

## ▶ Concept Note: Knowledge building on productivity management in garments sector and sustainable integration in global supply chain

Friday, 4 March 2022 | 14:00 - 16:00 hrs IST

MS Team Link to join : [Click here to join the meeting](#)

### ▶ Background

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If you own or manage or are interested in starting a micro, small or medium-sized enterprise (MSME) producing garments, you are making an important contribution to India's economy. Many depend on you for jobs, especially women, as being labour-intensive, this sector is the second-largest employer in the country. In addition, your products are either an essential input for other manufacturers and apparel brands in the supply chain or for end/direct consumers.

You are also operating in a highly competitive market environment with low margins to manoeuvre around. Globally, the apparel activity has shifted from developed to developing and least developed countries. In parallel, the brands and lead buyers have a growing expectation from suppliers to move towards reliable, quality, on-time, adaptable yet responsibly produced supplies aligned to international social and environmental standards.

The competitiveness of the industry in India, whether supplying to the domestic or international market, therefore becomes critically important. Towards this, the State of Andhra Pradesh and Odisha are uniquely positioned due to their comparative advantages in terms of cotton availability, presence of spinning and textile mills, land, and labour availability. While

enabling policy environment, including tax, preferential trade, infrastructure, finance, technology, will be important success determinants for progression from textiles to garments and an upward move in the value chain. Equally important will be paying attention to improving the firm productivity. Low firm productivity is a major stumbling block in India, and the variance across firms is 22 times.<sup>1</sup> Labour productivity is almost one-third the level in China in the apparel sector<sup>2</sup>.

Sound management practices can raise productivity by 17%<sup>3</sup>, pushing it to 51%<sup>4</sup>. In the backdrop of COVID-19 related market disruptions and their impact on the sector globally, which has triggered re-configuration of supply chains and a shift from China, adopting modern management practices will assume greater significance, making conditions ripe for Andhra Pradesh and Odisha to tap into these new market opportunities.

The 'Promoting Sustainable Enterprises in India (PSEI)' initiative of the ILO is organizing a knowledge building workshop to promote learning about some practical and low-cost tips to enhance productivity and align your business to international standards, to help you better respond to emerging market opportunities and to your clients who are interested in your products.

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<sup>1</sup> [WDR 2013 low res.pdf](#)

<sup>2</sup> [world bank report- stitches to riches.pdf](#)

<sup>3</sup> [Bloom Roberts India 2013 - Applied Economics - KCL - StuDocu](#)

<sup>4</sup> [wcms\\_794043.pdf \(ilo.ch\)](#)

## ► Key learning objectives

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- 1) Understand the expectations of lead buyers/brands.
- 2) Examine the management tools to improve productivity within the current market situation and learn from the best practices from other countries and the ILO.

## ► Target Audience

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- 1) MSMEs or potential entrepreneurs, that is, the youths, especially, women in the garments sector in Andhra Pradesh and Odisha.
- 2) Sectoral, cluster and state-level industry associations representing the interest of garment and textiles manufacturers.

- For more details on PSEI : [www.ilo.org/newdelhi/info/public/pr/WCMS\\_763363/lang-en/index.htm](http://www.ilo.org/newdelhi/info/public/pr/WCMS_763363/lang-en/index.htm)

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