartered accountant.

Many exporters here feel that the Union Government should sign the Comprehensive Economic Cooperation Agreement with Australia, Free Trade Agreement with European Union, Preferential Trade Agreement with Great Britain and Economic Partnership Agreement with Canada to help exporters attain price competitiveness in global market.

G. R. Senthilvel, secretary of Tiruppur Exporters and Manufacturers Association, said that the government should control the raw material price fluctuations, and extend more incentives to small and medium exporters if the market share was to be improved.

Textile, clothing exports slip 0.4% to \$35 bn in FY18 - Apparel exports decline 4% to \$16.7 bn; yarn shipments rise

The Hindu April 20, 2018

<http://www.thehindu.com/todays-paper/tp-business/textile-clothing-exports-slip-04-to-35-bn-in-fy18/article23608623.ece>

Coimbatore: Textile and clothing exports slid 0.4% in the last financial year (2017-2018) to \$35 billion as apparel exports fell.

While exports of cotton yarn, fabrics and made ups grew 4%, outbound apparel shipments registered a 4% decline, reducing from \$17.3 billion to \$16.7 billion.

‘Cotton on upswing’

“Exports of cotton textiles are positive. But we need to get the momentum back in garments. When garments move, every segment [of the textile value chain] moves,” said Siddhartha Rajagopal, executive director of the Cotton Textiles Export Promotion Council. Garment exports from Vietnam and Bangladesh were increasing, he pointed out.

A spokesperson of the Apparel Export Promotion Council said garment production had declined in the last 10 months. Further, international orders were not bad. "We could not bag the orders as our pricing was not competitive," the spokesperson said.

A garment exporter who used to get Rs. 7 or Rs. 8 a piece from drawback is getting just Rs. 2 or Rs. 3 a piece now. There is positive feedback from the government on increasing the drawback rates. But this is yet to happen.

S.K. Jain, chairman of Confederation of Indian Textile Industry, said the industry was working with the government for revision of drawback rates and higher Rebate of State Levies. It has also sought amendment of the South Asia Free Trade Agreement with rules of origin clear for garment imports from Bangladesh.

Labourers

Safety of women in the company is important - Exporters Association advises

Dinamalar April 9, 2018

Tiruppur: The general secretary of Tiruppur Exporters Association has advised that the safety of women employees in the garment companies must be very important.

A seminar on the prevention of sexual harrasment on behalf of the committee of Tiruppur Exporters Association, Human Resources Development was conducted in Poppies Hotel in Tiruppur. The event was presided over by Mohan, the president of Human Resources Development Committee.

On the occasion of the seminar, Vijayakumar, the general secretary of Tiruppur Exporters Association said:

Among the employees in working in the garment companies in Tiruppur about 40% are women. The contribution of women to the garment companies is significant. Also, the number of women workers will increase in the future.

So, the workplace safety for the women in the garment companies must be assured. This is the very important responsibility of every entrepreneur. The prevention of sexual harrasment committee must be formed where more than ten women workers are employed in the company. The committee must be comprised of working woman as the member. Regular meeting must be conducted and the issues must be discussed.

Mathew, the president of PSR non government organisation plan co-ordinator delivered his speech on the laws of prevention of sexual violence. The officials of garments companies and human resource development department participated in the event.

A poster with the details of the method of preventing the sexual harrasment against the woman in detail was distributed among the participants of the seminar.

Migration of northern state workers is increased in Tiruppur**Daily Thanthi, April 16, 2018**

Tiruppur: More than thousand garment companies and their associated job work companies are being operated in Tiruppur. There are 8 lakhs workers employed in all of these companies. All of these labourers are provided with the food, shelter and vehicle by the companies. The workers are residing in these houses and work. Further, there are garment workers residing in the rented houses too. A lot of workers are coming to Tiruppur in search of work every day. The migrant workers from the northern states are increased.

Regarding this the industrialists said:

Concerning to Tiruppur, a person whoever looks around will see the garments companies everywhere. Since, there is scope for the employments, people from northern states and other district are coming to Tiruppur. Moreover, the manufacturers are unable to manage the shortage of workers in the garment company. They employ them and train. Notably the workers from the states such as Bihar, Odissa are coming to Tiruppur.

Industrialists are worried due to the demand of wage increment by the workers**Daily Thanthi April 25, 2018**

Tiruppur: More than thousand garment companies are being operated in and around Tiruppur. The food, shelter and vehicles are provided to the workers by companies. Apart from the workers demand to increase their wages. So, the manufacturers are very much worried.

Regarding this, the industrialist said:

The central government has implemented the GST as a common tax throughout the country. After this taxation, the prices of essential raw materials for the garment are increase. Again, the concession provided for the export was reduced. Hence, the garment industry is managing the challenges of new crisis. It is because of the hiked prices of raw materials, the cost of production is increased. So, it is inevitable to increase the prices of garments.

Dyeing

Serious inspection of the pollution control board officers in Tiruppur areas**Daily Thanthi April 2, 2018**

Tiruppur: The garment companies are being operated in and around the Tiruppur. Likewise there is a large number of dyeing; bleaching and printing companies are also

operated. All these companies must be operated only by the permission of the pollution control board officer. But, they are illegally operated without the required permission. All of these companies are discharging the effluent water into the Noyyal River the main source of water. As a result of it, both the ground water and the water of reservoirs become polluted. The social volunteers and the general public have been repeatedly making demands to the prevent. Responding to it, the pollution control board officers are involving in the serious inspection regarding these officials of the pollution control board has said.

The steps against the illegally operating dyeing, bleaching and printing companies are being taken. Even then, we receive various complaints that the effluent water from the dyeing factories and printing companies discharge the effluent water. At this juncture the pollution control board officers are seriously inspecting the companies in Tiruppur and its surrounding areas immediate action will be taken against the illegal companies.

Bleaching unit closed for causing pollution

The Hindu April 14, 2018

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/bleaching-unit-closed-for-causing-pollution/article23532915.ece>

Tiruppur: The Tamil Nadu Pollution Control Board on Friday evening closed down a member bleaching unit of Vettuvapalayam Common Effluent Treatment Plant in Tiruppur knitwear cluster for discharging effluents into a drain that carries water into River Noyyal. Power supply to the unit was also disconnected, said TNPCB District Environmental Engineer K. Senthilvinayagam.

Migrants

Assam state woman complained against harassment , case filed against 10 persons

The Hindu (Tamil) April 20, 2018

Tiruppur: The police personnel have filed a case against 10 persons for harassing a woman of Assam.

Regarding this the police personnel said:

A young woman age 19years old belonging to the state of Assam is working as a tailor in a garment company in SIDCO at Mudhalipalayam near Uthukuli by residing in a hostel.

Both Karthick and Sukumaran belonging to the same state had harassed her to love them. She made complaints against them in the private garments company too.

After the work on the last 16th she was walking on her way to the hostel, both Karthick and Sukumaran along with a few others tried to kidnap her. She screamed for a help people around them.

As per the complaint made by a woman against both Karthick and Sukumaran including with 8 persons, the police personnel of all the woman police station in Kangayam filed a case.

Spinning Mill

Spinning mills in crisis get makeover, turn into commercial centres

The New Indian Express April 2, 2018

Coimbatore: The spinning mills which gave Coimbatore the name 'Manchester of South India' and made the place world famous are now being converted into marriage halls, commercial centres and vehicles service stations.

Thirty years ago, the district had more than 1,000 spinning mills, all of them running round the clock and employing lakhs of people. The textile industry was witnessing very good growth.

In fact, families brides gave pride of place to grooms working in spinning mills, preferring them even above government employees. This was because of the high salaries, bonus and other incentives these workers enjoyed.

However, lack of modernisation and various other reasons put many mills in crisis and eventual closure. Workers were given voluntary retirement schemes. Now, less than 800 mills function in the Coimbatore and Tiruppur districts.

The mills are closing because many of them are facing severe financial crunch due to the lack of government support. If the crisis situation continues, more mills will be turned into commercial centres.

100 Kovai mills become bankrupt in 3 years - With states like Telungana, Maharashtra offering various subsidies, Tamilnadu loses out on crores of investment

The New Indian Express April 2, 2018

Coimbatore: The lack of support by the state and central government has forced 100 spinning mills in Coimbatore district to declare bankruptcy between 2015-2018.

There are about 2,000 spinning mills across the state and in which 985 spinning mills are established in Coimbatore and Tiruppur districts.

A textile industry insider says, "Spinning mill industrialists across Tamil Nadu are facing severe crisis due to the lack of support from the central and the state governments. With the other states like Telungana, Maharashtra, Andra Pradesh and Gujarat providing various subsidies to the sector, crores of investments have slipped out of Tamil Nadu".

On an average, six units of electricity were required to manufacture one kilo yarn. "We need Rs.42 to manufacture one kilo yarn in Tamil Nadu, whereas it requires only Rs.12 to do so in other states. High electricity tariff in Tamil Nadu is one reason. Other states provided up to 25 percent capital subsidy and provide 2 subsidies the electricity tariff. This has made many spinning mills across the state to suffer.

In the last three years, 100 spinning mills established across Coimbatore district have become bankrupt. When the bank managements conduct auctions, no one is ready to buy these mills. High manufacturing cost and investments required in Tamil Nadu has to led to this state of affairs," say industry insiders.

If the state government provides 15 percent capital subsidy and lowers electricity tariff, the textile sector will witness a steady growth within the next two years, else more units will close.

The central government also should take necessary steps to distribute all pending subsidies and help reduce the bank interest rates at the earliest, industrialists said.

Textile industries play a vital role in the overall industry growth. Tamil Nadu caters 1/3rd of the total textile business across the nation and holding 47 percent spinning capacity. There are 25 million spindles, four lakh rotors and 2.5 lakh handlooms in the state. It holds 70 percent of the knitted garment facility. Nearly 60 lakh people are employed in this sector.

Coimbatore and Tiruppur districts have 7.2. million spindle, which is more than the capacity of two states - Gujarat and Maharashtra. Those two states combined have only less than seven million spindles. It is the right time for the state government to concentrate on the textile sector, introduce the new textile policy with many attractive subsidies and reduce the electricity tariff at the earliest.

Shortage of workers by 45 percent in Textile mills in Tamilnadu

Dinakaran April 16, 2018

Coimbatore: Since the workers from the northern states employed in the textile mills in Tamilnadu are continuously decreasing from 60 percent to 45 percent.

About, Two thousand number of big, small. Mini and middle textile mills are being operated in Tamilnadu. There are processes such as carding, drafting and winding are carried out. According to the structure of the textile mills there are workers employed

from 100 to one thousand. The yarn production was made in all the three shifts of a day. Since, the textile mills were becoming sickened during the past 10 years, the temporary workers was employed instead of regular workers.

As a result of it, the number of workers belonging to Tamilnadu is decreased. To compensate the loss, the northern states workers were employed until the past 2 years in the textile mills.

However, about 30 percent of works remained vacant. Among the workers of textile mills about 60 percent were belonging to the northern states. The production was reduced for the past three years, due to various reasons.

So, a particular section textile mills remained idle. Since, the same condition is increasing the workers of northern states lost their employment.

Since, the textile mills were becoming weaken the dependent was also reduced. So, the northern state worker returned to their native places in the past two years. The northern state workers who compensated the loss are left for their hopes. So, the shortages of workers in the textile mills are being increased.

Related to this, it was said on behalf of Tamilnadu textile mill association.

As usual the northern state workers return to their native places once in a year to celebrate the Holy festival. Accordingly, many of the workers who left for their native places did not return to work.

Also, the same condition is increased in this year. There is no assurance for their return. It is assured that they might have joined in some other mills in Tamilnadu.

It is said that most of the workers coming to the textile mills are belonged to the states known as Andhra, Maharastra and Gujarat.

As a result of it the shortage of workers in the textile mills was about 30 percent. But, the same is increased by 15 resulting in the shortage of 45 percent. It is expected that this may be increased even more in accordance with the textile mills in Tamilnadu.

Thus, on behalf of Tamilnadu textile mill was said.

Drafting of new textile policy in Tamilnadu is held up for 2 years - Frustration of Coimbatore textile manufacturers

Dinakaran April 23, 2018

Coimbatore: The drafting of textile policy in Tamilnadu started two years back but it is withheld. So, the textile industrialists are disappointed.

Regarding this, the textile industrialists said:

About two years ago the states like Maharastra, Gujarat, Madhyapradesh and Andhra had released their new textile policy. Accordingly, the states have been providing various concessions and subsidies in such a way to improve the prevailing condition of the textile industry. Likewise, if the Tamilnadu Government would release its textile policy and support the development of textile industry will be increased.

Textile mills seek reduction of hank yarn obligation

The Hindu April 26, 2018

<http://www.thehindu.com/news/cities/Coimbatore/textile-mills-seek-reduction-of-hank-yarn-obligation/article23678352.ece>

Coimbatore: Over 150 textile mills in the region have sent letters to the Union Textile Minister seeking reduction of hank yarn obligation.

It is mandatory for the textile mills to sell in the hank form 40 % of the yarn they produce so that the yarn needs of the handlooms are met. Members of the Indian Texpreneurs Federation have demanded that the obligation should be reduced to 10 %.

In the letter to the minister from the association and its members, the mills pointed out that between 1987-1988 and 2009-2010, the number of handlooms declined by 41 % (from 36.10 lakh looms to 21.47 lakh). However, yarn production has increased 133 % (from 1321 million kg to 3079 million kg). Handloom fabric production is likely to reduce further now while yarn production is only on the rise. Further, under the Goods and Services Tax, both, cone yarn and hank yarn attract uniform 5 % tax. The mills are unable to market the hank yarn as the demand has reduced over the years. But, they might face action for not meeting the hank yarn obligation as hank yarn is covered under Essential Commodities Act. The Ministry should hence reduce the hank yarn obligation to 10 % from the current 40 %, the association said.

Trade Union

Today onwards – an increment of salary by five percent must be given to the workers – trade unions demand the manufacturers

Dinamalar, April 1, 2018

Tiruppur: As per the agreement made an increment of five percent must be given to the garment workers in accordance with the advice of the trade unions.

About 6 lakhs of workers are employed in the garment companies in Tiruppur, meant for the export and internal markets.

The salary increment is fixed in accordance with the tripartite committee agreement comprised of the industrial associations, trade unions and the industrial department.

'SIHMA' the exporters association, 'KNITcMA' , 'TEAMA' and the trade unions such as CITU, AITUC, INTUC, MLF, LPF and Anna Trade unions with the joint effort held negotiation talks.

An amount of 33 percent salary increment must be given to the garment workers as per the agreement of tripartite committee signed in the year of 2016. It was decided that the referred increment of 33 percent will be given to the workers in three phases. Initially 18 percent must be given in 2016. Then 5 percent per until the year of 2019.

As per the agreement, the garment companies have provided an amount of 18 percent in 2016 and an amount of 5 percent in 2017 as increment to the workers. The increment of 5 percent for the year of 2018 have be implemented from today.

At the same time, the trade unions have demanded the garment companies to provide an increment of 5 percent to them as in the previous year. Accordingly to the workers employed in cutting, tailoring, ironing, packing and singer operating must be given an amount of Rs. 366.97 for eight hour works. Likewise, checking 278.60, labelling Rs. 266.42, hand folding Rs. 264.01, damage checking Rs. 243.37, Layering Rs. 219.81.

Though more amount of salary is provided to the workers an increment of 5 percent in the salary being given must be given in accordance with the trade unions.

Related to this, Ramakrishnan, the general secretary of LPF banian workers said:

As per the tripartite committee agreement, an amount of 5 percent must be given to the garment workers by the garment companies meant for the export and internal markets. It should not be postponed by stating a certain reasons.

An increment of 5 percent must also be given to the piece rate workers. The workers are advised to get their increment of salary by demand. If there are any problems, the workers are advised to approach the trade unions.
