

Post lockdown - Big units get ready, MSMEs see roadblocks to restart

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Even as Tamil Nadu government contemplates partial lifting of lockdown, big industrial units are ready with a new set of operating procedures but MSMEs see many bottlenecks in restarting the operations.

Industrial units across manufacturing corridors such as Sriperumbudur, Oragadam and Padi in Chennai and Coimbatore are gearing up to restart the operations.

“Apart from physical distancing across shop floors, canteen and other areas, we are also looking into areas where we can avoid using hands and a team was formed to come out with suggestions. We have prepared complete standard operating procedures (SOPs) for the post-lockdown period and we have also asked the vendors to do the same,” Ganesh Mani, Director-Production, Hyundai Motor India Ltd told Business Line.

Companies like Nissan have also prepared its SOPs to be followed during the post-lockdown period at its car manufacturing complex at Oragadam. In Padi cluster, auto components makers like Sundram Fasteners have chalked out procedures.

However, MSMEs in various clusters are struggling as mobilising staff and the availability of transport will be key bottlenecks.

Transport issues

“Big companies can afford transport to their staff and the logistics part will be taken care of. For MSMEs, most of the staff depend on public transport or other own vehicles. Even if they use their own transport, the approval processes need to be simpler. So, it may not be as easy as one think,” said CK Mohan, former General Secretary, TANSTIA (Tamil Nadu Small & Tiny Industries Association).

X Arokianathan, co-Convenor, MSME Panel, Confederation of Indian Industry-Tamil Nadu, said that the primary issue would be the transport of people from home to workplace.

“Moreover, there are other issues. Raw material supply chain must be functional to feed the units, goods transport should function for material movement, customers should be ready to accept the goods and that can happen only if markets open up. So it is a chain of activity that gives continuity to the process. The scenario may vary across different sectors but ultimately the common thread is the same,” he added.

However, industries in rural areas where local labour is involved are unlikely to face any big problems. As the government has clarified on the penal action against company owners, it

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may result in rethinking on the part of business owners to restart operations as soon as possible.

Prabhu Dhamodharan, Convenor, Coimbatore-based Indian Texpreneurs Federation, stated that it is essential to bring back the economic activity gradually and equip ourselves for a new normal work style in the manufacturing companies.

Kick-start the economy

Manufacturing activity could be restarted with 40 per cent utilisation levels and it is also essential to open up retail to match the demand and production cycle.

“As for the textile sector is concerned, we are having migrant workforce inside the hostels and we are taking care of them in a systematic manner. So, once govt releases its guidelines and approval, we can gradually start the production across the value chain to kick start the economic activity and continuity of employment,” he said.

As India’s competing nations in textiles have already started their operations gradually, it’s time that we started our focus on exports too, he added.