Location Analysis for Selected Cities in Odisha for Apparel Sector
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1. Project Background

1.1. Objective and Scope of Work

Odisha has got immense potential to attract investment in textile and apparel sector, especially because of their attractive textile policies, upcoming infrastructure, abundant supply of skilled man power and responsive administration.

Apparel Export Promotion Council (AEPC) of India is the apex industry body that promotes and nurtures the apparel export industry. With more than 7000, apparel exporters as its members, council is aiming at benchmarking India against other key apparel manufacturing companies. With an aim to set up apparel manufacturing unit in Odisha, AEPC proposed a study to assess the manpower and logistics scenario in selected cities of Odisha viz. Bhubaneswar & Cuttack.

The scope of the work is delineated below:

Manpower Availability:
- Details of Men, Women and SC/ST within 10 km, 15 km & 20 km radius of above specified locations
- Manpower in the age group of 18-25 years

Logistics Facilities:
- Assess the feasibility of road (freight), rail and air logistics facilities
- Evaluation of transportation time from major ports/ hubs from specified location
- Evaluation of condition of road
- Evaluate availability of local transport for logistics to evaluate transportation

Understanding of the policy framework for apparel sector in the state

Understanding of planned investment in apparel manufacturing in the state
1.2. Approach

1. Assessing Manpower Availability
2. Evaluation of Logistics Availability
3. Location Analysis & Preparation of Final Report

Secondary Research
Census data (2011), DC’s office data, other reports & journals

Field Research
Interviews with key stakeholders

Wazir Analysis
Based on research inputs & Wazir understanding

1.3. Methodology

The project involved a combination of primary and secondary research.

Secondary Research
Wazir carried out an in-depth secondary research mainly to identify availability of manpower using resources such as:

- Census data (2011)
- NSSO survey data on employment status
- Labour Bureau survey data
- Studies and reports by Government and other bodies, etc.

Apart from that Wazir also referred to various State Government web portal to understand the investment scenario in the state.
Primary Research

Primary research was conducted in the selected cities- Bhubaneswar & Cuttack. The discussion with various stakeholders were held using structured discussion guide (included in annexure). The coverage of primary research was as follows:

- Existing garment manufacturing units
- Orissa State Co-operative Spinning Mills Federation Ltd.
- Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL)
- Logistics companies

The primary research was conducted mainly to understand the following:

- Logistics scenario in the identified locations
- Apparel manufacturing ecosystem in Odisha
- Planned investment in apparel manufacturing
- Availability of manpower

1.4. Project Timeline

The survey for the study was conducted in the month of May.
2. Odisha – Textile and Apparel Sector

2.1.Overview

### Economy

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSDP</td>
<td>US$ 60.6 billion</td>
</tr>
<tr>
<td>GSDP Growth</td>
<td>10.7%</td>
</tr>
<tr>
<td>Per Capita GSDP</td>
<td>US$ 1,799</td>
</tr>
<tr>
<td>FDI Inflow</td>
<td>US$ 425 mn.</td>
</tr>
</tbody>
</table>

### Physical Infrastructure

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Power Capacity</td>
<td>7,338 MW</td>
</tr>
<tr>
<td>National Highway Length</td>
<td>4,348 Km</td>
</tr>
<tr>
<td>Airports</td>
<td>1 international airport in Bhubaneswar and 17 airstrips</td>
</tr>
<tr>
<td>Railway Track</td>
<td>2,572.16 km</td>
</tr>
</tbody>
</table>

### Social Infrastructure

- 123 engineering colleges
- 8 medical colleges
- 4 dental colleges
- 41 MCA colleges
- 62 MBA colleges
- 117 polytechnics
- 1,361 active primary health centres (PHCs)
- 6,691 active sub-centres
- 38 active district-level hospitals
- 27 active subdistrict hospitals
- 420 active community health centres

### Industrial Infrastructure

- Major Industries: Iron and Steel, aluminium, handlooms, agro-based industry, mining, IT/ITes, electronics and Tourism
- Operational SEZs (No): 05
- Key industrial areas: Bhubaneswar-Khurda, Paradip-Jagatsinghpur, Gopalpur-Chatrapur.
2.2. Policy Framework for Apparel Sector

Apparel is one of the identified focus sectors of Odisha as a part of their Vision 2025 for Industrial Development. In addition to the incentives extended by the Industrial Policy Resolution 2015 of the State which identified Textile and apparel sector as the priority sector, the State has promulgated Odisha Apparel Policy 2016 to provide support for development of the sector:

**Employment and Investment based Incentives**

- Rs. 1500 per worker per month for 36 months to apparel units with minimum 200 workers
- Additional incentives available in the case of more than Rs. 50/ 100 crore investment in backward/ other districts

**Incentives to apparel parks**

- Capital grant- 20% of project cost of the park upto Rs. 20 crores
- Interest free loan upto 10%, maximum limit of Rs. 10 crore

**Anchor Tenant Subsidy**

- 25% subsidy on cost of land
- VAT reimbursement for upto 9 years

**Additional fiscal incentives**

- 5% Interest Subsidy per annum on term loan for a period of 5 years
- 100% reimbursement of ESI and EPF:- 3years for displaced workers & 5years for persons with disabilities
- 100% exemption on Stamp Duty
- Electricity Duty exemption upto a contract demand of 5 MVA for a period of 5 years
- VAT reimbursement of 100% for 7 years to new industrial units
- 100% Entry Tax reimbursement on acquisition of plant & machinery and purchase of raw materials for 5 years

**Supporting Ecosystem**

- Competitive Wage Rates:
  - Unskilled - Rs.200
  - Skilled - Rs.240
  - Semi-skilled - Rs.220
  - Highly-skilled - Rs.260

- Apparel and Textile sector industries designated as Public Utility Services
- 100% assistance for patent and Intellectual property registration
- 100% assistance for obtaining quality certification
- 100% reimbursement of cost for purchase of technology upto Rs.5 lakh
2.3. Recent/Planned Investments in Apparel Sector

Shahi Exports Pvt. Limited, the largest manufacturer and exporter of garments in India, started its operation in December 2016 in Mancheswar Industrial Estate, Bhubaneswar. The unit currently employs about 2,000 people of which 95% are women. The unit has the capacity of producing approx. 4 million pieces per month. They are also planning to establish a second factory nearby. They also have plans to start two shifts here and have been in talks with Labour Ministry for the same. Shahi has plans to make the factory in Bhubaneswar as the best apparel factory in India.

Aditya Birla group has also started construction work for setting up of apparel manufacturing unit in Bhubaneswar with a capacity of 2.5 million pieces per annum. It is estimated to generate employment for about 1,600 people.

Government has identified following locations for apparel manufacturing in Odisha:

- Ramdaspur, Cuttack (173 acres land) - Page Industries (Jockey) has plans to set up a manufacturing facility there.
- Chhatabar Apparel Park, Khorda (100 acres)
- Jayamangal, Khorda (129 acres)
- Tata Industrial Park, Gopalpur (3,000 acres)
- Damnagar, Bhadak (100 acres)
3. Location Analysis of Bhubaneswar

3.1. Location at Glance

<table>
<thead>
<tr>
<th>Location</th>
<th>20° 16’ N latitude 85° 50’ E longitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>422 km² (163 sq. mi.)</td>
</tr>
<tr>
<td>Population</td>
<td>8,43,402 (2011)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Existing and upcoming industries</th>
<th>Shahi Exports started its operation in Dec 2016 in Mancheswar Industrial Estate. It has approx. 2000 employees. They are also planning second factory nearby. Aditya Birla group has also started its construction work for setting up factory there. Chhatbar Industrial Park, Khorda with an area of 100 acres has been identified for apparel manufacturing. It is approx. 25 kms from Bhubaneswar. There are more than 50,000 people present there within 2 kms.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Institutions</td>
<td>Centre for higher education in the Eastern Region with several government and privately funded Universities and colleges. Bhubaneswar and Cuttack (twin cities) together have approx. 100 engineering institutes like Indian Institute of Technology, College of Engineering and Technology and National Institute of Fashion Technology.</td>
</tr>
<tr>
<td>Healthcare</td>
<td>Presence of large number of hospitals including AIIMS, Apollo Hospital, etc.</td>
</tr>
<tr>
<td>Utilities</td>
<td>Electricity supplied by state-operated Central Electricity Supply Utility of Odisha. Uninterrupted power supply (Rs. 4.8/ unit)</td>
</tr>
</tbody>
</table>
3.2. Snapshots of Primary Research

- **Industrial Development Corporation of India Office**
- **Chhatbar apparel park . 25 kms from Bhubaneswar**
- **Spinfed Office**
- **Bhubaneswar International Airport**
3.3. Manpower Scenario

Skilled, Semi-skilled and Unskilled Labour is available in and around Bhubaneswar.

Minimum wage rates per day:
- Unskilled - Rs 224
- Semi-Skilled - Rs. 244
- Skilled – Rs 264
- Highly Skilled - Rs. 284

**Total population**
8,43,402

**Female Population**
3,97,198 (47%)

**No. of workers**
3,10,464 (37%)

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Locations</th>
<th>Distance from Bhubaneswar (Km)</th>
<th>Total Population (Nos.)</th>
<th>Male Population (Nos.)</th>
<th>Female Population (Nos.)</th>
<th>SC / ST Population (Nos.)</th>
<th>No. of workers</th>
<th>Population in Age Group 18-25 years (Nos.) (E)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Banapur</td>
<td>8.1</td>
<td>17,278</td>
<td>8,707</td>
<td>8,571</td>
<td>1,966</td>
<td>5,269</td>
<td>2,073</td>
</tr>
<tr>
<td>2</td>
<td>Dadhapatna</td>
<td>15.6</td>
<td>5,005</td>
<td>2,589</td>
<td>2,416</td>
<td>1,613</td>
<td>1,665</td>
<td>601</td>
</tr>
<tr>
<td>3</td>
<td>Belagachhia</td>
<td>19.6</td>
<td>5,516</td>
<td>2,771</td>
<td>2,745</td>
<td>1,060</td>
<td>1,598</td>
<td>662</td>
</tr>
<tr>
<td>4</td>
<td>Jatani</td>
<td>23.4</td>
<td>55,925</td>
<td>28,590</td>
<td>27,335</td>
<td>8,770</td>
<td>18,179</td>
<td>6,711</td>
</tr>
<tr>
<td>5</td>
<td>Khordha</td>
<td>25.8</td>
<td>46,205</td>
<td>23,937</td>
<td>22,268</td>
<td>7,029</td>
<td>15,221</td>
<td>5,545</td>
</tr>
<tr>
<td>6</td>
<td>Cuttack</td>
<td>27.0</td>
<td>61,0189</td>
<td>31,6242</td>
<td>29,3947</td>
<td>79,867</td>
<td>21,1727</td>
<td>73,223</td>
</tr>
</tbody>
</table>

Source: Census India 2011

Villages like Barang, Pratapsasan, Phulnakhara, Pahala, Balipatna, Chandaka and several others are within the vicinity of Bhubaneswar from where labour can easily migrate.
3.4. Logistics and Transport Scenario

Roadways
Good road connectivity with NH – 16, 26, 29, 55, 203, State highway – 13, 27 and Asian Highway 45
Condition of roads is good for transportation purposes.

Waterways
Nearest ports are Dhamra Port, Odisha (Distance = 183 km) and Paradip Port, Odisha (Distance = 113 km)

Railways
Nearest railway station is in Bhubaneswar with direct trains from Delhi, Kolkata, Mumbai, Chennai and other major cities

Aviation
Nearest airport is Biju Patnaik Airport, Bhubaneswar which has direct flights from all the major cities - Kolkata, Delhi, Mumbai, Bangalore, Hyderabad, Chennai.

Transportation Time

<table>
<thead>
<tr>
<th>(In days)</th>
<th>New Delhi</th>
<th>Mumbai Port</th>
<th>Chennai Port</th>
<th>Kolkata Port</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>1-2</td>
<td>1-2</td>
<td>1-2</td>
<td>1-2</td>
</tr>
<tr>
<td>Rail</td>
<td>2-3</td>
<td>2-3</td>
<td>2-3</td>
<td>2-3</td>
</tr>
<tr>
<td>Road</td>
<td>4-5</td>
<td>4-5</td>
<td>3-4</td>
<td>1-2</td>
</tr>
</tbody>
</table>

![Bhubaneswar Railway Station](image1)

![Biju Patnaik Airport, Bhubaneswar](image2)
4. Location Analysis of Cuttack

4.1. Location at Glance

<table>
<thead>
<tr>
<th>Location at Glance</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Location</strong></td>
<td>20° 30’ N latitude 85° 50’ E longitude</td>
</tr>
<tr>
<td><strong>Area</strong></td>
<td>192.5 km² (74.3 sq. mi.)</td>
</tr>
<tr>
<td><strong>Population</strong></td>
<td>606,007 (2011)</td>
</tr>
</tbody>
</table>

**Existing and upcoming industries**

There is limited industrialization in Cuttack. It is famous for handicrafts and silver filigree work. One of the major industrial areas located in the city is Jagatpur Industrial estate which consist of flour mills, food & beverage industries etc. Ramdaspur industrial area in Cuttack district with an area of 173 acres has been identified for apparel manufacturing there. It is approx. 25 kms from Bhubaneswar. There are more than 35,000 people present there within 2 kms.

**Educational Institutions**

There are number of schools present within the city. Cuttack is home to several technical institutions which include Institute of Management and Information Technology (IMIT), Bhubananda Orissa school of Engineering(BOSE), Institute of Textile Technology (ITT), etc.

**Healthcare**

Considered as healthcare hub of Odisha. Shri Ramachandra Bhanj Medical College (SCBMCH), the largest medical college of the state is located in Cuttack.

**Utilities**

Electricity supplied by state-operated Central Electricity Supply Utility of Odisha.
Uninterrupted power supply (Rs. 4.8/ unit)
Drinking water sourced from River Mahanadi
4.2. Snapshots of Primary Research

Ramdaspur, Cuttack district – approx. 18 kms from Cuttack city

Sai International Residential School near Ramdaspur Industrial Area

Jagatpur Industrial Estate in Cuttack

Roads in Cuttack
Railway Station, Cuttack

Water Pump in Cuttack District near Ramdaspur Park
4.3. Manpower Scenario

Skilled, Semi-skilled and Unskilled Labour is available in and around Cuttack. Minimum wage rates per day:
- Unskilled - Rs 224
- Semi-Skilled - Rs 244
- Skilled – Rs 264
- Highly Skilled -Rs. 284

Total population
6,10,189

Female Population
2,93,947 (48%)

No. of workers
2,11,727 (35%)

Male Population
3,16,242 (52%)

SC / ST Population
79,867 (13%)

18-25 Age Population (E)
73,223

Villages like Govindpur, Sapha, Tangi, Bamburi, Mundali and several others are within the vicinity of Cuttack from where labour can easily migrate.

Source: Census India 2011
4.4. Logistics and Transport Scenario

Roadways
Good road connectivity with NH – 16, 26, 29, 55, 203, State highway – 13, 27 and Asian Highway 45
Condition of roads is good for transportation purposes.

Waterways
Nearest ports are Dhamra Port, Odisha (Distance = 162 km) and Paradip Port, Odisha (Distance = 92 km)

Railways
Nearest railway station is in Cuttack with direct trains from Delhi, Kolkata, Mumbai, Chennai and other major cities

Aviation
Nearest airport is Biju Patnaik Airport, Bhubaneswar which has direct flights from all the major cities - Kolkata, Delhi, Mumbai, Bangalore, Hyderabad, Chennai.
Distance = 30 km

Transportation Time

<table>
<thead>
<tr>
<th>(In days)</th>
<th>New Delhi</th>
<th>Mumbai Port</th>
<th>Chennai Port</th>
<th>Kolkata Port</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>1-2</td>
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<td>1-2</td>
</tr>
<tr>
<td>Rail</td>
<td>2-3</td>
<td>2-3</td>
<td>2-3</td>
<td>2-3</td>
</tr>
<tr>
<td>Road</td>
<td>4-5</td>
<td>4-5</td>
<td>3-4</td>
<td>1-2</td>
</tr>
</tbody>
</table>

Cuttack Railway Station
Bhubaneswar Airport
5. Conclusion

Odisha is emerging as one of the top destinations for apparel manufacturing in the country. Apparel is one of the identified focus sectors of the State as part of our Vision 2025 for industrial development.

Odisha offers abundant skilled workforce for the Apparel sector. With multiple dedicated locations identified for setting up apparel parks, competitive land rates and ready to occupy industrial sheds, Odisha offers a compelling value proposition for units in the Apparel sector. In addition to the incentives extended by the Industrial Policy Resolution 2015 of the State which identifies Textiles and Apparel as a Priority Sector, the State has also recently formulated the Odisha Apparel Policy 2016 providing additional support for development of the sector. It offers various incentives including employment and investment based incentives, various fiscal incentives, capital grants of 20% of project cost of the park upto Rs 20 crores, interest free loan upto 10% of project cost, with a maximum limit of Rs. 10 crores, etc. The state also has competitive wage rates.

Looking at the attractiveness of the apparel sector in Odisha, India’s largest exporter Shahi exports have also set up their manufacturing unit there with annual capacity of manufacturing 4.8 million pieces. Aditya Birla group and Page Industries (Jockey) has plans to establish manufacturing units in Odisha.

Taking into account all the factors mentioned above, Odisha offers huge investment opportunity in apparel sector.

Report prepared by Wazir Advisors Pvt. Ltd. on behalf of AEPC.