CHAPTER-X

TEXTILE EXPORTS

The textile products continue to hold an important role in total export basket of the country. The data about export targets for 2003-04 and the latest status of exports are given in the Table below.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Target 2003-04</th>
<th>April-Feb. 2002-03</th>
<th>April-Feb. 2003-04</th>
<th>% increase/ decrease of 2003-04 over 2002-03</th>
<th>% target achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Readymade Garments</td>
<td>6250</td>
<td>23003.1</td>
<td>4746.4</td>
<td>-1.0%</td>
<td>79.1%</td>
</tr>
<tr>
<td>2 Cotton Textiles</td>
<td>4775</td>
<td>14701.8</td>
<td>3033.6</td>
<td>-2.7%</td>
<td>65.1%</td>
</tr>
<tr>
<td>3 Man-made Textiles</td>
<td>1750</td>
<td>6153.4</td>
<td>1269.7</td>
<td>22%</td>
<td>93.4%</td>
</tr>
<tr>
<td>4 Wool</td>
<td>500</td>
<td>1214.7</td>
<td>250.6</td>
<td>25.6%</td>
<td>65.7%</td>
</tr>
<tr>
<td>5 Silk</td>
<td>350</td>
<td>1995.0</td>
<td>411.6</td>
<td>21.5%</td>
<td>137.9%</td>
</tr>
<tr>
<td><strong>Total Textiles</strong></td>
<td><strong>13625</strong></td>
<td><strong>47068.0</strong></td>
<td><strong>9711.9</strong></td>
<td><strong>2.7%</strong></td>
<td><strong>77.1%</strong></td>
</tr>
<tr>
<td>6 Handicrafts</td>
<td>2350</td>
<td>5767.7</td>
<td>1190.1</td>
<td>-26.6%</td>
<td>39.1%</td>
</tr>
<tr>
<td>7 Coir</td>
<td>250</td>
<td>322.5</td>
<td>66.5</td>
<td>-26.6%</td>
<td>27.6%</td>
</tr>
<tr>
<td>8 Jute</td>
<td>85</td>
<td>841.6</td>
<td>173.7</td>
<td>15.7%</td>
<td>248.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16310</strong></td>
<td><strong>53999.8</strong></td>
<td><strong>11142.2</strong></td>
<td><strong>-0.3%</strong></td>
<td><strong>71.7%</strong></td>
</tr>
</tbody>
</table>

Source: Foreign Trade Statistics of India (Principal Commodities & Countries) DGCIS, Calcutta

EXPORTS OF TEXTILES

At present, the exports of textiles (including handicrafts, jute, and coir) account for about 20% of total exports from India and are the largest net foreign exchange earner for the country as the import content in textile goods is very little as compared to our other major export products. Further, the export basket consists of wide range of items containing cotton yarn and fabrics, man-made yarn and fabrics, wool and silk fabrics, made-ups and variety of gar-
ments. Textile exports during the period of April-February 2003-2004 amounted to US$ 11698.5 million as against US$ 11142.2 million during the same period in the previous year, showing an increase of around 5.0%. It may be added that the textile exports declined by 4.0% in 1st quarter (April-June, 2003) and by 11.2% in 2nd quarter (July-September 2003). However, textile exports have increased by 4.8% in 3rd quarter (October-December, 2003). This indicates the downtrend in textile exports has been reversed and they are back on path of export growth.

TARGETS AND ACHIEVEMENTS

On the basis of recent initiatives taken by Ministry to resolve exporters’ problems and also in anticipation of revival of demand in the coming months, a target of US$13.5 billion has been fixed for the year 2003-04. Export Promotion Councils have, however, been given inflated target of US$ 16,310 million. Against the target, the exports of US$ 9768.6 million during the period April-January 2003-2004 indicate an achievement of target by 59.9%.

SECTOR-WISE ANALYSIS

(i) Readymade Garments

Readymade garments account for approximately 42% of the country’s total textile exports. They represent value added and less import intensive sub sector, thus deserving a special place. Readymade garments have declined by 9.2% in 2001-02 as compared to the previous year. However, readymade garment exports recorded a growth of 8.9% in 2002-03 as compared to the previous year 2001-02. During the period April-February 2003-2004, Readymade Garment exports were US$ 4946.7 million, recording a growth of 4.2% as compared to the corresponding period of 2002-2003. The major importing countries/regions of our readymade garments are the E.U., the U.S.A., Canada, Japan, U.A.E. and Switzerland.

(ii) Cotton Textiles including Handlooms

Cotton textiles i.e. yarn, fabrics and made-ups (Millmade / Powerloom/ Handloom) constitute more than 2/3rd of our exports of all fibres/yarns/made-ups. Cotton textile exports had declined by 12.2% in 2001-02 as compared to the previous year. However, cotton textiles exports have recorded a growth of 6.5% in 2002-03 as compared to the previous year 2001-02. During the period April-February 2003-2004, cotton textiles exports including handlooms were US$ 3106.9 million, recording a growth of 2.4% as compared to the corresponding period of 2002-2003.

(iii) Man-made Textiles

The exports of man-made fibre textiles have marginally declined by 0.6% in 2001-02 as compared to the previous year. However, man-made textiles have recorded a growth of 25.0% in 2002-03 as compared to the previous year 2001-02. During the period April-February 2003-2004, man-made textile exports were US$ 1633.8 million, recording a growth of 28.7% as
compared to the corresponding period of 2002-03.

(iv) Silk Textiles
Silk textiles exports have declined by 12.9% in 2001-02 and 1.9% in 2002-03 as compared to the previous year. During the period April-February 2003-2004, silk exports were US$ 482.8 million, recording a growth of 17.3% as compared to the corresponding period of 2002-2003.

(v) Woollen Textiles
The exports of woollen textiles have declined by 19.6% in 2001-02 and 7.9% in 2002-03 as compared to previous year, which has been attributed to sluggish market conditions, over-stocking in major markets. During the period April-February 2003-2004, woollen textiles exports were US$ 328.7 million, recording a growth of 31.1% as compared to the corresponding period of 2002-2003.

(vi) Handicrafts including Carpets
Handicrafts is one of the sub-sectors which contributes substantially to the overall textile exports. In dollar terms, the sector exhibited an annual export growth of 14.8% in 2001-02 and 15.0% in 2002-03 as compared to the previous year. During the period April-February 2003-2004, handicrafts including carpet exports were US$ 919.0 million, showing a decline of 22.8% as compared to the corresponding period of 2002-2003.

(vii) Coir
The Coir exports had recorded a growth of 27.5% in 2001-02 and 17.0% in 2002-03 as compared to the previous year. During the period April-February 2003-2004, coir exports were US$ 69.1 million, recording a growth of 3.8% as compared to the corresponding period of 2002-2003.

(viii) Jute
The Jute sector have declined by 33.7% in 2001-02 as compared to the previous year. However, Jute exports have recorded a growth of 43.4% in 2002-03 as compared to the previous year 2001-02. During the period April-February 2003-2004, jute exports were US$ 211.6 million, recording a growth of 21.8% as compared to the corresponding period of 2002-2003.

ADMINISTRATION OF EXPORT ENTITLEMENTS (QUOTAS)
The international trade in textiles and clothing was regulated by special arrangements for 40 years outside the rules of General Agreement on Tariff and Trade (GATT). The framework of Multi-Fibre Arrangement (MFA) applied to international trade in textiles and clothing for the period 1974 to 1994. India has entered into bilateral agreements with USA, Canada, EU etc., exports to which account for a major share of total exports of Indian textiles. Consequent upon the establishment of the World Trade Organisation (WTO) with effect from 1.1.1995, the quantitative restrictions in the bilateral agreements under the MFA are being governed by the Agreement on Textiles and Clothing (ATC) contained in the final Act of the Uruguay Round negotiations. The quota regime in the textile
sectors is scheduled to be completely phased out by the end of 2004 AD.

The Ministry of Textiles is operating Garments and Knitwear Export Entitlement (Quota) Policy 2000-2004 and Yarn, Fabrics and Made-ups Export Entitlement (Quota) Policy 2000-2004 for distribution of quotas imposed by USA, EU and Canada. The break up of quota allocation under various systems for export of yarn, readymade garments and other textiles is given in the table below.

### Table 10.2

**PERCENTAGE OF ANNUAL LEVEL DISTRIBUTION**

(as on 31-10-2000)

<table>
<thead>
<tr>
<th>System</th>
<th>Yarn and Fabrics (Cat. 3,3a/EU,31a, 32a/Canada)</th>
<th>Fabric (other than Cat. 3,3a/EU, 31a, 32a/Canada)</th>
<th>Made made up MM/PL</th>
<th>Made-ups Handlooms</th>
<th>Ready-Made Garments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Past Performance Entitlement (PPE)</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>55</td>
<td>70</td>
</tr>
<tr>
<td>Manufacturer Exporters’ Entitlement (MEE)</td>
<td>15</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ready Goods Entitlement (RGE)</td>
<td>30</td>
<td>15</td>
<td>15</td>
<td>45</td>
<td>-</td>
</tr>
<tr>
<td>Non-Quota Entitlement (NQE)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Powerloom Exporters’ Entitlement (PEE)</td>
<td>-</td>
<td>15</td>
<td>15</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Investors’ Entitlement (NIE)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td>First-Come-First Served (FCFS)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
</tbody>
</table>

As indicated in the table, the available quotas are distributed under different systems of allocations such as Past Performance Entitlement (PPE), First Come First Served Entitlement (FCFS), Manufacturers Exporters’ Entitlement (MEE), Non-Quota Entitlement(NQE), Powerloom Exporters’ Entitlement (PEE), New Investors’ Entitlement (NIE) etc. Export Entitlement (Quota) Policy in respect of garments and knitwear is implemented by Apparel Export Promotion Council (AEPC) and Wool & Woollen Export Promotion Council, whereas in the implementation of Export Entitlement (Quota) Policy in respect of Yarn, Fabrics and Made-ups, two Export Promotion Councils namely Cotton Textiles Export Promotion Council and Synthetic & Rayon Export Promotion Council are involved.

During the year 2003, certain decisions to further streamline quota administration were undertaken, which are listed as follows:

i) The validity of FCFS RGE quotas was reduced from 50 days to 30 days vide Notification dated 17th March 2003.

ii) The Notification dated 9th July, 2002 regarding allotment of NQE quota against export made to Russia was
and technology upgradation of the textile industry in India, Ministry of Textiles launched a Technology Upgradation Fund Scheme (TUFS) for the textile and jute industry for a five years time frame w.e.f. 01.04.1999 to 31.3.2004, providing for 5% interest reimbursement in respect of loans availed thereunder from the concerned financial institutions for investments in benchmarked technology for the sectors of the Indian textile industries specified thereunder. An amount of Rs. 7148.89 crore involving 2634 applications has been sanctioned upto 29th February, 2004. Out of which, an amount of Rs.5129.81 crore stands disbursed to 2227 applicants.

(iii) Liberalization of FDI Policy: Government has allowed foreign equity participation upto 100%, through automatic route, in the textile sector with the only exception in knitwear/knitting sector which is still reserved for SSI. SSI investment limit for the knitwear/knitting sector has been increased from Rs.1 crore to Rs. 5 crore w.e.f. 9th October, 2001.

(iv) Export Promotion Capital Goods (EPCG) Scheme: The scheme facilitates import of capital goods at 5% concessional rate of duty with appropriate export obligation. Import of second hand capital goods is allowed under the EXIM Policy as announced on 31.03.2003.

(v) Advance Licensing Scheme: With a view to facilitating exports and to access duty-free inputs under the scheme, standard input-output norms for about 300 textiles and clothing export products have

The Schemes applicable last year, such as follows, continued during the year for promotion of exports:

(ii) Technology Up-gradation Fund Scheme: In view of the urgent need for stepping up the process of modernisation and technology upgradation of the textile industry in India, Ministry of Textiles launched a Technology Upgradation Fund Scheme (TUFS) for the textile and jute industry for a five years time frame w.e.f. 01.04.1999 to 31.3.2004, providing for 5% interest reimbursement in respect of loans availed thereunder from the concerned financial institutions for investments in benchmarked technology for the sectors of the Indian textile industries specified thereunder. An amount of Rs. 7148.89 crore involving 2634 applications has been sanctioned upto 29th February, 2004. Out of which, an amount of Rs.5129.81 crore stands disbursed to 2227 applicants.

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(v) Advance Licensing Scheme: With a view to facilitating exports and to access duty-free inputs under the scheme, standard input-output norms for about 300 textiles and clothing export products have
been prescribed and this scheme remained under operation.

(vi) Duty Exemption Pass Book (DEPB) Scheme: DEPB credit rates have been prescribed for 82 textiles and clothing products. The nomenclature and rates for DEPB entries pertaining to certain textile products have been rationalized.

(vii) Duty Drawback Scheme: The exporters are allowed refund of the excise and import duty suffered on raw materials under the scheme so as to make the products more competitive in the international market. Changes in All Industry Drawback Rates for year 2003-04 were last revised on 29.01.2004, which came into effect from 09.02.2004. These changes were effected consequent on reduction in Basic customs duty from 25% to 20% and abolition of SAD(Special Additional Duty).

(viii) Human Resource Development: Attention has also been paid to Human Resource Development in the textile sector. Towards this end, particular mention deserves to be made of National Institute of Fashion Technology (NIFT) which is imparting training to Fashion Designers and Fashion Technologists to cater to the human resource requirements of garment industry. The NIFT has 7 branches at Delhi, Mumbai, Calcutta, Hyderabad, Bangalore, Chennai and Gandhinagar. Ministry of Textiles is also concerned over the need to improve the quality of textile training institutes in the country. Therefore, a Nodal Centre for Upgradation of Textile Education has been established at the Indian Institute of Technology, Delhi with funding from the Ministry of Textiles. The Apparel Export Promotion Council has been running Apparel Training and Design Centres (ATDCs) at important apparel centres located at Chennai, Delhi, Kolkata, Hyderabad, Jaipur and Bangalore in order to impart training at shop floor level to meet the growing needs of apparel industry.

(ix) Construction of Apparel International Mart: Apparel Export Promotion Council is constructing an Apparel International Mart at Gurgaon with assistance from Government. For this purpose a grant of Rs. 15 crore was released during the year 2001-02 and of Rs. 30 crore has been released during the year 2003-04. The total area of the plot is 5 acres and it is proposed to build an Apparel International Mart (AIM) Complex and 250-300 showrooms also which will be allotted to the exporters. This will provide a world class facility to the apparel exporters to showcase their products and will serve as one stop shop for reputed international buyers. The work for construction of apparel mart is in progress. The apparel international mart is expected to start functioning from November/December.

(x) Setting up of modern laboratories: The Ministry of Textiles has assisted the Textile Committee in setting up of modern textile laboratories to ensure that the textiles exported from the country meet all international environmental standards.

(xi) Apparel Park for Exports Scheme: A centrally sponsored scheme titled “Apparel Parks for Exports Scheme” has been
launched. The scheme is intended to impart focussed thrust to setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. Since the inception of scheme in March 2002, eleven Project Proposals has been sanctioned for setting up Apparel Parks at Tronica City & Kanpur (U.P.), Surat (Gujarat), Thiruvananthapuram (Kerala), Visakhapatnam (Andhra Pradesh), Ludhiana (Punjab), Bangalore (Karnataka), Tirupur & Kanchipuram (Tamil Nadu), SEZ, Indore (Madhya Pradesh) and Mahal (Jaipur, Rajasthan).

(xii) Textile Centres Infrastructure Development Scheme (TCIDS): Development of infrastructure facilities at pre-dominantly textile/apparel sector areas is one of the thrust areas of NTxP-2000. For attaining this objective, a new scheme (TCIDS) has been launched for upgrading infrastructure facilities at important textile centers. Presently, schemes have been sanctioned for upgradation of Textile Centres such as Pashmylarlam-Distt. Medak, Sircilla-Distt. Karimnagar and Warrangal (Andhra Pradesh), Panipat (Sector 29, Phase-II, Haryana), Indore (Madhya Pradesh), Jassol, Balotra-Bithuja belt (Barmer Distt., Rajasthan), Narol-Shahwadi-Ahmedabad City and Pandesara-Surat, (Gujarat), Tirupur and Kancheepuram(Tamil Nadu), Solapur and Bhiwandi (Maharashtra), and Kannur (Kerala).

(xiii) Organisation of buyer-seller meets/fairs in the country as well as abroad: The textile Export Promotion Councils have been regularly conducting seminars, organizing buyer seller meets, participating in exhibitions abroad to promote textile exports. Besides, events like TEXSTYLES India, Handicrafts and Gift Fair, India International Garment Fair are also organized in the country to provide an exposition of India’s capabilities in textile and clothing sectors to the visiting foreign buyers.

**BILATERAL TRADE ISSUES**

EU’s bilateral agreements regarding quota/GSP benefits: The scheme of Generalised System of Preferences (GSP) of the European Union (EU) for the period 1st January 2002 to 31st December 2004 inter-alia provides for suspension by the EU of customs duties for all products which have not graduated, under special tariff arrangements to combat drug production and trafficking. Pakistan is one of the beneficiary countries under this special arrangement. As this may adversely affect India’s exports to EU India had taken up this issue with EU through bilateral consultations held in February 2002. During the consultations it was highlighted that India would stand to lose substantial trade, particularly in the textiles and clothing sector, on account of duty concessions given selectively to Pakistan. The EU was requested to rectify the adverse trade impact due to such concessions. The bilateral consultations did not however yield the desired results from India’s point of view. As the first step to resolve the above dispute with EU, under the Dispute Settle-
ment Mechanism of WTO, it was decided to seek consultations with EU. The consultations were held with EU on 25th March 2002 during which certain details regarding adverse impact on our trade were conveyed to the EU. These consultations have however not led to positive results. Another round of consultations was held with EU on 9th July, 2002. The EU has not yet addressed our concerns in this regard. India sought the establishment of a panel in the dispute. The Dispute Settlement Body (DSB) during its meeting on 22nd January 2003 established the panel to examine India’s claim in the dispute. The Panel has endorsed India’s view that the EC violated its GATT/WTO obligations in granting tariff preferences to 12 other WTO Members under the ‘Drug Arrangements’ window of its GSP Scheme. The Panel has ruled that the Drug Arrangements violate the MFN clause, as tariff preferences under it are not given ‘unconditionally’, and that the Enabling Clause is an exception to it. The Drug Arrangements of EC were also not justified under the Enabling Clause. EC has appealed certain findings of the panel before WTO’s Appellate Body. The Appellate Body has since given its ruling, in which it has upheld, for different reasons, the Panel’s conclusion that the European Communities “failed to demonstrate that the Drug Arrangements are justified under paragraph 2(a) of the enabling Clause”. It has however reversed inter-alia the Panel finding that “the term ‘non-discriminatory’ in Footnote 3 [to para 2(a) of the Enabling Clause] requires that identical tariff preferences under GSP schemes be provided to all developing countries without differentiation, except for the implementation of a priori limitations”. The Appellate Body has finally recommended that the Dispute Settlement Body request the EC to bring Council Regulation (EC) No. 2501/2001, as modified by the Appellate Body Report, to be inconsistent with Article 1:1 of the GATT 1994 and not justified under paragraph 2(a) of the Enabling Clause, into conformity with its obligations under the GATT 1994.

ANTI-DUMPING/ANTI-SUBSIDY CASES

i) Termination of anti-dumping measures by EC on bed linen from India: The European Commission (EC) has resorted to continuous trade defense measures against import of bed-linen from India. For the past seven years, the Indian bed-linen exports had been suffering from the anti-dumping duties imposed by the EC. The EC had imposed definitive anti-dumping duty on imports of Cotton type bed linen originating from Egypt, India and Pakistan w.e.f. 5.12.1997 in the range of 2.67% to 24.74%. Since the issue could not be resolved through consultations, India approached DSB. The DSB Panel recommended the EC to bring its measures into conformity with its obligation under the AD agreements. Aggrieved by the decision the EC made an appeal to the Appellate Body of WTO. The Appellate Body delivered its ruling which says that the EC has implemented the recommendation of the
original Panel, the Appellate Body and the DSB to bring its measures into conformity with its obligation under the AD Agreement. India then filed an Appeal to the Appellate Body (AB) under Rule 21 of the Working Procedure for Appellate Review on three counts. The Appellate Body in a major ruling delivered on 08-04-2003 reversed the Panel’s finding that the EC did not act inconsistently with paragraphs 1 and 2 of Article 3 of the ADA in determining the volume of dumped imports for purpose of making a determination of injury.

Pursuant to the decision of the Appellate Body, EC has terminated all the anti-dumping measures on bed linen from India vide Council’s Regulation No. 2239/2003 dated 17.12.2003.

**ii) Termination of Anti-dumping/safeguard investigation by Government of Venezuela against imports of readymade garment inter-alia from India:** The Anti-Dumping Commission (ADC), Ministry of Commerce, Govt. of Venezuela on 10.09.2002 initiated an anti-dumping investigation on import of readymade garments from a number of countries including India. The anti-dumping investigation was converted into a safeguard action. Due to political crisis in Venezuela, the matter was pending for quite a long time. The anti-dumping/safeguard investigation has been terminated by Govt. of Venezuela without imposing any duties on exports of garments from India.

**iii) Imposition of countervailing duty by EC against imports of bed linen from India:** A complaint from the Committee of the Cotton and Allied Textile Industries (Eurocotton) was lodged with the EC on 4.11.2002 for initiation of anti-subsidy investigation. In the complaint, the Eurocotton alleged some Schemes of Government of India such as DEPB, Advance Licence, EPZ/EOU, 80 HHC of Income Tax etc. to be subsidizing the export products. The EC initiated anti-subsidy investigation against imports of bed linen from India.

Subsequently, the EC deputed a Verification Team to visit Government of India’s officials and also to have on the spot verification of the sampled companies. The EC verification team visited India during 26 June-25 July, 2003. In the official meeting, the rational and logic of various export promotion schemes was explained to the EC verification team during the presentation. The Team also visited the sampled companies.

The EC has issued a General Disclosure in this case. On the basis of the investigation, EC has calculated the subsidy margin in the range of 4.4% to 12.2% on different companies for imposition of duties. The Government of India held consultations with EC. The EC vide Council Regulation No. 70/2004 dated 17.01.2004 imposed countervailing duty in the range of 4.4% to 10.4% with effect from 18.01.2004.

**TEXTILES COMMITTEE**

The Textiles Committee was established under the Textiles Committee Act, 1963, with the primary objective of ensuring qual-
ity of textiles both for internal marketing and exports. Its functions include promotion of textiles and textile exports, research in the technical and economic fields, establishing standards for textiles and textile machinery, setting up of laboratories, data collection etc.

The Textiles Committee besides its Headquarters at Mumbai, has 30 Regional Offices, with 19 of them with laboratories, including 9 eco testing laboratories. The Committee has the following functional divisions at headquarters, Mumbai (1) Textiles Inspectorate Wing (2) Textiles Laboratory Wing (3) Market Research Wing (4) ISO Wing (5) Vigilance Cell (6) Accounts Wing, and (7) Administration and Co-ordination.

During the year 2002-03, the Committee remitted to the Government of India Rs.38.20 crore towards the cess collection, whereas the funds received by the Committee for its budgeted expenditure during the said financial year was Rs. 20.00 crore. Apart from the cess collected, the Committee also generated Rs. 12.03 crore from various services it rendered to the industry.

The newly launched National Programme for Training of Industry Personnel has received an excellent response. Against 4,000 personnel targeted for training, 4,189 personnel were covered under 22 different subjects by various Regional Offices. The training materials for 7 subjects, viz. Quality Appraisal, Testing, GSP systems, TQM consultancy etc., in which the Committee has expertise, have been developed. For other subjects like visual merchandising, the services of expert agencies (ex: M/s. Rex Studio for Visual Merchandising), were used. The Programmes were designed to be financially self-sufficient. This experience proved that the Committee could play a leading role in addressing the HRD needs of the middle level management of the industry, which has been a neglected area.

A comprehensive countrywide programme for capacity building of textile SMEs, with cluster approach, has been launched in the month of June 2002 in 20 clusters, where the Textiles Committee has presence. The approach/methodology involves identification of common felt needs/gaps of the local industry cluster and devising a 3-year perspective Plan for filling these gaps by way of convergence of services with Industry-Government partnership. Officers of the respective Regional Offices have been identified and designated as Cluster Development Agents, who give exclusive attention to this work. They have been trained in EDI, Ahmedabad and other institutions to sensitise them to the cluster development methodology. Diagnostic studies in all the clusters were completed and several pilot activities/initiatives were taken up for trust-building with the cluster actors and also to refine the plan of action. Consortium approach is being actively promoted as one of the effective tools for strengthening the collective capacity of SMEs and for this purpose, two-day workshop-cum-counseling sessions, were conducted in
15 clusters throughout the country by using the services of EDI, Ahmedabad. Similarly, workshop-cum-counseling sessions were organized in 8 clusters to sensitize the potential units about the export marketing process with the services of Global Network, an international trade consultancy firm, based in Ahmedabad. In order to expose the SMEs to better work practices and technologies, exposure visits were organized for 40 SMEs of Kanpur and Solapur clusters to Tirupur and adjoining areas; 15 units of Bhawani cluster to Panipat cluster. The other activities included: facilitating the induction of cleaner production technologies; sensitization to technology upgradation; facilitating the establishment of training institutions for skill development; sensitization to process optimization systems/technologies and others. The Committee has also played an active role in the Project conceived by Indo-Italian Chamber of Commerce and Industry for twinning Tirupur and Treviso Clusters. With these activities, the Committee has stepped out of its limited role of a service-provider to assume a broader role of cluster development agency.

**NATIONAL INSTITUTE OF FASHION TECHNOLOGY**

The National Institute of Fashion Technology (NIFT) was registered as an Autonomous Society in 1986. It is a Government funded institution under the Ministry of Textiles with Secretary (Textiles) as Chairman of the Board of Governors (BOG). Besides the Chairman, there are 17 members on the Board of NIFT, including the Director General who is the Chief Executive Officer of the organisation. The present Board of NIFT was re-constituted on 12.02.2004. The NIFT was established in collaboration with the Fashion Institute of Technology (FIT), New York. The genesis of NIFT was in the idea of an apex institution to cater to the growing needs of India’s evolving fashion industry. Over the years, NIFT has emerged as the premier training institute in India nurturing and creating bright generations of professionals in different areas of fashion technology, meeting the human resource requirements of this vital industry. Its high level of interaction and collaboration with the leading fashion institutions of the world has enhanced the stature and scope for the fashion industry in India to meet the challenges of the industrial competitiveness on a global plane. Between 1986-95, NIFT was a single unit entity at Delhi offering a varied range of full time programmes and professional courses. Beginning from July, 1995 NIFT has set up under its umbrella six other Centres located at Bangalore, Kolkata, Chennai, Gandhinagar, Hyderabad and Mumbai. These Centres have a Director in-charge who is assisted by a Registrar and a nucleus staff; Director General being responsible for the overall coordination and monitoring of the activities of these Centres. The Centres are under the common management of the BOG. The State Level Management Committee (SLMC) of each Centre, consisting of representatives from the Government, Industry and having the Chief Secretary as its
Chairman, acts as a link among the Industry, NIFT Centre, State and Central Governments. The Registrar of the Centre is the designated Member-Secretary of the SLMC.

The diplomas awarded by NIFT to its students do not qualify as a degree for admission to post graduates level/other courses. In this background, efforts are being made by the Ministry to declare NIFT an institute of national importance like IITs, IIMs etc. through an Act of Parliament.

**Fashion/Business Event of NIFT**

With the objective to highlight India’s potential in the textile sector, NIFT organized an Event titled D.Sy.N. @04 in March, 2004. The Event was promoted by Ministry of Textiles. The Event had a series of fashion shows, a theme pavilion, exhibitions, seminars, business interactions, and provided the right ambience for fostering the growth of the industry. It envisaged the active participation of supply chain partners like fibre, yarn and fabric manufacturers in the process of product development through designers.

**Admission Target and Achievement**

During the year 2003-04 (till 31-10-2003) NIFT admitted 920 students against the target of 850. NIFT has good track record of placement services. In the previous year NIFT arranged placement for 656 students out of 920 admitted in the year.