CHAPTER III

LOCATIONAL FACTORS IN LORRY BODY BUILDING INDUSTRY IN TAMIL NADU
CHAPTER THREE

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Factors Influencing Location of an Industry

Every entrepreneur has to keep in mind the necessity of the careful choice of the area and the exact place where the business unit is to be started. With the ever-increasing size of plants and widening markets, the problem of transporting both raw materials and finished products and the economic handling of the materials through the stages of processes of production have assumed greater importance.¹ A suitable location of an industry is the first "rung of the ladder" of that industry by which it climbs upward to its success.²

When an entrepreneur decides to establish an enterprise, he has the choice of alternative locations. The selection of the

¹ Kimball, Principles of Industrial Organisation, Vakils, 1967, p.122
place is ultimately influenced by certain national considerations. It is not true that every factory is located on the basis of economic considerations alone as E.A.G. Robinson pointed out. "Mr. Ford started manufacturing motor cars in Detroit because it was his home town. Lord Nuffield selected Cowley because the school in which his father was educated happened to be for sale". These enterprises not only survived but were also successful and established the fact of sound location in the respective places. However, the present day entrepreneur living in a competitive world cannot afford to locate his factory without taking into consideration the pros and cons of each location. Any error in the matter of location is very difficult to rectify subsequently.

According to Kimball and Kimball, "the most advantageous location is that at which the cost of gathering material and fabricating it plus the cost of distributing the finished product to the consumers will be at minimum".

"Careful selection of location is important to the success of any business. In some Industries, it is the difference between profits and bankruptcy". Indeed, no industry can prosper

3. Paul Hastings, G Introduction to Business, Mcgraw Hill, Sydney, p.78
unless it is located at a place chosen from the point of view of maximum efficiency of production and distribution. In other words, location is influenced by the consideration of total costs, so an entrepreneur selects the place where they are the least. But these costs are not static and they change from time to time and also place to place. Therefore, decision regarding location of an industry has to be continuously reviewed. With changed circumstances favourable locations become unfavourable due to emergence of new sites which are more attractive than the existing ones. Hence, the problem of location is not confined to the new unit, it affects the existing units as well. Existing units will have to shift their location by moving to a new site or by locating the branches or transferring some of the activities to such new sites. If the enterprise is not dynamic in effecting such changes, it may languish because of competition from others located in favourable places. "The greater number of prima facie suitable locations, the more refined become the choice and the greater will be the skill required to select the best location".  

The factors which are mainly responsible for the location of industries are divided into three categories.

1. Primary factors
2. Secondary factors
3. National and Strategic considerations.

1. Primary Factors

The following are termed as primary factors
1. Raw materials
2. Market
3. Fuel and Power
4. Transport
5. Labour

2. Secondary Factors

The Secondary factors include the following
1. Momentum of an early start
2. Industrial atmosphere
3. Special advantage of a place
4. Soil and climate
5. Personal factors
6. Historical factors
7. Political stability
8. Special concessions and benefits
3. National and Strategic Considerations

The following two criteria influence the location from the national and strategic considerations

1. Balanced regional development of industry.
2. An overall view of the locational pattern

PRIMARY FACTORS

1. Raw materials

The proximity of the sources of raw material is an important factor for the location of an industry. Without materials, manufacturing is impossible. Material is of prime importance in locating an industry within a comparatively limited area. The source of the supply of raw material has usually a modifying influence and the result is often a compromise, which in turn is affected by transportation.

If the raw materials are weight losing, plants are always located near the sources of supply. For example, sugar industry in India is concentrated in those areas where sugarcane is cultivated; steel industry is located near the source of iron-ore and coal mines; cement industries are located near the source of lime stone; paper making industry which depends on forestry
products is located near the forests; and pottery industries near clay beds, in case of industries which use more than one raw material, the location will be at a convenient point where the transportation costs of all the required raw materials are the least. In the words of Spriegal "nearness to the source of raw material is the special importance when this material is bulky in relation to its value and when the volume and weight are greatly reduced during the processing". As also "raw materials that are rendered loss perishable by the manufacturing operation are always processed near their source".

"Vegetables and fruit canneries are situated where the foods are grown to minimise damage to fruits and vegetables through transportation".

For some industries, distance from raw materials is a negligible factor. Examples are jewellery making, dress making, precision instruments, camera production and the manufacture of electronic goods. For some industries raw materials constitute a factor varying in importance. In such cases the plant is located on the basis of relative advantage, with the cost advantage of

location close to customers, power supplies or skilled labour. In modern days, "nearness to raw materials grows less as the cost of transportation is reduced" 6

2. Market

Proximity to the market is another very significant factor influencing the location of industries. Without markets, manufacturing becomes useless. In some cases, nearness to the market is a crucial consideration. Industries producing perishable commodities which cannot stand transportation over long distances must be located in close proximity to the places of consumption. Quickness in marketing actions can be ensured by moving close to the market. Slowing down of deliveries can be avoided when the plant is located near the market.

Industries engaged in producing bulky goods involving heavy transportation charges have a definite advantage in being located near the market. Nearness to the market enables an industry to keep a continuous and constant touch with customers and assess their needs and requirements periodically. If there is

an increase in weight or bulk or fragility in the product, it tends, other things being equal, to compel the producer to locate his industry near the market. For example, the coco-cola bottling plants of America are situated in places where water is available in plenty. Another example is cotton. Upto ginning, cotton is a weight losing material. Ginning factories are generally found near cotton markets. After ginning, cotton becomes a non-weight losing material producing about 95 pounds of cloth out of every 100 pounds of cotton. Therefore, cotton textiles units are situated near the markets. As China and Japan were important markets for Indian textiles, the cotton mills were first started in the port city of Bombay.

In the words of Beacham, "When the finished product is bulky, perishable, fragile or for any other reason expensive to transport, production will be attracted towards the market". Above all, it reduces the cost of transport to bring finished goods to places of consumption. According to Dr. N.S.R. Sastry, "The advantage of proximity to market is not only in the transport cost but also in the personal touch between the producers and the consumers. In addition, the increased demand for rapid and regular delivery of small consignments and the practice of offering after-sales services made it imperative for the producers to be near the consumers or at least to open
branches in those centres". Thus, the choice between the point where materials are produced and the point where finished goods are sold is generally made on the basis of the weight-losing character or otherwise of the materials.

"All the other factors remaining the same, location near the market is to be preferred as it promotes personal touch between the producers and the consumers and the producers can take care of effective after-sales-service which is a must for many of the consumer durables". Now-adays, nearness to markets grows less as the cost of transportation is reduced.

3. Fuel and Power

Proximity to power and fuel is yet another decisive factor in industrial location. Electricity, coal, oil, natural gas, power or fuel are essential for operating many large scale industrial plants notably iron and steel, electro-chemicals, glass, paper and cement. Industries requiring bulk consumption of fuel and power are attracted towards regions of availability of such power. Regular, reliable and cheaper availability of electricity of the required voltage has induced promotion of many enterprises in

the concerned areas Small scale and cottage industries are also fostered by cheaper electricity.

Coal has been the most dominant factor governing the location. Iron and steel industry in Germany, Pennsylvania (U.S.A.), Jamshedpur (India) are located in areas adjoining coal mines. Now, hydro-electric power to a large extent is becoming a gravitating point of industrial location.

The long distance transmission of electricity through grid system has made it possible for wider dispersal of manufacturing industries. Similarly, huge pipe lines transversing long distances have kept up oil supplies to different regions for use of industries located therein.

4. Transport and Communication facilities

Transport networks of roads and Railways must be well developed in the regions concerned. Communication facilities like mail, telephone, telegraph, teleprinter and fax system must be adequate. "Regularity of service, safety, speed and low cost are essential both for transport and communication" 8

"The ideal plant is one centrally located and directly served by water, rail, trucking and air facilities". The facilities of transport available in a particular region and the policy of freight rates are of great importance. Transport facilities are important for bringing the raw materials and marketing the finished products. Cost of transport is a very important consideration which should weigh with a manufacturer. If the sources of raw materials are far away from the market, the location of industry will depend upon the relative cost of transport of the raw materials and the finished products. As D. Philip Locklin said "Plants tend to be located in the locality where the aggregate transportation costs are the least".

5. Labour

The availability of adequate skilled and unskilled labour at normal wage rates is yet another critical factor favouring manufacturing activity in the related regions. If an area has overriding natural advantages, then the absence of local labour will not hinder the location of the industry in that area. Labour can be recruited from the adjoining regions. But, by and large,

industries requiring permanent personnel have to be located in densely populated areas which have the potential of labour supply.

The influence of labour on the location depends upon labour cost and its relation to the total cost. The ratio of labour cost to the total cost of production is comparatively higher in respect of a number of consumer goods industries like leather goods, textiles and automobiles. Such industries are attracted towards thickly populated areas to take the advantage of comparatively cheap labour. But skill and training of the labour are also to be considered rather than mere abundance of cheap labour. Some regions are inhabited by people with hereditary skill in certain crafts. The lock industry in Aligarh, Silk embroideries in Kashmir and Banaras and likewise. Lorry body building in Salem District flourishes because of availability of abundant local labour endowed with traditional skill developed through ages.

"The need for adequate supply of labour is obvious but a number of considerations such as the cost of living and the character of labour available as to both skill and temperament
should be taken into account. Also, the State labour laws, the strike data and the possibility of employing women labour should all be studied.

It is not necessary that there should be prior existence of abundant labour in an area considered for location. The region should be such as to attract adequate and skilled labour force from distant as well as adjoining areas. If labour is mobile, locational pattern need not be rigid. Industry can be located in a suitable area to which labour can be attracted by extending proper incentives and amenities, fair remuneration, continuous work, housing and other amenities, transportation facilities and encouraging the mobility of labour towards areas having other natural advantages for the purpose of location.

SECONDARY FACTORS

1. Momentum of an early start

One of the important factors for the location of industry in a particular region has been "the momentum of an early start". Because of the momentum of an early start of industries

in a particular place, it gains goodwill of that place and a number of facilities subsequently developed which are discussed below:

1. Transport facilities are developed because Railways and other agencies find it economical to serve the centre.
2. Facilities for repairs and maintenance are provided by specialist firms.
3. Banking facilities are made available in those centres.
4. Skilled labourers are attracted towards it.
5. People generally gain confidence in an undertaking which is started in a locality where other business units in the same line have already prospered.

2. Industrial atmosphere

It may be said to exist where people living at a place think instinctively of industry and learn the intricacies of machines without much effort. This helps the growth of new industries. For example, Bombay provides facilities for making and processing of films. A film made elsewhere will be very costly because it will have to get the actors, actresses and technicians and also have the film processed in Bombay and
hence, more film units are started in Bombay than elsewhere. Besides, a big city offers the automatic advantage of a large market.

3. Exclusive advantage of a place

The special advantages offered by a place also have some importance. For example, previously some of the princely States charged little or no income tax and offered some concessions in the matter of labour. Hence, it attracted industries like "Flies to a drop of honey". It is evident that the profit of the concern is increased since, there is no need for income tax payment. The Kandla Free Trade Zone is another example wherein goods are exempted from custom duties. When a place does not offer any special advantage, it loses its attraction to localised industry in that area. For example, a few industries have been located outside Bombay, as the cost of organising labour, water and land have become prohibitive due to the growth of the city. Due to the diseconomies of location in Delhi many industries were started in Faridabad.

4. Climatic Factors

Suitability of climate is an additional factor influencing the location of industry in a particular region. Humidity and
temperature determine the design and cost of the plant. Hence, areas having climatic advantages for designing, installing and operating the plants of particular industrial process will induce the concentration of firms in that place. For example, humid climate is an additional advantage for cotton textiles. Therefore, Bombay with its humid climate is found the most suitable for the location of cotton textile industry. Similarly, moderate or balanced climate is essential for efficiency on the part of the employees. Extreme cold or heat is repugnant to standards of efficiency.

Dry climate is essential for flour milling industries and the like. Therefore, they are located in Kanpur and Pune where damp climate does not prevail.

In the present day, due to scientific inventions, cotton industry can be started anywhere through provision of artificial humidification and air-conditioning facilities.

Obviously, the effect of climate upon the labour efficiency in case of working forces required to work outdoors as in the case of ship-building, quarry and construction industries cannot be minimised.
5. Personal Factors

Location of an industry in many cases, was motivated more by the personal likes and dislikes than purely on economic considerations. As Robinson pointed out Mr. Ford started manufacturing motor cars in Detroit because it happened to be his home town. Lord Nuffield selected Cowley because the school, in which his father was educated happened to be for sale. However, it must be recognised that such locations cannot endure unless they prove to be economical enough in the long run.

6. Historical Factors

It is one of the important factors for the location of an industry in a particular region. It also plays an important role in localisation of an industry. For example, most of automobile industries were started and flourished in the city of Detroit (known as city of cars). More and more industries are started due to the historical factors. Dr. Om Prakash cites the instance of Kanpur which was developed as the 'Premier Textile Centre of Northern India' but has hardly any advantage. It grew very big because some pioneers especially Europeans, chose Kanpur as the
7. Political Stability

The location of an industry in a particular State depends upon the political stability. It is common knowledge that many industrialists have moved out and many of them are planning to move out of those States where adverse political and law and order situations prevail.

8. Special concessions and incentives

This is another important factor influencing the location of industry in a particular place. At present, many State governments extend various types of concessions and incentives such as financial assistance, cheap land, tax and subsidy to the budding entrepreneurs. This enables the entrepreneurs to start industries in backward regions so as to forge a balanced development. For example, Tamil Nadu Government provides various concessions and incentives to entrepreneurs for the establishment of industries in notified backward areas such as

Hosur—the backyard of Bangalore, in Dharmapuri District and Ranipet in North Arcot Ambedkar District.

NATIONAL AND STRATEGIC CONSIDERATIONS

1. Balanced Regional Development of Industry

Industries cannot be located in a particular place by taking into consideration the economic factors alone. Alongside with it the national interest should also be considered. The concentration of industry in a few places is as risky as placing all eggs in one basket. From the point of view of equity also, it is undesirable because the people living only in nearby places will enjoy the benefits of industry in the form of increased employment opportunities. In order to achieve a balanced development, it is desirable for the rational distribution of industries over the various regions.

In India, the Central Government and the State Governments realised the importance of balanced development of industries over the regions and have offered various concessions and incentives to accelerate the tempo of industrialisation in a phased manner.
An Overview of Location of Pattern

The locational pattern of an industry can be measured by a certain formula known as 'Place Formula'. "Number of workers employed in the industry in a certain place divided by total number of workers employed in the industry all over the country". This formula will indicate how far the industry tends to get concentrated in a place.

If the resultant figure is one, the industry is completely located in one place, but if it is a fraction of one, the location of the industry in that place is only to the extent of fraction. Further, the dependance of a place upon a particular industry can also be found out by the formula, "Number of workers employed in the industry in a place divided by total number of industrial workers in the place". If the resultant figure is one, it will indicate that the place is wholly dependent upon a particular industry.

FACTORS LEADING TO LOCALISATION OF LORRY BODY BUILDING INDUSTRY IN SALEM DISTRICT

Salem District is pre-eminently suited for the tremendous development of lorry body building industry, because of momentum of an early start, availability of abundant and cheap skilled labour, favourable climatic condition and the existence of undaunted entrepreneurs with dash and drive and comprehensive workshop facilities.

Momentum of an early start

A large number of respondents have expressed that early momentum was one of the important reasons which impelled them to start the lorry body building industry in the specified taluks in Salem District. As early as in 1940, the rudimentary beginning of this industry was noticed in Namakkal and thereafter in Tiruchengode in 1963 and Sankari in 1968. The pioneers who first started lorry body building industry at Namakkal in 1940 were Messrs. Mariappa Asari, Raju Asari and Ponnusami Asari. This momentum of an early start at a time when lorry body building was not known in this part, naturally conferred certain economies. During the course of time, these places have gained goodwill of ever-lasting nature. In fact, the goodwill has
slowly and steadily improved over the years such that Namakkal, Sankari and Tiruchengode became famous for lorry body building industry in the whole of South India in general and Tamil Nadu in particular. The pioneers did not have all those facilities and advantages as are enjoyed by the lorry body builders of modern times. However, it is the foresight and sagacity of the early pioneers which have paved the way for the establishment of this industry in these specified places.

The hectic growth and rapid development of the industry with special reference to Salem District in Tamil Nadu is mainly due to the enterprising skills and ability of the pioneers. This aspect gained momentum and much weight when it disclosed that Salem District did not contribute much to the development of some of the infrastructural facilities needed. The wood materials constitute more than 40% of the total cost of a lorry body building. It has been estimated that more than 80% of the wood materials required for the construction of LBB is purchased from Kerala and the remaining 20% is procured from Yercaud and other places in the State. Despite the fact that wood materials are purchased from Kerala, Salem District has become popular throughout the length and breadth of the country because of the operation of momentum of an early start.
Climatic Factor

Namakkal, Tiruchengode and Sankari situated in Salem District always experience the lowest humidity. The moisture content is so low that it does not affect the painting on the lorry body in any serious way. When a comparison is made between Tumkur in Karnataka, the lower moisture content in the air in Salem District is conducive for rapid drying of the painted surface. Normally much time is wasted in waiting for base paint to get dried, before the final coat could be given. Usually, the lorry has to be painted with coatings of at least five to seven times. The climatic factors help to a great extent, this particular division of job. Frequent or constant rain proves to be a great hindrance to this industry. Then, it requires the construction of permanent sheds for building lorries. Since a sizable amount needs to be invested in the construction of the shed by the lorry builders, they are forced to borrow at usurious rate of interest from the finance corporation of other financial agencies. This will in turn increase the fixed cost of the lorry body builders. But in the specified places in Salem District, these sheds need not be big enough to house the lorry fully, since there is not much of rain.
Availability of Cheap and Skilled Labour

The early start of the LBB Industry in Salem District has resulted in the gradual and steady increase in the supply of cheap and skilled personnel. Salem District and its environs suggest an arid atmosphere with barren land. Moreover, the agricultural operations in this area are extremely limited to a few months in a year. Geographically, these places are situated in a hilly tract and record very poor rainfall annually. Hence, agriculture becomes unprofitable and does not provide employment throughout the year. This has been one of the most important factors which compelled people in that area to seek employment in alternative occupations. The tactful entrepreneurs utilised this opportunity in starting the lorry body building by using the cheap and skilled labour. Besides, many villages in and around these areas have the communal composition of a large number of people belonging to Viswakarma Community (carpenters). These carpenters came to Namakkal, Tiruchengode and Sankari in search of employment and found the lorry body building industry, more suitable and gainful than the traditional carpentry. Slowly and steadily the muster role of skilled workers needed for lorry body building industry grew. with the result, there is plentiful supply of abundant labour of this type. The essential technical know-how has been handed down from generation to generation.
On the whole, there are about 30,000 labourers comprising of both skilled and unskilled, employed in this industry.

There are innumerable divisions of work in this industry, starting from tinkering to the "finishing house". This industry naturally provides a good opportunity for specialisation. A person who got continuous experience in painting for more than 10 years, knows thoroughly the painting work and gains remarkable skill in this field. One of the peculiarities and noticeable features of the labour supply in these places is the extreme casualness of the labour. Labour is constantly and continuously moving from one tinker shed to another and from one lorry body building unit to another. Such supply of labour can beautifully satisfy the Marxian definition of "Reserve Army of Labour". 13

Availability of raw materials

Lorry body building industry mainly requires steel, timber, paint and electrical goods. The rapid development of the industry in Salem District has facilitated the emergence of various kinds of ancillary units too. Therefore, the ready availability of required raw materials is not at all a problem in

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this area because there is much competition among the shops in supplying these inputs. Many of these shops are not only willing to supply all the requirements but they are also ready to supply with liberal credit facility to lorry body builders. The extension of liberal credit facilities by the many shop owners, acted as a great boon to the lorry body building industry and ultimately resulted in the localisation of the industry in this part.

Normally, the lorry body builders, take advance payment from their clientele. This amount together with the credit facility, extended by suppliers of raw materials is the most important contributing factor for the phenomenal development of this industry in this part. They explore all the different and alternative possibilities and places for the purchase of raw materials and hence, they are able to stock quality raw materials needed by them in adequate quantities.

Consequently, the lorry body builders are relieved of the most important problem of searching for the supply of raw materials. There is a ready stock available at all times. Therefore, the lorry body builders select from among the different suppliers of essential goods needed for their industry.
Expertise

The lorry body builders are invariably found to be experienced drivers and motor mechanics. Most of them have started their careers as cleaners and labourers, so that they are familiar with all the aspects of lorry transport. They know by experience what a lorry driver and cleaner need to know of his vehicle. At the same time, they are also equally aware of the demands of the customers and lorry users. The combination of expertise and intimate knowledge with all the aspects of the lorry body building are extremely useful for the development of the industry in this region. Consequently, by using this knowledge on proper lines, the entrepreneurs, reap economics wherever possible. There are about 560 sheds in Namakkal, Tiruchengode and Sankari which includes Tinkering and Painting sheds. This is considered to be a large number in view of the limited nature of the demand. Due to existence of stiff competition among the lorry body builders, the lorry owners have a broad choice and consequently their profit margin is reduced. On the other hand, the service remains cheap so as to sustain a large and continuous demand.
Finance

Finance is the life blood of any industry. It is equally applicable to lorry building industry also. Finance is an essential lubricant for the successful and smooth functioning of the industry. This industry occupies a unique position and flourishes to a very great extent due to availability of finance without much difficulty. This industry requires mainly two types of capital namely fixed capital and working capital. Fixed capital is needed in the case of lorry body building for the purchase of land site and for the construction of lorry shed and other various machineries such as planing machines, circular saw machines, drilling machines, angle cutting machines, gas welding machines and welding machines. The working capital is required for the purchase of stock and payment of salaries, insurances, rent, wages and to meet the day to day expenses. For meeting the fixed capital requirements, finance is raised from Financial Institutions and also through borrowing from money lenders, friends and relatives. For meeting working capital requirements, they normally used to get by way of advances from the clientele.

Generally, the lorry body builders do not approach the commercial banks for financial accommodation. The reason given by most of the respondents is that the banks require various
collateral securities and proper maintenance of books of accounting. The humdrum process and cumbersome formalities insisted by the commercial banks keep away the lorry body builders from the commercial banks. But yet, some of the lorry body builders obtain loan from the commercial banks who submit the collaterals and proper accounts. As a result, the profit margin of these people get increased. The reason is that they get the loan from the banks at 15% rate of interest. The rate of interest is calculated on daily product system. If the people borrow from the money lenders, they have to pay a minimum of 24% interest which ultimately affects the profit margin to a very great extent.

**Entrepreneurship**

Much can be said about the ingenuity of the entrepreneurs in selecting the Salem District for the purpose of lorry body building. Hence, entrepreneurs are making much progress due to their skill, foresight and sagacity. Most of the entrepreneurs are hereditary and have settled in these places - excepting a few who have migrated from other areas. It is revealed in this area by enquiry that from generation to generation, people are engaged in this business. Thus, the supply of entrepreneurs as a class is native and local in character. They are endowed with a high
degree of dash and drive. Since, they are highly experienced persons in this field, they are able to take decisions quickly and act at the spur of the moment. As otherwise, the industry would not have flourished to this extent in this place and specially in the wake of keen competition prevailing among lorry body builders and the total absence of any subsidy and assistance from the Central Government or State Government to this industry.

Pioneer Industry

Namakkal, Tiruchengode and Sankari in Salem District have not been able to encourage any other industry excepting lorry body building. In the past as well as present, agriculture is not at all profitable in this area, due to non-availability of irrigation facilities. Mostly these places depend upon the vagaries of monsoon. Usually, the average rain fall is very low in this region. The agricultural operations can be carried out only a few months in a year and that too, not the commercial crops. Hence, the people in that area are forced to seek alternative employment for their livelihood. Though, there are many kinds of industries such as sago industry, dairy farming and poultry farming, the lorry body building industry and the poultry farming occupy the first and second places respectively.
Resale Value

The lorries built in Salem District are having higher re-sale value, than the lorries built elsewhere. This is because, the lorries built in this district are sleek and attractive, with a fine finish and greater durability and hence, capable of carrying more cargo. This high reputation by comparison enables to attract a large number of lorry operators from all over India.

Some of the important notable highlights of lorries built in this district are a weight of 5½ to 6 tons as against 6 to 7 tons of weight of lorries built in other States of India like Kerala and Karnataka. With the result, there is a reduction in depreciation as well as fuel cost of lorries built at Namakkal.

Comprehensive Workshop

Salem District can boast of comprehensive work shop facility compared with other places in Tamil Nadu and also other States in India in the lorry body building industry. By comprehensiveness, it is meant that all the divisions of lorry body building are functioning under the same roof, such as carpentry, tinkering, painting, electrical works and other connected activities. This facility will result in saving of
precious time which ultimately helps to deliver the finished lorry to the clients at the scheduled time. This facility is considered as a great boon for the development of the lorry body building industry in this region.

Conclusion

The abovementioned factors have largely contributed to the clustering and impressive growth of lorry body building industry in this area. Though there are many locational factors mentioned in the foregoing paragraphs which have helped rapid growth of lorry body building industry, the analysis discloses that the momentum of an early start and the availability of abundant skilled and cheap labour, the climatic condition more than other prevalent factors patent or latent, have decisively determined the location of lorry body building industry at specified region endowed with the abovesaid factors.