



Ludhiana knits' cosy-tale



Ludhiana knitting sector needs to create a concrete value chain in order to occupy a commanding position in the global market. **Aditi Gangavkar** coordinates with the Textiles Committee to understand government's contribution in the developing this industry.

WHEN you think of knitwear, you think of Ludhiana! Such is the fame of this vibrant city of Punjab that boasts of its deep-rooted knitting heritage. Today with more than 6000 small to medium sized knitwear factories, the city is called as the Manchester of India.

In addition it houses eight big integrated units for manufacturing of cotton knitted fabrics and garments with state-of-the-art machinery.

History of Ludhiana knits

The tradition of knitting in Ludhiana is almost a century

during the two World Wars, Ludhiana cluster were assigned the task of supplying woolen jerseys to the defence forces. This played a significant role in the industry's progress.

Later in 1947, the immigrants of Pakistan took up industry ventures to earn a living. Their struggle began with small manufacturing units, limited infrastructure facilities and inadequate financial strength. But as a result of their unmatched perseverance, these artisans have been able to prosper. Some of them have established full-fledged production

Ludhiana knitting industry.

2) Products: The industry produces a variety of products for different segments of the society. Fig 1 lists out the industry's product range. The industry artisans also engage in value addition processes such as embroidery, patchwork, printing, beadwork, motif, blotch and embossing.

3) Raw materials: Ludhiana artisans use all kinds of yarns for their knitwear products. Wool, acrylic, polyester, mohair and blends thereof are spun in worsted units. Lambs, cashmere and blends thereof are spun in woolen units. On the other hand, big spinning units that are well equipped with latest machines perform spinning operations on cotton yarns.

4) Labour: Most of the knitting units are owned by people, who possess expertise in knitwear designing. However, there are certain factories, especially those owned by fabric knitters and garment manufacturers, wherein professional designers are employed for this task.

5) Technology: The industry reflects a decent rate of technological upgradation. For instance, overflow and jet-dyeing machines controlled by microprocessors are used for dyeing and finishing cotton knitted fabrics. Likewise, to give a perfect final finish, hydro-extractors, centrifugal type as

well as continuous drying ranges with overfeed and compactors are used.

SWOT analysis:

Strengths:

(a) Markets and Technology: Ludhiana knitting products has almost 90% of the domestic demand. In addition to the domestic popularity, these products benefit from the international demand as well. Likewise, technological development is also evident from the presence of latest machines in the industry units.

(b) Inputs: The industry enjoys a well-established

able to easily adjust to new patterns and techniques developed in other clusters, research and development is not much practiced within the industry. As a result, new innovations and technological developments are rare in industry.

(c) Skills: Despite the easy availability of skilled labour in the industry, lack of women force is one most obvious trait. Moreover, it has been observed that the industry faces severe dearth of efficient second line managers.

(d) Business environment: The industry's

Ludhiana's products range

Men:	Shirts, T-shirts, Sweat shirts, Sports wear, jackets, Woolen vest, Y-neck pullover, round neck pullover, polo neck pullovers, track suit, gloves, mufflers, hose tops, etc.
Women:	Lady coats, Cardigans, scarves, knitted shawls, blouses, skivvies, slacks, twin sets, night suits.
Boys:	School dresses, neck ties, bloomers, night suits, shirts, trousers, woolen socks.
Girls:	School dresses, frocks, skirts, tops, woolen boots, twin sets, baggies, slacks, skivvies.
Infants:	baba suits, bloomer, etc.

financial base. This feature is coupled with easy accessibility to cheap and skilled labour. Moreover, the production process is strengthened by closely connected value chain existing in the industry.

(c) Skills: The Ludhiana artisans are blessed with skill and dexterity. They are equally efficient in changing to different knitting patterns depending on the dynamic market trends.

(d) Business environment: A large number of well-networked supporting institutions and BDS providers create an environment that is apt for trading activities. Similarly, substantial production capacity of the industry units works to its advantage.

Weakness:

(a) Markets and Technology: The retailing methods used in the industry are terribly unorganized. Also, branding and other marketing efforts of the industry retailers are not paid much attention to. On the technological front, most of the industry units still operate on old technology that is nowhere near the latest required standards.

(b) Inputs: Though the industry artisans are

infrastructure facilities are in a bad shape. In spite of the presence of many institutions, the industry is not much benefited, as most of them are inactive. Unorganised nature of the industry units makes things even more difficult. Apart from this, unhealthy market competition is yet another area of concern in the industry.

Opportunities

(a) Markets and Technology: Opportunities for the Ludhiana knitting cluster are plenty. For instance, opening up of new economies would have a positive impact on the industry, as markets could be widened. Similarly, tapping the unexplored foreign markets such as Madagascar, Tunisia and Latin America could help the industry to bring in huge foreign exchange earnings. On the home front, sizeable domestic market for winter-wears could also contribute extensively to the industry's development. Moreover, the industry could gain by upgrading technology for the production of knitted technical textiles.

(b) Inputs: There is huge scope for product diversification in the knitting

Strategies adopted in Ludhiana knitting industry

- Leveraging on the existing schemes
- Group based activities- consortium development
- Sensitisation programmes as seminars and workshops
- Initiatives of industry associations
- Training programme
- Involvement of support institutions
- Introduction of new BDS from outside the cluster.
- Addressing problems of the segments untouched by UNIDO.

old. It started when the first woolen hosiery unit for manufacturing socks was set up in 1894. The cotton garments production began in 1935, and since then the Ludhiana knitting industry has touched new horizons in the domestic as well as the international skies.

Immigration of skilled Kashmiri artisans in the late 1940s, added a new chapter to the city's industrial history. These artisans initiated production of woolen garments using substantial amount of acrylic fiber. Also,

houses that cater not only to the domestic markets but also manufacture for international brands such as Marks & Spencer, Monte Carlo, Casablanca and Pringle.

Cluster features:

1) Exports: Ludhiana's annual exports amounts to approximately US\$277 million. USA, Canada, West. Europe, Australia, Japan, Middle East, Russia, Poland, Kazakhstan, Turkmenistan and Ukraine are the main export markets of



industry of Ludhiana, especially with respect to technical textiles. Also, research and development activities could be undertaken to create new designs, thus adding value to the industry manufacture. Additionally, subcontracting opportunities are also extensive in the cluster.

(c) **Skills:** Manufacturing in small lots and catering to niche markets as per customer specifications can help the industry to reap huge benefits.

(d) **Business Environment:** The EXIM policy 2002-2007 could help the city to strengthen its export capabilities. Also, the funds set aside for the industry development activities are further expected to facili-

such as Bangladesh, Sri Lanka etc in form of new supplier bases that have been sprouting in these nations.

Moreover the competing countries involved in constant research, have been developing fast paced techniques of knitwear manufacture. This definitely works to the disadvantage of Ludhiana knitting industry that is yet to upgrade its technical know-how to a satisfactory level.

(b) **Inputs:** It has been observed that Ludhiana importers have to bear heavy import duty on inputs such as wool, machinery and spare parts. This, consequently, increases the market price of the products making it less preferable

opportunities and threats of Ludhiana knitting sector reveals few critical areas for intervention that are listed in Fig 2. Based on these marked areas, a suitable action plan was initiated by the Textiles Committee. Fig 4 lists the action plan for the year 2002-03. Similarly, the following measures were suggested for the year 2003-04.

1) Firstly, it was decided that a group-based approach would be adopted. Accordingly, consortia of four exporters have been formed to target large buyers of EU, USA and South Africa. This move is anticipated to expand the export market base and enhance image-building activities. Moreover, group based strategy would evenly spread the risk coverage and aid in better marketing.

2) Another consortia aimed at strengthening the supply chain and understanding the consumer requirement, has been formed in the industry.

3) With a view to introduce new fibers and yarns in the industry, a workshop has been planned for the industry players. This workshop would communicate the need-based information to the industry actors. Likewise sample development and technology sourcing activities would be encouraged to achieve and retain prime position in the hi-end fashion markets of knitwear.

4) The burden of the entrepreneurs would be eased by improving the competence level of the second line managers. For this purpose, a three-day training programme for sample preparation and

order execution would be organised. Similarly, production supervisors and merchandisers would be trained to execute orders efficiently

try's responsiveness towards economical, social and environmental aspects.

8) Efforts have been designed to boost up the

Critical areas for intervention

- Infrastructure development
- Marketing issues
- Capacity utilisation
- Training/ HRD requirement
- Information dissemination
- Strengthening of Linkages
- Product Diversification/ Innovation
- Environmental and Social compliances

without involving the entrepreneurs.

5) Another workshop would be conducted to educate the industry entrepreneurs about various ways of attractive packaging. This scheme is expected to enhance value addition activities and meeting specific requirements of the buyers.

6) For effective cost control in the dyeing sector, training programme for standardization of dyes and chemicals would be held. This programme would involve analysing of water dyes and chemicals that is currently used by the industry. Also, to plug communication gaps, a workshop on experience sharing and measures for quality improvement through scientific process control would be organised.

7) Appropriate attention would be provided to orientation programmes as well as collective certification of SMEs in the areas of quality management and environmental and social compliance. This would further encourage indus-

sustainability factor of various knowledge providing institutions present in the industry. For instance, the present stitching and garmenting programme offered by BTK training institute would undergo scientific restructuring based on the industry needs. Similarly, the GITCKT institute would be revamped to keep the industry updated with the latest information.

9) To ensure sound institutional linkages, a Cluster Development Co-ordination Committee (CDCC) would be formed to encourage active contribution from all industry participants. ■

Action plan for the year 2002-03

- 1) **No. of Exhibitions/meets-8** .
BSM, Knit Access, M/c Exhibitions etc.
Trends presentation (color & fashion forecast) by AEPC, NIIFT, JD, Pinnacle fashion institutes.
- 2) **No of Training ,Workshops/ Seminars-22.**
- 3) **Coordination of delegates, resource persons for better interactions with key personals.**

tate smooth financial accessibility.

Threats:

(a) **Markets and Technology:** Despite the large domestic demand for Ludhiana knitwear, the industry has been facing constant threat from the cheap Chinese goods that have been entering the markets in large volumes. Another glitch comes from countries

as compared to the cheap Chinese knitwear products.

(c) **Business Environment:** Due to increasing competition, the cluster entrepreneurs have been witnessing declining profit margins. Also, global warming and compliance with the non-tariff barriers is creating problems for the industry.

A thorough study of the strengths, weakness, oppor-

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