



SAVE

Tiruppur Update

VOLUME 10

ISSUE 3

MARCH 2018

SPECIAL POINTS OF INTEREST:

- ⇒ Garments
- ⇒ Labour
- ⇒ Environment
- ⇒ Trade Union
- ⇒ Power Table
- ⇒ Basic Infrastruc-
ture
- ⇒ Women's Day
Celebration

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)**

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GARMENTS

Delay in funds for ROSL benefits, IGST refund affects textile exports

The Indian Express - March 2, 2017

Coimbatore: Delay in central government fund allocation to clear pending ROSL (Rebate of State Levies) benefits and delay in IGST (Integrated Goods and Service Tax) has greatly affected the textile export sector and pushed them into financial crisis, complain industrialists.

Speaking to Express, Southern India Mills Association (SIMA) General Secretary N. Selvaraj said, "The central government has allocated Rs. 2,164 crore in the budget for ROSL and as much as Rs. 4,000 crore of the pending amount has already caused a huge backlog to industrialists. The fund allotted in the budget will not be sufficient to distribute the pending ROSL itself. On average, Rs. 400 crore is required each month to distribute ROSL until September 2017. From October the ROSL rate has been reduced from 3.5 to two. Now, each month Rs. 240 crore is needed. Made-ups sector industrialists in Karur and Erode have received ROSL benefits only for one month in April. Garment industrialists also are yet to receive the benefits from May 2017. This has been a huge financial crunch to exporters."

Though there was talk about the central government allocating Rs. 2,000 crore a few days ago, no fund had been released as yet.

"For the past ten years, the power loom sector has been in crisis. That was why it was requested that the government extend ROSL benefits to the fabric sector. However, this request has also been kept pending. If the government grants ROSL benefits, fabric exports will witness a good growth. The IGST refund has also been kept pending from October 2017, adding to the sector's burden," he pointed out.

Overall the government duty on exports was causing a severe financial crunch, the result of which is that the garment sector was unable to provide money to the fabric sector. Hence, the fabric sector was unable to provide money for yarn. Thus, the entire textile chain was affected, he explained.

Industrialists are in trouble due to lack of tailors

Daily Thanthi - March 5, 2018

Tiruppur: Since employment opportunities in Tiruppur are in abundance, people from various places come to Tiruppur in search of work. However, it is still difficult for garment companies to find sufficient tailors.

Regarding this situation, industrialists released a statement saying:

"Garment manufacturing is the dominant sector in Tiruppur... In order to complete the garments, jobs are outsourced to job work companies. It is very difficult to hire the number of tailors required to meet the orders. The tailors who go to their native places on Sunday do not always return in time for work on Monday. They return on Tuesday or Wednesday and some return to Tiruppur but take up employment with other companies. As a result we suffer due to the absence of tailors. In the summer season new orders come in and there is an inevitable delay in the delivery of finished garments. We must make an effort to appoint permanent tailors."

TEA welcomes GST relief extension

The New Sunday Express - March 11, 2018

Coimbatore: Tiruppur Exporters Association (TEA) welcomed the extension of integrated GST exemptions for imports of machinery under the EPCG scheme and inputs raw material under the advance authorisation scheme for another six months. The 26th GST council meeting held on Saturday decided to extend the exemption from March 31 to October 1. TEA president, Raja M. Shanmugam, said the council's decision would help the Tiruppur cluster - particularly the MSME exporting units as they had been facing a financial crisis.

Post-GST: Apparel exports show MoM decline

The Hindu - March 21, 2018

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/post-gst-apparel-exports-show-mom-decline/article23307279.ece>

Tiruppur: The readymade garment exports has registered a constant month-on-month (MoM) decline since the implementation of Goods and Services Tax (GST) five months back causing concern to the different stakeholders in micro, small and medium enterprises dominated apparel clusters like Tiruppur.

According to official statistics, since the GST was rolled out on October 1, the readymade garments (knitwear and woven combined) exports from the country had shrunk by 14.91 % in dollar terms and by 18.8 % in rupee terms till February end when compared to the corresponding five months period in 2016-17 financial year.

The MoM performance analysis shows a steep decline of readymade garment exports from \$ 1.364 billion in October 2016 to \$ 0.829 billion in October 2017, with shrinkage stood at a whopping 39.22 %.

Similarly, the exports on dollar terms contracted during this fiscal year by 9.99 % in November, 8.05 % in December, 8.34 % in January and 10.22 % in February when compared to the exports registered in the respective months of 2016-17.

With the MoM projections indicate a 10.22 % decline in exports on dollar terms for March going by the quantum of exports in the first two weeks of the month, the situation is not looking enthusiastic for the apparel producers.

“GST implementation has a telling impact on export performances. Many small scale exporters have to either cut down the orders or end up executing orders as the working capital got locked due to delayed refund of input tax credit in the case of integrated GST payment and for zero rated sales”, said R. M. Senthilkumar, industry consultant and former chairman of Institute of Chartered Accountants of India (Tiruppur branch).

Tiruppur Exporters Association president Raja Shanmugam was of the opinion that the Government should have constant dialogues with industrialists to understand the difficulties and also speed up incentive disbursals under Remission of State Levies and duty drawback schemes to arrest the exports decline.

A coordinated committee of all associations must be formed to protect the garment industry – TEAMA makes a demand

Daily Thanthi - March 24, 2018

Tiruppur: The Tiruppur Exporters and Manufacturers Association (TEAMA) raised a demand that all associations must join together to form a coordinated committee in order to protect the garment industry.

Muthurathinam, president of TEAMA, released a circular that said:

“A few years back, the Tiruppur garment industry faced many problems and at that time all the associations and organisations made a united effort to solve the critical problems of the garment industry. When the yarn prices were hiked and there were problems with dyeing factories, all the associations and organisations made a joint effort to take the necessary steps to find solutions. At present, the central and state governments have taken certain steps with regard to the garment industry. [These steps have led to problems and as result], all the associations and organisations should unite to form a coordinated committee and find solutions to the current problems. A coordinated response should be taken since individual efforts have been futile.

“Nowadays, exports have decreased due to the reduction in the duty drawback from five percent to 2.5 percent. Due to the implementation of the GST, orders have been reduced. The reduction in export business has led garment companies to focus more on the domestic market. Nevertheless, financial transactions have decreased so the garment business in the domestic markets has also been severely affected.

“Notable problems in the garment industry are the delayed refund of the GST amounting to Rs. 650 crore, the reduction of the drawback amount by five percent in export value of Rs. 25,000, as well as the shortage value of Rs. 1,250 crore. Moreover, because of a shortage amounting to Rs. 1,960 crore, the associated (and sub-contracted) industries such as spinning, knitting, dyeing, compacting and embroidering were affected on account of the non-receipt of payment from manufacturers. Therefore, to protect the garment industry it is important to organise a coordinated committee comprising all associations and organisations.”

Export concession valued at Rs. 7,000 crore is pending – SIMA insists instant payment

Dinamalar - March 27, 2018

Coimbatore: If the central government would properly implement tax-free schemes, there will be a bright for the textile business.

Southern India Mills' Association (SIMA) General Secretary, Selvaraj, said:

“Approximately 10.5 crore persons throughout India and 60 lakh persons in Tamil Nadu are employed in the textile industry. Both the Prime Minister and the Central Textile Minister gave importance to the textile business.

“According to the revised technology development finance scheme, funds are allocated as follows: Rs. 17,822 crore (approx.) to promote the export of garments and bed sheets and Rs. 6,006 crore, to promote workers' skill development Rs. 1,300 crore.

“A multinational textile exhibition was held from June 30 to July 2 in Gandhi Nagar, Gujarat. A considerable number of dyeing factories operate there despite dyeing activities being diverted to other states. Arrangements are being made to establish dyeing factories in the coastal areas of Kadalur and Ramanathapuram. In the new textile policy to be presented by the Tamil Nadu government, importance must be given to establishing new dyeing factories and public effluent water treatment centres.

“The export concessions such as the duty drawback and IGST worth Rs. 7,000 crore are still pending. Furthermore, the technological development fund worth Rs. 8,000 crore is yet to be received. We have raised a demand to the central government requesting that they allocate the required funds.

“Vietnam, Bangladesh, Sri Lanka and Pakistan have entered into an agreement with America and European countries to export tax-free goods. India pays an import tax of 9.6 percent for cloth, 3.5 percent for yarn and 16 percent for garments. We are unable to compete with these countries that benefit from tax exemptions. Therefore, it is required that a new agreement be made with America and European countries.

“India is the major cotton-producing country in the world and second place in the manufacture of synthetic cotton. Also, India is endowed with skilled labourers. Through government schemes, development increased from six to eight percent every year. If a better climate is formed, there is a chance for development to increase to 12 percent. The central and state governments must prepare schemes and implement them properly to guarantee a bright future for the textile industry.”

Manufacturers are unable to pay wages to workers

Daily Thanthi - March 29, 2018

Tiruppur: Garment companies find that their business is slowing down due to demonetisation and the implementation of the GST by the central government. Moreover, business is in trouble due to the lack of financial transactions. Many companies no longer receive orders and hence manufacturers are unable to pay their workers.

Regarding this situation, industrialists have said:

“When the central government implemented demonetisation and the GST, business slowed down. Large companies were able to manage this critical situation but the MSMEs do not receive orders as before. We are unable to pay wages. Since there is no business we borrow money from financiers (besides the banks) in order to pay wages.”

LABOUR

Three mill workers from Odisha fell into a well and died

Daily Thanthi - March 9, 2018

Vadamadurai: There was a clash between two groups of workers in a mill occurring on the night of March 6. The police intervened and made a compromise between the two groups. Later on, three workers from Odisha - Pythyanath Munday, Samthan Munday and Polo Munday - who worked in the same mill where the clash occurred were found dead in a 40 foot deep well near their residence. Sakthivel, the Superintendent of Police, said that the three workers might have fallen into the well by mistake while escaping from the clash. A post-mortem was carried out in order to determine the true cause of death.

Labourers involved in a clash

Dinamalar - March 11, 2018

Tiruppur: Two labourers, Selvaraj (31 years) and Rajini (35 years), were severely attacked by a worker of the same mill. The attacker was named as Prakash Kumar (24 years). Both of the wounded labourers were admitted in a private hospital for treatment. The central police filed a case against Prakash Kumar and he was arrested and sent to prison.

ENVIRONMENT

Actions against illegal dyeing factories located on the Cavary River banks must be taken – demand raised by the dyeing factories owners association

Daily Thanthi - March 14, 2018

Tiruppur: The dyeing factory owners association of Tiruppur has raised a demand to the Tamil Nadu state that action must be taken against the illegal dyeing factories situated on the Cavary riverbanks. Varadharajan, president of the dyeing factory owners association, submitted a petition before the Chief Minister in this regard.

In January 2011 the Chennai High Court issued an order to close many dyeing factories and subsequently the dyeing factories without effluent water treatment plants were closed. A three party committee meeting was convened under the presidency of the then Chief Minister, Jeyalalitha. She issued an order to provide Rs. 200 crore without interest to the dyeing factories so as to enable them to continue garment production. Hence, all the dyeing factories that had been closed were reopened. As per the advice and guidance of the Pollution Control Board, for the first time in India the effluent water from the dyeing factories was treated at the zero degree level and 98 percent of water was brought to use again through recycling. As a result, about 10 crore litres of water was reused through the recycling process. With the allotment of Rs. 200 crore by the central government in the last year, the zero degree effluent water treatment process will be full-fledged.

At present, a large number of illegal dyeing factories operate on the Cavary riverside and discharge effluent water into the river. The cost of the zero degree treatment of effluent water per litre is only 25 paise - Rs. 25 crore per month. The dyeing factories that follow the rules are unable to complete with the illegal factories. In addition, there are many problems in implementing zero degree effluent water treatment. To prevent the sickening actions of illegal dyeing factories, it is requested that the authorities take the necessary actions against the illegal dyeing factories and force the implementation of zero degree effluent water treatment in all the legally operating dyeing factories.

TRADE UNION

Wages of workers must be increased – demand by trade unionists

Daily Thanthi - March 1, 2018

Tiruppur: At present, more than eight lakhs of workers are employed in the garment industry. Some employers provide their employees with food, accommodation and transportation. The workers are suffering from the payment of low wages so trade unionists have demanded a wage increase.

Trade unionists have said:

“Because of the implementation of the GST, the industrialists are not increasing the wages of worker. However, wages must be increased in accordance with the changing conditions of the times. Many workers along with their families are residing in rented accommodation and their wages are insufficient to cover their rent and other essential commodities. Therefore, the workers are facing a lot of problems. Taking into consideration workers’ grievances, employers must come forward to increase workers’ wages.”

Trade unions stage protest

The Hindu - March 17, 2018

<http://www.thehindu.com/todays-paper/tp-national/tp-tamilnadu/trade-unions-stage-protest/article23276478.ece>

Tiruppur: Members of Indian National Trade Union Congress and a few other trade unions staged a protest here on Thursday to express displeasure over the proposed labour reforms by the Union Government. District general secretary of INTUC A. Sivasamy said many of the reforms were pro-corporate and the government did not make any allocation in the recent Union Budget towards initiation of labour welfare projects.

Refusal to provide employment, company besieged

Thekkadhir - March 23, 2018

Tiruppur: By condemning a request to provide employment to labourers, the Tiruppur AI Enterprises Garment Company was besieged.

AI Enterprises Garment Company is situated by the roadside along Uthukkuli and Gowdampalayam in Tiruppur District and employed approximately 250 labourers. It was observed that management gradually dismissed labourers stating that a reduction in orders received by the company forced them to make staff cuts. As a result, 91 labourers were laid off during the course of 15 days. On March 16, workers who returned after leave were refused entry on the premises by management. These workers began agitations.

For two days the workers sat at the entrance of the garment company. They also held an agitation with the support of the CITU and the agricultural workers union. Thanks to the agitation, the CITU were invited by management to negotiate on behalf of the affected workers.

POWER TABLE ISSUES

Strike will go on if wage increment not provided – decision made by power table proprietors

Dinamalar - March 10, 2018

Tiruppur: The garments and the innerwear meant for the domestic market are being manufactured by job work methods in the power table companies. Regarding the wage increment, an agreement is made every four years. As per the recent agreement, a wage increment of 16 percent must be given in the first year and in the subsequent three years an increment of seven percent would be given. Despite the agreement, the increment has not been paid and as a result the power table proprietors have been severely affected. In light of this, an emergency meeting of the power table proprietors association was convened. Nagaraj, vice president of the association, presided over the meeting. Secretary, Nandha Gopal, explained the issues related to the wage increment. Sundaram, the cashier, and Murugesh, assistant secretary, along with members exchanged their views in the meeting.

It was decided that a reminder would be sent to the manufacturing companies to pay the seven percent wage increment. Failure to do so would result in an indefinite strike by all the power table companies.

Agitation for wage increment delayed – power table association confirmed

Dinamalar - March 17, 2018

Tiruppur: Wages for the power table are fixed through negotiation talks between the South India Banian Manufacturers Association and the power table association.

According to an agreement made in June 2016, a nearly 37 percent wage increment would be given to power table owners. It was decided that the increment in the first year was 16 percent. In the course of the subsequent three years an increment of seven percent would be given.

The garment manufacturing companies had paid the 16 percent wage increment to the power table companies and from November 2017 onward, the seven percent wage increment was expected. However, only some garment companies paid the seven percent wage increment. Hence, the power table association raised a demand to the South India Banian Manufacturers Association for the payment of the wage increment by all garment companies as per the agreement. The South India Banian Manufacturers Association invited the executive members of the power table association to conduct negotiation talks but the wage increment remained unpaid.

Due to the unpaid seven percent wage increment by the garment companies, the power table association declared that all the manufacturing activities by the power table companies would be withheld.

Nandha Gopal, secretary of power table association, stated:

“Some of the garment manufacturing companies have delayed the payment of the seven percent wage increment. Though we have conducted negotiation talks with them, we are unable to move forward. We have sent a warning notice to the garment companies that have defaulted on the wage increment. On receipt of the notice, some garment manufacturing companies have given an assurance that they will pay the wage increment. However, if the delay continues we will go on strike.”

BASIC INFRASTRUCTURE

Demand to establish an industrial estate in Mudalipalayam

Dinakaran - March 7, 2018

Tiruppur: A demand was raised to establish the required basic facilities for a garment export industrial estate in Mudalipalayam, Tiruppur by the people's awareness organisation. The organisation lobbied that the existing buildings must be designated to deserving persons in such a way as to promote the setting up of an industrial estate and to provide employment. They urged the District Collector to develop this initiative.

Twenty-five years ago, a garment export industrial estate was established on 500 acres of land in the area of Mudalipalayam, just 20 kilometres away from Tiruppur Corporation. It was observed that in the past few years the basic facilities required were lacking or not properly maintained.

On either side of the road, there are overgrown thorny plants. In addition, the colourful electric lights and plastic waterfalls at the entrance of the estate have not been properly looked after. Many industrialists vacated the buildings due to increases in rent and the lots remain vacant.

Tamilmani, secretary of the people's awareness organisation, said:

“An industrial estate with the required facilities was constructed in Mudalipalayam, Tiruppur costing several crores. About 95 lots existed but these were not allotted fairly but rather to persons with the desired political affiliation. Due to annual rent increases, the industrialists occupying the lots vacated the buildings. A committee headed by the District Collector must be formed with the aim to renovate the buildings and allocate them to deserving industrialists at a reasonable rent. This initiative will also bring employment opportunities to thousands of workers.

Tiruppur Corporation will be beautified at the cost of Rs. 1,255 crore under the Smart City scheme

Daily Thanthi - March 29, 2018

Tiruppur: Tiruppur Corporation will be beautified at the cost of Rs. 1,255 crore under the 'Smart City' scheme.

Under this scheme, 16 development works have been planned spanning five years. In the first phase due to take place in the current financial year, about 4.5 kilometres (kms) along the Noyyal River, 4 kms in the Sangilipallam Channel, and 4.5 kms in the Jammani Channel will be cleared on either side for footpaths with electric lights to be constructed. Rs. 141 crore was provided in order to complete this phase...

Similarly, Rs. 19 crore and 69 lakhs were allotted for the renovation and development of old and new bus stands. Shops in the markets will be air-conditioned. Facilities for parking, toilets and drinking water will be provided within the new buildings. Additionally, the flower market in Easwaran Kovil Street will be modernised with air-conditioned shops. An

amount of Rs. 60 crore will be spent for the construction of a fish market and vegetable markets in Thennampalayam.

There is always heavy traffic since there is no space to adequately park vehicles on the corporation's main roads. To remedy this, a parking garage will be constructed at Kamarajar and Kumaran Roads at the cost of Rs. 44 crore and 36 lakhs. A town hall will be constructed at the cost of Rs. 30 crore. The works have already begun.

A building for the Order and Control Centre in the corporation's central office will be constructed. Security cameras will be fixed in the important areas of the corporation. Furthermore, an information centre will be built.

About 22 municipal schools in the corporation will be developed as skill development schools at the cost of Rs. 23 crore. A modern green park will be constructed with a walking path and an exercise and yoga centre. There will be fountains and play areas for children too.

A separate road will be constructed from the new bus stand to the old bus stand via the railway station for persons who ride bicycles. Bicycles will be provided for hire.

Many more schemes are being planned for the benefit of the residents of Tiruppur Corporation. The schemes are specified in the corporation's 2018-19 budget and the required drafts for those schemes will be sent to the government for approval. After approval is granted, the work will commence in accordance with the Corporation's Commissioner.

WOMEN'S DAY CELEBRATION

International Women's Day Celebration held by SAVE NGO

Tamil Anjal - March 10, 2018

Tiruppur: To commemorate International Women's Day on March 8, SAVE hosted an event in which about 250 women participated. The event was held at the social hall in Sirupooluvapatti.

Sabina, Industrial Welfare and Health Protection Director, delivered a speech on women's rights and stressed the need for women to continue fighting for the same.

Notably, there are laws for women's rights in the workplace. Particularly, there are laws related to minimum wages and monthly salaries. The market is the deciding factor of consumption so the education of women is significant. Women must stabilise their rights and become role models in the social, political and economic spheres of society. Vijayakumar, retired ESI Officer for the labour medical insurance scheme, highlighted the importance of the provisions of the labour welfare scheme. Vijay Anand, Assistant Commissioner of the Provident Fund, outlined the benefits being given under the Provident Fund scheme, especially to the families of labourers.

Seker, AITUC general secretary, gave a brief history of the struggle for human rights to be recognised and the achievements made such as minimum wages enshrined in the law. He reiterated that the trade union will do all that is necessary for the labourers and therefore every labourer should join the trade union and fight for his/her rights.

Aloysius, SAVE's Managing Director, said that unfavourable practices such as violence against women, sexual assault and discrimination, abortions and child killing should be abolished in society. He noted that education would be a very important tool to stop these crimes. He urged everyone to come forward to provide education to all children and not to impede children's access to an education. Aloysius ended by saying that globally women are the major and most effective force to build society and promote healthy societal values.

Anandhi, a Field Co-ordinator at SAVE, conveyed the vote of thanks.

