

however, the critical question is that how are buyers, buying agents and importers sourcing out of Tirupur handling the current situation. *Team Perfect Sourcing* also tried to find out, perception of buyers in this difficult situation and how are they coping. ZXY Apparels, one of the biggest sourcing companies with sourcing network in China, Bangladesh and India is sourcing its complete range of knits in India from Tirupur. On being asked the strategy to cross the tough times **Vinod Fernandez, GM, Operations, ZXY India** said, "We are trying to be supportive as exporters are helpless, in fear of losing important clients they have stopped accepting new orders as right now they are not equipped to give 100% results." He further added, "We are aware of the fact that problems are being faced by exporters and we can just wait and watch for this situation to be over."

On being asked whether they have started considering new sourcing destination and moving sourcing out of Tirupur, **Raj Sethi from Maple BC** said, "No doubt there are problems in Tirupur whether in terms of deliveries or prices, however, such problems exist in other countries also, moreover, these are testing times and we have to be supportive to vendors." Maple BC is a buying house dealing in both knits and woven and sources 80% of its product range from Tirupur.

However, what about Bangladesh and China that are highly competitive in knits, will India lose out its share in the knitting market on this Sethi said, "No doubt Bangladesh and China are strong contenders, however, they cannot play on India's strengths in terms of innovation, value additions and flexibility on offering small quantities." Supporting him Vinod added, "The problems related to prices, delivery and commitment is not limited to India, but is happening everywhere. While in China prices are constantly going up, Bangladesh is already overbooked with orders, there is congestion at ports and on time delivery is an issue there also. Overall there is a price increase, labour shortage and deliveries everywhere."



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No doubt buyers are trying their level best to mutually cooperate in the situation, however, they have definitely got cautious and are placing orders well in advance so that they can get on-time deliveries and the quality issues come up occasionally only. "Many exporters are now only concerned about delivering us and thus quality defects are detected very often," reasoned Vinod.

Is the Government Listening?

The celebrations for new government are still on and so is the hope of exporters in Tirupur. With formation of new government, industry expects that situation would soon calm down. "Hopefully, initiatives to support the industry in Tirupur would soon be taken by the government and at this moment we can only wait and watch," said Natrajan.

The latest is that the new CM has intervened in the matter and assured relief to dyers and exporters in Tirupur. A Sakthivel, President of Tirupur Exporters Association said, "We have come across zero discharge as a new technology and are have spent nearly `1200 cr this project." The industry says that the actual cost of setting up common effluent treatment plants to treat the discharge from the dyeing units exceeds Rs 800 crore. Loans of Rs 600 crores were taken to set up the treatment plants. On the one

hand, only Rs 150 crores out of the government grant actually reached them and on the other, the closure of the units means the loans taken may not get repaid. "Dyeing industry had committed for zero discharge, however, it is not 100% possible and now we are asking government to take water into the ocean," said **Dr.K.Selvaraju, Secretary General, The Southern India Mills' Association.**

CPCB has an established criterion that polluting industries must spend three to 10 per cent of their turnover on wastewater treatment. Tirupur factory owners say they have to spend more. "The government must subsidise the treatment if industry and livelihoods are at stake," says **R C Trivedi, former deputy director of CPCB.** Tirupur industry owners say the Central and state governments have promised them Rs 320 crore for upgrading the CETPs but the release of money has been delayed because of assembly elections.

After the shut down, the industry is considering shifting the dyeing units to the SIPCOT industrial estate in Cuddalore on the Tamil Nadu coast. The inducement is the option of discharging effluents into the ocean. In January, the state government commissioned the National Environmental Engineering Research Institute (NEERI) and the National Institute of Oceanography at Goa to conduct a feasibility study.

"We are waiting for courts order and hoping that things would come to an ease, however, there is no doubt in the fact that at least six