

Recession helps textile units in Ludhiana, Bhilwara

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LUDHIANA: When the global economic downturn had markets bleeding worldwide, two small industrial towns, Ludhiana in Punjab and Bhilwara in Rajasthan, underwent a silent technological revolution of sorts.

Textile units in both cities succeeded in revitalising the industry by replacing more than 60 percent of their old or worn-out machines with advanced gear imported from sick units in the US and Europe.

Faced with the prospect of closure, the ailing units in the West sold their powerlooms and other machines to Indian counterparts for as low as 10 to 15 per cent of their original price, including transportation charges, industry executives told Hindustan Times.

Re-sellers said importers can now buy for anything between Rs. 25 to Rs. 25 lakh the machinery that earlier cost Rs. 25 to 75 lakh. "Had this recession not pulled down shutters in US and Europe, perhaps, these two cities would have taken much

longer to witness a mass-scale technological revolution in a short span like this," said Sandeep Jain, executive director at woolen goods firm Monte Carlo.

"Since the recession hit the markets, more than 20,000 machines worth several billions (of dollars) have made it to the two cities," said Tony Jain, a Ludhiana-based businessman who imported the bulk of these machines before re-selling them to various textile clusters across India.

While Ludhiana and

Amritsar accounted for 5,000 of the imported machines, the rest went to Bhilwara, Jain said.

The machinery came from shuttered units in Italy, Belgium, Germany, Holland and Turkey.

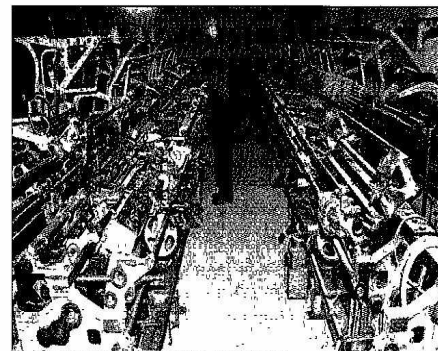
"They had no options than to sell off their machines as the factory lands were to be utilised for other purposes," said Suresh Kumar, joint secretary of the Synthetic Cloth Mill Association in Bhilwara.

He said Bhilwara had imported second-hand machinery worth Rs. 1,125 crore to revive the textile industry.

He said Bhilwara's 400 textile weaving units were expected to grow by 25 per cent over the next few months, aided by imported machines.

The machines have also helped Ludhiana's industrialists deal with labour shortages as the new machines cut down labour requirements by 40 per cent.

Sanjay Kapur, who runs Kay Style, a Ludhiana textile unit, said the new machines had also helped the industry add "foreign-like" furnishings to its range of woven garments and shawls.



■ Second-hand machinery imported from sick units in Europe and USA at a godown of a Ludhiana-based factory. AJAY/HT PHOTO