

Cluster Development Approach:

Examples of successful clusters

Ludhiana Foundry Cluster



The Ludhiana Foundry cluster consists of 200 foundry units out of which 160 units are micro units. The major products casted are sewing machine parts, machine tool parts and ingot moulds. The main constraints of the cluster are non-availability of working capital, inappropriate pricing of the products and lack of technological awareness. With the intervention of Foundation for MSME Clusters (FMC) the units have adopted cleaner production methods thus reducing their coke consumption, improvement in their work place conditions and have adopted socially friendly production. Apart from this, workshops on product redesigning were conducted, established linkage MSMEs and banks/public funding agencies for resolving issues related to finance.

The Chennai Leather Cluster



The Chennai leather cluster consists of over 650 different sized small tanneries and integrated as well as finished leather manufacturing units, spread over a wide area including Chennai and its surrounding places. The cluster produces semi-finished and finished leather, leather footwear component, men's footwear, leather goods and leather garments. The cluster has faced many issues in terms of good infrastructure, environmental non compliance in cleaner production technologies, limited access to credit, productivity, etc. The issues were resolved by optimizing sourcing within the national value chain, viability orientation of environmental facilities/infrastructure, cost optimizing process technologies, access to collateral free institutional credit (individual financing) by MSME tanners and training and implementation of appropriate IT and basic MIS in tanneries to increase the productivity.

Jaipur Integrated Texcraft Park Pvt. Ltd. (JITPPL), Bagru, Rajasthan



Jaipur hand block printing cluster comprises around 800 enterprises with an annual turnover of around USD 9.2 million. The small and medium-sized enterprises in the cluster produce handcrafted products like block printed linens, clothing and other home furnishings traded both in domestic and international markets. JITPPL was set up in 2010 to provide world-class infrastructure and eco-friendly facilities for exporting textile enterprises in India. Members of JITPPL have jointly set up effluent treatment plant, water harvesting system (rain water, drinking water and central) and enhanced access of their members to global of market by participating in the international trade fairs and exhibitions, etc. JITPPL is a joint project of the Jaipur Bloc, the European Commission-funded SWITCH Asia Project called “Sustainable Textiles for Sustainable Development,” and the Government of India’s “Scheme for Integrated Textile Parks.”

Chanderi Textile Handloom Cluster



Chanderi, well known for its weaving gold embellished fabrics mainly saris, for the erstwhile royalty and elite have evolved drastically over a period of time. There has been a significant increase in the cluster’s turnover from Rs. 20 crores in 2002 to Rs. 45 crores in 2011, the number of looms has also increased from 3,000 to 3,500 in 2011. The cluster faced many issues like quality of the yarn, poor market linkage, lack of water, road infrastructure and absence of social security. Thus with the intervention of international organisation, such issues were resolved by introducing service provider for quality improvement and design development, creation of social capital through joint activities like participation in fairs, exhibition both national and international, creation and capacity building of specialized networks for Business Development service Providers (BDSPs) and strengthening and optimizing the use of local resource centre; which was set up for creation of social capital. A number of associations were also created during the intervention including Bunkar Vikas Sanstha (BVS), Chanderi Silk club, Chanderi Foundation and Apna Kosh which are still proactively providing services to their members.

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