

STRATEGIC PLAN (2012-2017)

MINISTRY OF TEXTILES

February 2014

Strategic Plan (2012-13 – 2016-17) of the Ministry of Textiles

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INTRODUCTION

The Textile sector comprising cotton, man-made fibres, jute, sericulture & silk, wool, a number of speciality fibres and their products and handlooms and handicrafts, play a key role in the Indian Economy by way of significant contribution to GDP, manufacturing output, employment generation and export earnings.

Box 1: Textile Sector's contribution to the Indian Economy

- 2% of GDP (at factor cost)
- 14% Industrial Production
- 11% of total manufacturing exports.
- Employs about 35 million people

The Governments, both Central and State, play a major role in the development of the Textile sector. The Government's role extends to a range of activities such as price support to cotton and jute, incentives for investments in technology up-gradation and modernisation, setting up of world class Integrated Textile Parks, implementation of Technology Mission on Cotton, Jute and Technical Textiles, development of mega clusters for powerlooms, handlooms and handicrafts, development of handlooms, handicrafts, sericulture and wool sub-sectors by implementing a number of schemes, implementation of welfare schemes for handloom weavers and handicrafts artisans and promoting skill development of textile workers in collaboration with the industry. The Government is also providing a number of incentives for export of textile products. A large network of Government Offices, public sector enterprises, textile research associations, textile design and education institutions such as National Institute of Fashion Technology (NIFT), Sardar Vallabhai Patel International Institute of Textile Management, various textile industry associations, Export Promotion Councils etc. provide a robust institutional framework for the development of the textile sector.

The Strategic Plan (2012-13 – 2016-17) of the Ministry of Textiles has been prepared with a view to achieving a number of strategic development goals and objectives for the textile sector set by the Ministry of Textiles in consultation with the stakeholders.

DEFINING THE ASPIRATIONS

SECTION 1: VISION, MISSION, OBJECTIVES AND FUNCTIONS

1.1.VISION

To create a modern, vibrant, integrated and world-class textiles sector including handlooms and handicrafts to produce cost efficient and high quality textiles, apparels and handicrafts for domestic and export sectors.

1.2. MISSION

To promote planned and harmonious growth of textiles by making available adequate fibres to all sectors so as to achieve a CAGR of 11.5 % in Textiles & Apparel production; to promote technological up-gradation for all types of textiles including technical textiles, jute, silk and wool; to promote skills of all textile workers, handloom weavers and handicrafts artisans, with a target of imparting training to 26.75 lakh persons in 5 years; to ensure proper working environment and easy access to health care facilities and insurance cover to weavers and artisans to achieve better quality of life; to promote exports of all types of textiles and handicrafts so as to achieve annual average growth rate of 15 % in exports and to increase India's share of world exports of textile & apparels.

1.3. OBJECTIVES

1. To achieve sustainable growth, modernization, value addition, increase in exports and overall development of the Textiles sector in the country.
2. To ensure integrated development and promotion of Jute sector.
3. To promote growth, development and exports in Sericulture & Silk sector.
4. To develop and modernize the decentralized Powerlooms sector.
5. To develop Handicrafts Sector, increase handicraft exports and welfare of artisans.

6. To develop Handlooms sector, increase handloom exports and welfare of weavers.
7. To develop Wool & Woollen textiles sector and increase in exports of woollen products.
8. To strengthen textiles and Fashion Education.
9. To Promote Growth and Development of technical textiles in India – implementation of Technology Mission on Technical Textiles (TMTT).
10. To improve the functioning & performance of PSEs and Responsibility Centres.
11. To promote Textile Sector Development in the North East Region.

1.4. FUNCTIONS

1. To promote domestic and foreign direct investments in the textiles sector.
2. To formulate appropriate policies and schemes for all sectors of textiles and fibres and improve production, productivity and quality of cotton, jute, silk, wool and other natural fibres.
3. To promote R&D in textiles sector and strengthen the data base.
4. To create Centres of Excellence and formulate regulatory framework and standards for technical textiles.
5. To facilitate the development of the handlooms sector and handicrafts sector.
6. Dissemination of schemes, programmes and designs, etc, through the print and electronic media, seminars and workshops, roadshows and websites of the Ministry and various organizations under it.
7. To improve the penetration of schemes in the NE Region.
8. To implement Social Security Schemes for weavers, artisans and allied workers in handlooms, handicrafts, powerlooms and wool sectors.
9. To improve the functioning & performance of PSUs.
10. To implement RFD system for the Ministry and various organizations under it.

SECTION 2: ASSESSMENT OF THE SITUATION.

2.1. Present Status of the Indian Textile and Garment Industry.

2.1.1. Size of the Industry

India's textiles and clothing industry is one of the mainstays of the national economy. The Indian Textiles Industry is an economic stalwart. Currently, it contributes about 14 percent to industrial production, 2 percent to the GDP, and 11 percent to the country's export earnings. The Textiles Sector provides direct employment to over 35 million people in India, holding the position of the second largest provider of employment after agriculture. Thus, the growth and all around development of this industry has a direct bearing on the nation's economic strength.

The Index of Industrial Production (IIP) data covers two textile groups namely, textiles and wearing apparel; dressing and dyeing of fur. The IIP data from 2008 – 09 to 2012 – 13 of all the textile groups is given below.

**Table 1. Index of Industrial Production
(Base: 2004 – 05)=100)**

Item	2008 – 09	2009 – 10	2010 – 11	2011 – 12	2012 – 13	CAGR%
1	2	3	4	5	6	7
Textiles	120.1	127.4	135.9	134.0	142.0	3.41%
Growth(%)		6.08%	6.67%	-1.40%	5.97%	
Wearing apparel; dressing and dyeing of fur	134.6	137.1	142.2	130.1	143.6%	1.30%
Growth(%)		1.86%	3.72%	-8.51%	10.38%	

Source: Ministry of Statistics and Programme Implementation, New Delhi.

According to the latest estimates available on the Index of Industrial Production (IIP), textiles and production of wearing apparel; dressing and dyeing of fur have shown a positive growth in all the years except 2011 – 12 registering a CAGR of 3.41% and 1.30% respectively.

It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. In the global exports of Textiles, India ranked as the third largest exporter, trailing EU-27 and China, as per WTO data – 2011 (latest). In the global market exports of clothing, India ranked as the fifth largest exporter as per WTO data – 2011 (latest), trailing Bangladesh, Hong Kong, EU-27 and China.

India accounts for 22 per cent of the world's installed capacity of spindles and is one of the largest exporters of yarn in international market. It has second highest spindleage in the world after China. Indian textile has the highest loomage (including handlooms) in the world and contributes about 61 per cent to the world loomage.

2.1.2. Organization of Indian Textile & Garment Industry

- Majority of weaving, knitting, processing and garmenting sector is in the unorganized sector.
- Spinning sector is relatively in the organized sector.
- Mill sector is in the organized sector engaged in spinning and weaving
- Unorganized sector is divided into
 - Powerloom (Weaving)
 - Handlooms (Weaving)
 - Hosiery (Knitting/Garmenting)

2.1.3. PRODUCTION

2.1.3.1. Natural Fibre

India is the second highest producer of cotton after China contributing about 21.6% of world production. In case of jute, India is the largest producer contributing about 55.2% of world jute production. In case of silk, India is the second largest producer next to China, contributing 17.78% of world production.

Table 1a. Production of Natural Fibre, Synthetic Fibres and Yarn.

Items	Total Production (2011 – 12)	% World Production
Cotton	26.50 Million of 480-lb. bales	21.60%
Jute	1845.0 Million Kg	55.20%
Silk	23060 (MT)	17.78%
Wool	44.40 (Million .Kg.)	2.0 %

Sources: <http://ministryoftextiles.gov.in>

http://www.jute.org/statistics_01.htm

International Sericultural Commission

2.1.3.2. Installed capacity

During the last ten years capacity addition has increased at a CAGR of 6.46% for man-made filament yarn, 4.48% for man-made fibres, 4.4% for rotors, and 2.97% for powerlooms and 2.11% for spindles. There was no significant growth in capacity addition in respect of looms in organised sector (huge decline of 8.67%) and worsted and non-worsted spindles.

Table 2. Installed Capacity

Item	Unit	2001-02	2011-12 (P)	CAGR %
Spindles (SSI + Non SSI)	Million No	38.33	48.25	2.11%
Rotors (SSI + Non SSI)	Lakh No.	4.8	7.71	4.40%
Looms (Organised Sector)	Lakh No.	1.41	0.52	-8.67%
Powerloom	Lakh No.	16.66	22.98	2.97%
Man-Made Fibres	Million Kg	1090	1766.00	4.48%
Man-made Filament	Million Kg	1135	2259.99	6.46%
Worsted Spindles (Woolen)	Thousand No.	598	604	0.09%
Non-Worsted Spindles (Woolen)	Thousand No.	426	437	0.23%

Source: 1) Textile Commissioner, Mumbai

2) <http://ministryoftextiles.gov.in>

2.1.3.3. Spinning and Weaving Mills

During the last ten years, while the number of spinning and powerloom units registered positive growth rates, there was a decline in the number of handlooms units, composite mills and exclusive weaving mills.

Table 3: No. of Spinning and Weaving Mills

Item	Unit	2001-02	2011-12 (P)	CAGR %
Spinning Mills (Non-SSI)	No.	1579	1761	1.00%
Composite Mills (Non-SSI)	No.	281	196	-3.22%
Total	No.	1860	1957	0.46%
Exclusive Weaving Mills (Non-SSI)	No.	207	173	-1.62%
Spinning Mills (SSI)	No.	1046	1336	2.25%
Powerloom Units	Lakh No.	3.75	5.20	3.02%
Handloom Units*	Lakh No.	38.91	23.77	-4.38%

Sources: 1) Textile Commissioner, Mumbai

2) <http://ministryoftextiles.gov.in>

2.1.3.4. Fibre and Yarn

During the last five years, the production of man-made fibres increased at a CAGR of 3.63%, man-made filament yarn at 3.88% and spun yarn at 3.17%.

Table 4. Trends in production of fibre and yarn

Unit: Million Kg.

Item	2001-02	2011-12	CAGR %	Projection for 2016 – 17
Man-made fibres	834	1234	3.63%	1474.54
Man-made filament yarn	962	1463	3.88%	1770.12
Total Spun Yarn	3101	4372	3.17%	5110.80
a) Cotton yarn	2212	3126	3.19%	3658.17
b) Blended & 100% Non Cotton yarn	889	1246	3.12%	1452.65

Source: Textile Commissioner, Mumbai

2.1.3.5. Cloth Production

During the last ten years, total cloth production registered a CAGR of 3.34%. The powerloom, mill and hosiery sectors contributed to the increase in cloth production.

Table 5: Trends in Segmental share of Cloth Production

Unit: Million Sq. mtr

Item	2001-02	2011-12	CAGR %	Projection for 2016-17 as per current CAGR	Targeted CAGR for the next 5 years (percent)	Projection for 2016-17 as per the targeted CAGR
Mill Sector	1546	2313	3.73%	2778	6	3095
Handlooms Sector	7585	6901	-0.86%	6609	3	8000
Powerloom Sector	25192	37445	3.67%	44839	10	60306
Hosiery Sector	7067	12946	5.66%	17049	12	22815
Others (Khadi, Wool & Silk)	714	848	1.58%	917	4	1032
Total Cloth Production	42104	60453	3.34%	71246	7	84788

Source: Textile Commissioner, Mumbai

2.1.3.6. Composition of Cloth Production

Powerlooms and hosiery segments together contribute 83.35% of the total cloth production.

Table 6: Composition of cloth production

Segment	Contribution to total Cloth Production (%)
Mill	3.83
Handlooms	11.42
Powerloom	61.94
Hosiery	21.41
Others (Khadi, Wool & Silk)	1.40

Source: Textile Commissioner, Mumbai

2.1.3.7. Garment Industry

The garment sector is decentralized, with substantial part of production being sub-contracted to small fabricators and contract manufacturers. It is estimated that there are over 75,000 garment units in India, but most of them are small in size and undertake work as contract manufacturers for large exporting firms.

It has been accepted that the readymade garment industry is in the throes of a crisis and needs a lifeline. There was a demand to restore the 'zero excise duty route' for cotton and manmade sector (spun yarn) at the yarn, fabric and garment stages. Zero excise duty route, as existed prior to Budget 2011-12, has been restored on readymade garments and made ups. The zero excise duty route will now be available in addition to the CENVAT route under which manufactures can pay excise duty on the final product and avail of credit of duty paid on inputs. S.No. 16 of notification No. 30/2004-CE dated the 9th July, 2004 as amended by notification No. 11/2013-CE dated the 1st March, 2013 and S.No. 7 of notification No. 7/2012-CE dated 17th March, 2012, as amended by notification No. 8/2013-CE dated the 1st March, 2013 may be referred to for details. [Source: Note on Textiles & Clothing Exports of India: <http://ministryoftextiles.gov.in>]

2.2. Export Scenario:

India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. The report of the Working Group constituted by the Planning Commission on boosting India's manufacturing exports during 12th Five Year Plan (2012-17), envisages India's exports of Textiles and Clothing at USD 64.41 billion by the end of March, 2017. The textiles industry accounts for 14% of industrial production, which is 4% of GDP and accounts for nearly 11% share of the country's total exports basket.

India's textile exports registered a robust growth of US\$ 22.15 billion in 2007-08 to 33.31 billion in 2011-12, registering a CAGR of 8.50% during 11th Five year Plan. The growth continued in 2006-07 with T&C exports of US\$19.15 billion recording an increase of 9.28% over the previous year and reached USD 22.15 billion in 2007-08 denoting an increase of 15.7% but declined by over 5% in 2008-09. Exports of Textiles & Clothing grew from USD 21.22 billion in 2008-09 to USD 22.41 billion in 2009-10 and has touched USD 27.47 billion in 2010-11. In the financial year 2011-12(P), exports of textiles and clothing, has grown by 20.05% over the financial year 2010-11 to touch USD 33.31 billion.

Country-wise analysis indicates India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-thirds of India's textiles exports. The other major export destinations are China, U.A.E., Sri Lanka, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, Pakistan, Brazil, Hong-Kong, Canada and Egypt etc.

In the liberalized post-quota period, India has emerged as a major sourcing destination for buyers from all over the globe. As a measure of growing interest in the Indian textiles and clothing sector, a number of reputed houses opened their sourcing / liaison office in India. These include Marks and Spencer, Haggar Clothing, Kellwood, Little Label, Boules Trading Company, Castle, Alster International, Quest Apparel Inc., etc. Commercially the buoyant retailers across the world are looking for options of increasing their sourcing from the Indian markets. Indian manufacturers are also pro-actively working towards enhancing their capacities to fulfil this increased demand.

2.3. Performance of Competitors

Growth rates of India's textiles & clothing exports to the world exports during 11th Five Year Plan is given below:

Table 7: Growth rates of textiles and clothing exports to the world exports

(In billion US\$)

Year	Textiles			Clothing		
	World Export	India's Exports	India's %age share in world exports	World Export	India's Exports	India's %age share in world exports
2007	241.3	9.81	4.06	347.06	9.93	2.86
2008	253.4	10.45	4.12	364.91	11.50	3.15
2009	211.1	9.12	4.32	315.62	11.45	3.62
2010	251.0	12.87	5.13	351.0	11.00	3.13
2011	293.5	15.01	5.13	412.45	14.36	3.48

Source: International trade statistics 2012, WTO Secretariat. Reproduced in Note on Textiles & Clothing Exports of India: <http://ministryoftextiles.gov.in>.

During the post- quota period, India's competitors, viz, Bangladesh and China, achieved higher export growth rate than India due to their better competitiveness. In the global exports of Textiles, India ranked as the third largest exporter, trailing EU-27 and China, as per WTO data – 2011 (latest). In the global market exports of clothing, India ranked as the fifth largest exporter as per WTO data – 2011 (latest), trailing Bangladesh, Hong Kong, EU-27 and China. The latest available data released by WTO Secretariat, the values of top ten exporters of textiles & clothing in the world in calendar year 2012 are given below:-

Table 7a: Top ten exporters of textiles & clothing in the world

(US\$ billion)

Textiles (2011)				Clothing (2011)		
Rank	Name of the Country	Value	% of world share	Name of the Country	Value	% of world share
1	China	94	32.2	China	154	37.3
2	EU – 27	77	26.1	EU – 27	116	28.2
3	India	15	5.1	Hong Kong, China	25	--
4	United States	14	4.7	Bangladesh	20	4.8
5	RP Korea	12	4.2	India	14	3.5
6	Hong Kong, China	11	--	Turkey	14	3.4
7	Taipei, Chinese	11	3.8	Viet Nam	13	3.2
8	Turkey	11	3.7	Indonesia	8	2.0
9	Pakistan	9	3.1	United States	5	1.3
10	Japan	8	2.7	Mexico	5	1.1
	World total	294		World total	412	

Source: International trade statistics 2012, WTO Secretariat. Reproduced in Note on Textiles & Clothing Exports of India: <http://ministryoftextiles.gov.in>.

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One of the major strategies adopted to increase exports is to tap new markets in Latin American countries, Eastern European Countries, Middle-East. As part of this strategy, mega textile shows have been held to capture new markets in Japan, South Asia and Latin American countries. MoU on international cooperation on Textiles has been signed with the countries like Sri Lanka, Australia, Czech.

2.4. International Competitiveness

The standard costs of production is one of the major factors in determining international competitiveness in global textile and apparel industries. This include key cost categories: the price of land, price of labour, hours worked, electricity and energy costs, building costs (or rent), ocean transport, land transport and taxation. Along with this equally important are delivery times and the cost of inventories held in the factory, in transit or at the warehouse. The table given below indicates Input Costs ranking in five countries. We have strong competition with Pakistan, Bangladesh and China with respect to apparel and garment manufacturing industry. In order to improve our competitiveness and thereby increase our textile exports, we have to focus on increasing labour productivity/ reducing labour costs, improving the working hours, reducing power cost, reducing transport costs and reducing the VAT rates for apparels.

Table 8 : Input Cost Ranking in Five Countries

COST/ RANKING	1	2	3	4	5
Labour Cost (a) (US\$/hour)	Bangladesh (0.32)	Cambodia (0.53)	Pakistan (0.55)	India (0.83)	China (1.44)
Hours Worked (b)	Bangladesh (2336)	China (2328)	Pakistan (2324)	India (2280)	Cambodia (1960)
Power Cost (c) (US\$/KWH)	Bangladesh (0.053)	China (0.065)	Pakistan (0.071)	India (0.086)	Cambodia (0.14)
Ocean Transport (d) (US\$/20 container)	China (1800)	Bang./ Camb. (1900)	Pakistan (2000)	India (2100)	
Land Transport (US\$/20 container)	Bangladesh (250)	Pakistan (300)	India (400)	China (470)	Cambodia (600)
Building Cost (US\$/Sq .m)	China (97)	Bangladesh (120)	Cambodia (130)	India (140)	Pakistan (150)
Vat for Textile and Apparel Export (%)	Bangladesh, Pakistan, Cambodia(0)				India (12.5%) and (0) in SEZ
Corporate Tax (% of profits)	Cambodia (20)	China (25)	India (33.6)	Bang./Pakistan (35)	

Source: **Werner International . Reproduced in** “Benchmarking of International Competitiveness of the India Textile and Apparel Industry”, ICRIER, New Delhi, January 2011.

2.5. Employment & Skill levels:

At present, the industry provides direct employment to about 35 million people holding the position of the second largest provider of employment after agriculture. The major concern which might hamper the growth prospects of the industry is the non-availability of quality & skilled manpower and the inadequacy of training facilities in the country.

XII Plan Approach towards Skill Development focuses on enhancing skills and faster generation of employment, in order to reap the demographic dividend. Skill building can be viewed as an instrument to improve the effectiveness and contribution of labor to the overall production. It is an important ingredient to push the production possibility frontier outward and to take growth rate of the economy to a higher trajectory. Skill building could also be seen as an instrument to empower the individual and improve his/her social acceptance or value.

Keeping in mind the need to upgrade the skills of textile workers / handloom weavers, develop competitiveness in the textile industry and increase employability, the Ministry of Textiles, Government of India has launched Integrated Skill Development Scheme (ISDS). The scheme ISDS has been launched with the objective to build the capabilities of those institutions that currently provide training and skill development programmes in the textile and apparel sectors (this includes Jute and Handicraft).

As part of the programme, ISDS at a cost of Rs 1900 crores to provide training to 15.00 lakh persons for jobs in the textile and apparel sectors, including Jute & Handicrafts during 2012-17, leveraging the existing training infrastructure within the Ministry, on the one hand and private sector participation through a PPP Model on the other, has been launched. The private sector is also expected to play a major role in providing facilities for skill development.

Govt. has also adopted cluster approach for skill-upgradation.

2.6. Skill Upgradation of Handicraft Artisans:

To upgrade skills and build capacity under Design & Technology Upgradation Schemes, 297 events like Design Workshops, Design Projects, SIDC, Product Dev. Project, Design Bank, Shilp Guru etc. have been organised.

In addition under the Human Resource Development, 496 programmes like Training Programme through institutions, Programmes under Guru Shishya Prampara, Seminars, Pattern Making and Capacity Building have been

conducted to provide training in special fields to staff working in O/o DC(Handicrafts) and NGOs in Admin., IT, finance management and implementation of projects.

Under Welfare Scheme 1.89 lakh Handicrafts artisans have been covered under Bima Yojana and 8.05 lakh artisans under RGSSBY to provide Life Insurance cover and Health Insurance cover respectively.

2.7. Nature and extent of Government Intervention

Plan allocation for the Ministry of Textiles has been witnessing a percentage growth of 25 percent during 1997-2012. During 11th Five year Plan it has gone up from Rs. 2243.00 crores in 2007-08 to Rs. 5000.00 crores in 2011-12 with a CAGR of 17.39%. The high growth rate of plan allocation at about 25% per year needs to be continued during the next two plan periods to sustain the investment activity in the sector. The allocation for 12th Five Year Plan is Rs.25931 crore.

The major plan investments are aimed at modernization and technological upgradation, setting up of integrated textile parks, development of mega clusters for powerloom, handloom and handicrafts, skill development of the textile workforce, enhancing welfare of the weavers and artisans etc.

2.8. Welfare of handloom weavers.

To uplift the living & working conditions and to provide social security and health insurance to handloom weavers, government is rigorously implementing various programmes.

Under Handloom Weavers' Comprehensive Welfare Scheme, 16.00 lakh weavers and ancillary workers were provided Health Insurance coverage against a target of 16.00 lakh weavers.

Further, 6.00 lakh weavers and ancillary workers enrolled under the Mahatma Gandhi Bunkar Bima Yojana (MGBBY) for Life Insurance Cover.

2.9. Textile sector development in the NER:

As an initiative to develop the NER, the Govt. has stipulated earmarking of 10% of total plan outlays for Schemes in the North Eastern Region. Any unspent amount will go to the Non-Lapsable Central Pool of Resources for the North East.

In addition, the grant position of the NER schemes has been liberalised.

Under the provision of 10% earmarking, outlay for NER has increased substantially from Rs. 224.00 crores in 2007 – 08 to Rs. 500.00 crores in 2011 – 12 commensurating with the increase in the total plan outlay.

However, in the absence of any viable & feasible proposal from the North East for assistance under major schemes of the Ministry such as Technology Upgradation Fund Scheme (TUFS), Scheme for Integrated Textile Park (SITP), Cotton Technology Mission (CTM) etc., expenditure remains less than 50% of the total allocation as investment in this sector is basically demand-driven.

With a view to addressing the problem, the Ministry of Textiles has taken action to formulate special schemes suitable to the North East under sub sectors such as handlooms, handicrafts and sericulture.

NER Textile Promotion Scheme:

Since the North Eastern Region faces unique constraints such as sparse population, vast distances, inadequate infrastructure, insufficient supply of raw material, lack of market access, lack of adequate built up space for work-sheds/factories, lack of designers, consultants, trained staff etc., the normal schemes of the Ministry have many limitations for successful implementation in the region. It is proposed to change the implementation strategy for the NER, aimed at permitting them greater flexibility in deciding the contours and norms for their textiles projects suited to their special requirements in order to achieve the objectives of the textile sector schemes. This umbrella scheme is drawn up in order to provide a framework within-built flexibility, to be called the NER Textile Promotion Scheme with a total cost ceiling of Rs. 1038.10 crore during the 12th Five Year Plan.

The broad objective of the North East Textile Promotion Scheme is to develop and modernise the textile sector in the North East Region by providing the required Government support in terms of raw material, seed banks, machinery, common facility centres, skill development, design support etc. The specific objectives of the scheme include increase in the value of textile production, technology upgradation, improvement in design capability, diversification of product lines and value addition, better access to domestic and export markets, clusterisation and improvement in labour productivity.

The Scheme will cover all textile sub-sectors, the traditional VSE sectors of Handlooms, Handicrafts, Sericulture and Jute as well as the Powerloom sector and the Garmenting & Made Up sector.

The Scheme will be implemented throughout the North East Region covering the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim and Tripura.

The State Governments will be required to submit project proposals to be implemented by the State Governments or jointly with other organizations such as co-operatives, reputed NGOs registered under Societies Act, Special Purpose Vehicles (SPVs) registered under section 25 of the Companies Act. For Central Sector Schemes, the projects may be submitted directly.

The expenditure under the scheme will ordinarily be shared between Ministry of Textiles and the implementing agency in the ratio 90:10. However, the sharing pattern of expenditure may be modified to 100% expenditure by the Ministry where Central Sector pattern of implementation is followed e.g. Centres of Excellence and Geotextiles.

The scheme has been approved in CCEA meeting held on 7.11.2013.

2.10. Functioning of PSUs.

Following eight PSUs are functioning under the Ministry of Textiles:

1. National Textile Corporation Limited (NTC)
2. National Jute Manufactures Corporation Limited(NJMC)
3. Handicrafts & Handlooms Exports Corporation Of India Ltd.(HHEC)
4. Jute Corporation Of India Ltd., Kolkata (JCI)
5. The British India Corporation Limited (BIC)
6. National Handloom Development Corporation (NHDC)
7. Central Cottage Industries Corporation Of India Ltd. New Delhi (CCIC)
8. The Cotton Corporation Of India Ltd. , Navi Mumbai. (CCI)

1. NATIONAL TEXTILE CORPORATION LIMITED (NTC):

National Textile Corporation (NTC), which was set up in 1968 to manage the affairs of sick textile mills. The NTC has presently modernized 18 mills and further expansion in 5 mills is under implementation and has achieved a total turnover of Rs.692.00 crore.

2. NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

The Government has approved the revival of National Jute Manufactures Corporation (NJMC) Limited. As per the revival package three mills of NJMC out of six closed mills have started commercial production.. The revived mills will operate as model modernised mills and produce 82,500 MT of packaging

material every year. This will meet about 8% of the total demand by jute packaging material by Government agency.

3. HANDICRAFTS & HANDLOOMS EXPORTS CORPORATION OF INDIA LTD.

HANDICRAFTS & HANDLOOMS EXPORTS CORPORATION OF INDIA LTD (HHEC) , a Govt. of India, Ministry of Textile company has an exhaustive range of Indian handicrafts , Indian handlooms , Indian decoratives, Indian gifts, Indian antiques, leather decoratives, gems and jewellery, leather decoratives, wrought iron handicrafts.

E-marketing platform has been developed by the Handicrafts and Handlooms Export Corporation of India (HHEC). The website of the corporation has more than 1000 differentiated product of handicraft, handloom, carpets, jewellery etc.

4. JUTE CORPORATION OF INDIA (JCI) LTD., KOLKATA

Jute Corporation of India Limited (JCI) has distributed 2917 MT of certified seeds at subsidised rates through its outlets. JCI alongwith National Jute Board will also facilitate development of new machinery and retting technologies to improve the quality and productivity of jute crop.

5. BRITISH INDIA CORPORATION LTD.(BIC):

The BRITISH INDIA CORPORATION LTD (BIC) was established in 1920 as Public Limited Company and in 1981 was nationalised and taken over by government of India. The PSU has two woollen mills, one at Kanpur and another at Dhariwal (Punjab) and manufacture popular brands of woollen products under the brand name of “Lal-imle” and “Dhariwal”. As per techno economic viability report for modernization of BIC is under consideration.

6. COTTON CORPORATION OF INDIA (CCI):

Cotton farmer's interests are protected through the mechanism of Minimum Support Price (MSP) which is fixed by Government based on the recommendations of CACP. From 1988-89 to 2009-10 CCI earned profit of Rs.783.12 crores and net profit after tax of Rs.506.17 crores. During the financial year 2011-12, the Corporation has incurred a marginal net loss of Rs.179.89 crores (after tax) as against Rs.0.96 crores (after tax) in the financial year 2010-11. The reason for loss has been due to the fact that cotton sector has seen unprecedented price volatility in the Cotton Season 2010-11.

7. CENTRAL COTTAGE INDUSTRIES CORPORATION(CCIC):

The main objective of CCIC is to act as a dealer, exporter, manufacturer and agent of quality Indian handicrafts and handloom products and to develop markets for these products in India and abroad. The corporation has five showrooms for selling products of handicrafts artisans and handloom weavers. The corporation lays special emphasis on new designs in carved and inlaid furniture, traditional hand embroidery, marble and soapstone crafts etc.

8. NATIONAL HANDLOOM DEVELOPMENT CORPORATION (NHDC).

National Handloom Development Corporation Limited (NHDC) was set up in February 1983 as a Public Sector Undertaking by the Government of India under the Companies Act 1956. NHDC has generated a cash profit of Rs. 697.40 lakh in 2012-13 and Rs. 432.0 lakh in 2011-12. NHDC has ensured steady and timely supply of hank yarn at mill gate prices to the handloom weavers. NHDC supplied 1088.7 lakh kgs. of yarn valued at Rs. 1353.3 crore in 2012-13.

2.11. Status of development of Technical Textiles:

Technical Textiles is a knowledge-based industry which is at a nascent stage in the country and offers tremendous opportunities for joint ventures and FDI. Based on usage, there are 12 technical textile segments; Agrotech, Meditech, Buildtech, Mobiltech, Clothtech, Oekotech, Geotech, Packtech, Homotech, Protech, Indutech and Sportech. In India, the production of different technical textile items has been steadily increasing. As per the data released by DGCI&S, Kolkata, exports of technical textiles have increased by nearly 15% to Rs. 4,237 Crore in 2012-13 from Rs. 3,678 Crore in 2011-12. The market size of Technical Textiles in India is projected to Rs.1.5 lakh crores for the year 2016-17 with a growth rate of 20% per annum.

The Ministry of Textiles has launched a comprehensive Technology Mission on Technical Textiles (TMTT) on December 15, 2010 with two mini missions for providing infrastructure support for manufacture of Technical Textiles and market development support to the Technical Textiles manufacturers for a period of five years with the fund outlay of Rs. 200 crores.

Four Centres of Excellence (CoE) have been set up for Agrotech at Mumbai; Geotech at Ahmedabad; Meditech at Coimbatore; and Protech at Ghaziabad. Other than the four CoEs established under Scheme for Growth and Development of Technical Textiles (SGDTT), four additional CoEs have been

established in the areas of Nonwovens, Composites, Indutech and Sportech to support the manufacturers of technical textiles within these growing segments. The additional four new Centres of Excellence have been set up for Nonwovens at Ichalkaranji, Maharashtra; Indutech at Coimbatore; Composites at Ahmadabad; and Sportech at Thane.

2.12. Consumption

The demand for textiles and garments in India comes from three major segments – household sector, non-household sector (institutional, industrial and technical) and export sector. The household sector consumes the largest share of textiles and garments in India (60% share), followed by the non-household sector (21% share), and then the exports sector (19% share).

India is home to the second largest population in the world. The estimated population of India is 1.2 billion people living in over 330 million households (2011 census). Hence, the demand for textile products in India is very large and is growing at an increasing rate in tandem with the increase in disposable income of the people. A very high proportion of young and working population is also a favorable factor influencing domestic demand for textiles and garments.

Table 7: Per Capita Availability of Cloth

Year	Cotton (metres)	Man- made (metres)	Total (metres)
2001-02	14.82	17.15	31.97
2008-09	17.89	21.12	39.01
2011-12 [P]	19.76	20.70	40.46
CAGR%	2.65	1.73	2.16
Projection for 2016 – 17	22.52	22.55	45.02

Source.. Textiles Commissioner Mumbai

SECTION 3: STRATEGY

Core Component 1 – A clear statement of the purpose of strategy and the strategy document.

3.1.1. Purpose of the Strategic Plan Document

The mandate given to the Ministry of Textiles is to formulate and implement appropriate policies and programmes for the development of the textile industry, including production and promotion of export of textile and clothings, handlooms, handicrafts, wool and jute products. The main strategy adopted by the Ministry so far towards achieving the above objectives was to formulate and implement appropriate development schemes under the Annual Plan and Five Year Plan framework and also to formulate suitable policies for the growth and development of the textile sector. Even though the basic strategy and strategic plan were implicit in the plan framework, there was no explicit statement of the strategy and the strategic plan. It was felt that preparation of a strategic plan document would provide clarity to the Ministry, its constituent organisations and to all other stakeholders regarding the long term Vision of the Ministry, its mission, goals and objectives, challenges, proposed solutions and action plans to achieve the set goals. The strategic plan is also expected to drive the Ministry and its constituent organisations to achieve its strategic goals, complete its mission and realise its long term vision.

Core Component 2: A Clear statement of the Vision.

3.2. As stated under Section 1

3.3. Core Component 3 - Defining long-term outcome goals and results that are required to achieve the Vision.

3.3.1. OUTCOME GOALS

1. Build a strong and vibrant textile industry which is technologically advanced and internationally competitive.
 - Incentivise investment in technological upgradation and modernisation through schemes such as TUFS with enhanced plan allocations.

2. Generate large scale employment and to improve the availability of skilled man-power for the entire gamut of the textile industry and to enhance the welfare of artisans, handloom weavers and textile workers.
 - Encourage faster development of the textile sector.
 - Encourage vertical integration and value addition in the industry.
 - Scale up plan allocations for Welfare Schemes.

3. Enhance India's share of global market for textiles.
 - Achieving faster growth in textile exports. Enhancing the export growth rate from the present-level of 6-10% to 15-20% in the next five years.

4. To make employment intensive subsectors such as handlooms, handicrafts, sericulture and wool more vibrant, rewarding for all the stakeholders, rich in quality and design and to preserve India's rich cultural heritage in those activities.
 - Enhancing of plan outlays for handlooms, handicrafts and sericulture and wool segments and effective implementation of various plan schemes for these sectors.

5. Achieve maximum value addition throughout the entire value chain of the textile industry.
 - Encourage spinners to attempt forward integration into hosiery and fabrics and even woven materials and to increasingly look at export potential in terms of fabric.

6. Enhance the textile sector's contribution to India's GDP, employment and foreign exchange earnings.
 - Overall development of the textile industry at a faster rate than before is expected to increase its share in GDP, contribution to employment and export earnings.

Core Component 4 - SWOT Analysis

3.4.1. Strengths

1. Strong and diverse raw-material base including cotton, jute, silk, wool, man-made fibres and other speciality fibres.
2. High competency in cotton textiles
 - Second largest producer of cotton in the world.
 - Production of raw cotton has increased from 140 lakh bales in 2000-01 to 265 lakh bales in 2011-12(P).
 - Cotton consumption has increased from 173 lakh bales in 2000-01 to 234 lakh bales during 2011-12(P).
 - Substantial surplus is available for exports.
3. Second largest producer of man-made fibre, largest producer of jute and handloom cloth and 2nd largest producer of silk.
4. Strong presence in the entire textile value chain from raw material to finished goods.
5. Globally competitive spinning industry, average cotton spinning cost is lower than all countries including China.
6. Availability of adequate skilled man-power at a competitive rate even though the labour advantage is gradually diminishing.
7. Unique strength in traditional handlooms and handicrafts.
8. Diverse design-base.
9. Rural produceability and use of mainly local resources.
10. Presence of extensive institutional support base in the form of Central and State Government offices, Textile Research Associations, Textile Industry Associations, Textiles and Fashion Technology Training Institutions, Export Promotion Councils etc.
11. Highly supportive government policy regime.
12. Very strong entrepreneurial base.

3.4.2. Weaknesses

1. Technological backwardness especially in weaving, processing and garmenting segments.
 - Under-developed domestic textile machinery manufacturing industry, necessitating import of modern and second-hand machinery at a large scale.
 - Existence of huge skill deficit in the work force.
 - Low share in global exports despite being the largest producer.
 - India has scale dis-advantages vis-a-vis competing countries.
2. Highly fragmented weaving, processing and garmenting segments.
 - Cloth production dominated by decentralised powerloom sector which uses obsolete technology.
 - Low productivity of the handloom sector which employs 43.32 lakh handloom weavers on 27.83 lakh handloom household units contributing only about 11% of total cloth production.
 - Very low technology in weaving.
 - Inflexibility in labour laws because of which manufacturing units are not able to execute large seasonal orders.
 - Non compliant practices by industry.

3.4.3. Opportunities

1. Promising domestic market due to high growth in GDP and per capita income. Favourable demographic structure with high income proposition of working population. .
2. Phasing of the quota regime and consequent improvement in market access. Most developed countries will see continued decline of their Textile and Garment industry. This will create fresh opportunity for exports of developing countries including India. Further, in the next 10 years, China's Textile and Garment export growth rate is projected to slow down because of rising costs and increasing domestic demand. The export space that is likely to be ceded by China is open to other Asian countries including India.
3. Fair Trade Agreements and emerging markets in Latin American countries.

4. Supportive policy regime, increasing plan expenditure and generous incentives for investment and modernisation.
5. Huge untapped potential for the development of technical textiles.
6. Rising wages and cost of living in countries closely competing with India in the international market in the textiles and clothing sector provides a vast opportunity for India to capitalise.
7. High spending on infrastructure and socially inclusive programmes by the Government.

3.4.4. Threats

1. High cost of raw materials and decline in the purchasing power of people due to high inflation.
2. Slow pace of development of infrastructure, availability of power etc.
3. High cost of meeting strict environmental standards.
4. Unfavourable exchange rate situation.
5. Increased competition from competing countries through exchange rate manipulation, hidden subsidies;
8. Competitor countries like China produce cheap and good quality crafts.
6. Preferential tariff regimes for close competitors in certain major markets.
7. Continuation of recessive trends for an extended period will cast its long shadow on textiles industry.

Core Component 5: Summary of proposed solutions and policy options

3.5.1. Incentivising Investment

The Industry needs an investment of Rs. 1,99,000 crores till the end of 12th Plan (2016-17) to cater to demand growth. The spinning, weaving and processing segments would require a significant portion of this investment. These segments are capital intensive and are also characterized by low returns, thus heightening the need to incentivize investments through interest subsidisation. It is therefore imperative that Technology Upgradation Fund Scheme (TUFS) is continued during 12th Five Year Plan subject to periodic reviews and modifications.

It is necessary to dovetail the Technology Upgradation Fund Scheme with other schemes, such as Cluster development schemes and if necessary, introduce new schemes to focus on modernisation of the Handlooms, Handicrafts, Powerloom, Jute, Silk and Wool.

3.5.2. Human Resource Development

The shortage of skilled manpower is a major constraint affecting the growth of the Indian textile industry. To surmount the huge skill gap of workforce, the Ministry of Textiles have launched an Integrated Skill Development Scheme to impart employable skills in different segments (textiles, apparel, handlooms, handicrafts, sericulture, jute etc.) to train approximately 26.75 lakh persons over a span of 5 years.

The scheme would be specifically tailor-made to suit the requirement of all the segments of the textile sector, providing for a direct linkage with the job requirements. Apart from upgrading the existing infrastructure and resources of organisations within the Ministry of Textiles, participation of private sector in the training programmes shall be the major feature of this Scheme.

In addition, mapping of the human resource requirements of the textiles industry to facilitate creation of a pool of skilled labour will also have to be undertaken.

3.5.3. Strengthening of Institutional Framework

In addition to the existing institutional framework to support the textile sector, the following additional institutional mechanisms will be created.

- a) The Cotton Advisory Board has been entrusted with the responsibility of ensuring adequate availability of cotton for domestic consumption by recommending appropriate and timely measures.
- b) The all India Powerloom Board has been entrusted with the responsibility of recommending appropriate and timely policy intervention for the Powerloom Sector.
- c) The Powerloom Development and Export Promotion Council (PDEXCIL) has also been entrusted with the responsibility of recommending appropriate and timely policy intervention for the Powerloom Sector.
- d) Establishment of a Yarn Advisory Board for formulation of a yarn Balance sheet to ensure adequate yarn availability for handlooms and garments sector.
- e) Launching of a Technology Mission on Technical Textiles and creation of centres of excellence in the identified sub groups of technical textiles.
- f) Creation of a Jute Development Fund for R&D efforts in modern machinery development of Jute Sector.
- g) Setting up of an MMF advisory council with all stakeholders to monitor excise duty and other concessions and take an integrated approach to solving the problem of MMF producer.
- h) Adopting a Mission Mode approach and establishing an Inter Ministerial Board for promotion of Organic, Suvin and ELS cotton sector.
- i) Restructuring the Central Wool Board on the lines of the Central Silk Board to effectively implement the various schemes and policies and achieve desired objectives.
- j) In addition, exiting institutions such as Indian institute of handloom technology, textiles research association and powerloom services centres etc. will be strengthened and modernised.

3.5.4. Correcting fiscal anomalies:

The excise and customs tariffs and other taxes on various raw materials and finished products of the textile sector will be constantly monitored and

appropriate remedial measures taken in consultation with the industry and the Ministries of Commerce & Industry and Finance.

3.5.5. Encouragement to domestic textile machinery manufacturing sector:

There is a need for appropriate capacity building in the domestic textile machinery as the sector has great potential in view of the on-going modernisation process of the textile industry.

3.5.6. Development of Technical Textiles sector

With globalisation of Indian economy and the rise in the expectations & capacity of the middle class, the market size for technical textiles have shown a healthy growth. As per the baseline survey of technical textile industry in India, the Indian technical textile industry has grown at an annual rate of 11% to reach an estimated market size of Rs. 70,151 Crore in 2012-13 from Rs. 41,756 Crore in 2007-08. As per the sub-group on technical textile for the XIIth Five Year Plan, the technical textile industry is expected to reach a market size of Rs. 1,58,540 Crore by 2016-17 with a projected growth rate of 20% year on year.

However, if government interventions take place in the form of a stimulus the growth of technical textiles industry can be enhanced to 12-15% per annum till 2020.

3.5.7. Addressing the problem of infrastructure bottlenecks

Under developed infrastructure remains to be a serious handicap affective industrial development including the development of textile industries concerted efforts are needed to improve the physical and social infrastructure of textile centres, including provision of adequate and un-interrupted power supply at competitive rates. The Ministry of Textiles would constantly monitor the infrastructure constraints faced by the textile industry and take appropriate and timely measures to address the issues in consultation / collaboration with the State Governments. In addition to this, the infrastructure issues would be addressed by setting up additional Integrated Textile Parks and Mega Clusters for handlooms, powerlooms and handicrafts in Public Private Partnership mode.

3.5.8. Improving Supply Chain Management

Cotton: India will be a cotton surplus Nation in the next decade. For the Textiles Ministry therefore, supply side management issues are of vital importance which needs to be addressed through appropriate policy option.

The exiting institutions such as national handloom development corporation, raw material banks yarn depots etc. will be strengthened.

3.5.9. Organic, Suvin and ELS Cotton

Suvin cotton is the only commercially available fibre in the world today with spinnability up to 240s count. The highest production of Suvin was 36,000 bales (170 kg), achieved in the year 1989-90. However, the production of Suvin has depleted steadily over the years and currently stands at 300 MT i.e. around 1250 bales. It will be a national loss to let a world renowned fibre to phase itself out, for lack of initiatives.

The policy on Organic & Suvin Cotton aims to ensure that the acreage under Suvin fibre should not be allowed to decline further and prevent Suvin from becoming extinct. A special subsidy package could be developed in order to sustain the long duration crop and to keep alive the interest of the current Suvin growers.

- **Organic cotton to address environmental concerns:**

Organic cotton fibre is considered extremely important to Indian agronomy as organic cultivation is the only sustainable tool, available today, to revitalise the depleted / fast depleting agricultural lands of the country. It also possesses the unique advantage of having a highly evolved end to end value addition chain, which no other cotton producing country has. This home grown advantage needs to be sustained without loss of momentum and credibility.

Therefore the organic cotton sector deserves special attention by the government of India through proper R&D, extension facilities, making available the right quantity & quality of GM seeds at most competitive prices.

3.5.10. Other Natural Fibres:

There is scope for enhancing the production of other Natural Fibres such as Banana, Pineapple, Agave/ Sisal, Hemp/ Nettle and Flax etc. The Government and other stakeholders should encourage the production of such fibres.

3.5.11. Common Compliance Code:

In the emerging global trading system, it is important to make India the global benchmark for Social Compliance in Apparel and Textiles manufacturing for achieving higher global exports. A Common Compliance Code would be developed for the Textiles Industry with particular focus on Apparels, Handlooms and Carpets sectors. The Common Compliance Code will address issues of social and environmental compliance, social security issues, Labour Standards, work place environment and safety issues, etc.

3.5.12. Cluster Approach

To reap the benefits of economies of scale and to transform small & disintegrated units into viable entities, government should promote Cluster Approach.

To make small units sustainable and independent business units, Common Facility Centers (CFC) have been set up.

To provide financial/policy support and the necessary regulatory framework that fosters the development of viable entities which enable artisans and micro enterprises (individually and collectively), assistance for Infrastructure Support to handloom clusters have been offered under the Cluster Approach, by setting up new or upgrading the existing infrastructure to expedite production and improve the product quality.

Financial assistance from banks too has been facilitated to provide credit to weavers now organized as SHGs / Consortia/ Producers' Companies. Social security and welfare measures have also given adequate support to the life and health which has added to enhance the productivity of the handloom weavers.

3.5.13. Sector-specific Policies

Besides the above mentioned macro policy options, government should also adopt sector-specific policies as indicated below:

3.5.13.1. Handloom Sector:

- Revision of the Mill Gate Scheme by including the Primary Weavers Society, Apex Society, Weavers Company etc besides the National Handloom Development Corporation (NHDC) in the Scheme increasing subsidy to 10 percent, including dyes and chemicals.

- To make available higher institutional credit to weavers through the scheme of providing margin money and interest subvention of 5 percent along with credit guarantee by STCGTMS. To issue large number of 'bunker credit cards' and loan waiver scheme.
- Professional designers to be linked with weavers at the ground level and setting up of zonal centers for web based designs of high quality on continuous basis based on market trends in local / national/ regional languages indicating information related to recent design/fashion trend colour forecast etc.
- Market strategies to include expansion of markets across niches, exploiting export market and specific customer segments to target based on income and regional criteria. New technology based system like (1) Web based marketing and (2) E-Chopal marketing facility may be adopted.
- Marketing complexes/ haats at 100 strategic locations may be set.
- Master weavers to be linked to the markets/ exports houses/ marketing organizations for selling weavers products. Number of marketing events and the assistance provided should be increased.
- Branding of products, use of youth icons should be used to make handlooms into a fashion statement and extensive brand building programmes both domestic as well as abroad should be taken aggressively.
- Marketing incentive of 10 percent to 20 percent to be shared 50:50 basis equally between centre and state governments on sale of handloom products.
- The prices of raw materials like yarn should be regularized to encourage handloom weavers. Credit institutions should be strengthened to make available adequate credit at affordable cost.
- Better benefits of GSP (Generalized System of Processing) for handloom products.
- Improvement in payment from handloom houses/ organizations for large volumes of handloom products so that large number of weavers could be covered.

- A corpus of funds for each cluster may be with ACASH/NHDC to make 60 percent payments to weavers immediately after receipt of goods from weavers along with acknowledgement from buying houses/ agencies about value of handloom items and quality.
- An agreement between agency with whom corpus fund has been placed and buying houses may be made on judicial stamp paper about the payment in particular period. This system will ensure timely payment to weavers for their supplies.
- Upgradation of the Weavers Service Centers (WSCs), Indian Institute of Handloom Technologies (IIHTs) and R&D facilities should be taken up expeditiously.
- Large number of weavers should be brought under the purview of social safety net under the schemes like (1) Health Insurance Scheme and (2) Mahatma Gandhi Bunkar Bima Yojana (MGBBY).
- Convergence of handloom schemes is required between Ministry of Rural Development and Ministry of Medium and Small Industry with special reference to Khadi.
- Measures will be taken off to ensure survival of languishing weaves.

3.5.13.1.2. e-Initiatives

Environment friendly nature of the handloom products makes them easily acceptable to countries with stringent Non-Tariff barriers. For this, international exposure of these goods to showcase innovative and contemporary designs to enable a sustained supply chain management service through aggressive e-marketing is required.

3.5.13.1.3. Revival, Reform and Restructuring Package for the Handloom Sector

The Handloom sector is the 2nd largest employment provider next only to agriculture. However, most of the Handloom Cooperatives find it difficult to access credit because of their debt overhang. In order to address the problem, the Government proposes to implement a Revival, Reform and Restructuring Package for the Handloom Sector with a financial implication of approximately Rs. 2000 crores. In the first phase, the package will be implemented in 6 states which have substantial concentration of Handloom Weavers, benefitting approximately 20 lakh handloom weavers.

3.5.13.1.4. New Handloom Mega Clusters

Four Handloom Mega Clusters at Varanasi (Uttar Pradesh), Siva Sagar (Assam), Virudhunagar (Tamil Nadu) and Murshidabad (West Bengal) have been taken up for their integrated and holistic development in the past 4 years. In order to scale up production and infrastructure of the Handloom Sector, Government will take up additional mega clusters in various States.

3.5.13.2. Decentralised Powerloom Sector:

- Introduction of new components namely (i) Corpus Fund for Yarn Bank (ii) Common Facility Centre (iii) Tex Venture Capital Fund under Integrated Scheme for Powerloom Sector Development (ISPSD).
- Setting up of new Powerloom Service Centres on Public Private Partnership basis with Government Assistance for capital cost of machines/equipments to create facilities for quality testing, skilled manpower for weaving sector & garment sector, design development for weaving and entrepreneurship development in addition to the existing Powerloom Service Centres.
- Hire-Purchase Scheme for Powerloom Sector under TUFS to support small weavers to get access to the finance and modern upgraded technology in weaving by way of adopting the hire-purchase model of financing.
- Setting up of Powerloom Park with modern weaving machines to improve working condition and thereby enhancing competitiveness through Group Workshed Scheme for SSI Powerloom Units (GWSS) in 12th Plan period.
- Health Insurance Scheme for Powerloom weavers on RSBY platform would provide a comprehensive healthcare assistance for a wide range of ailments including a substantial provision of for outpatient (OP) services.
- Group Insurance Scheme for Powerloom workers in decentralized Powerloom units to continue so as to cover more Powerloom workers under the scheme which provides them or their dependents compensation in case of Natural Death, Accidental Death, Total Permanent Disability and Partial Permanent Disability.
- The Integrated Skill Development Scheme (ISDS) would cater the skilled manpower needs of the Textile and related sectors through skill development training Programmes. The target of training is 15 lakh workers with an outlay of Rs. 1900 crore with increased grant of Rs. 10,000/- per trainee.

- Enhanced rate of Margin Money Subsidy (MMS) from 20% to 30% under RR- TUFs for installation of Shuttleless looms in MSME Sector.

3.5.13.3. Jute:

1. To ensure higher productivity of raw jute and establish sound supply chain to provide remunerative prices to jute growers through

(a) Distribution of certified jute seeds at subsidized prices lower than uncertified seeds to make use of quality seeds habit of the farmers and

(b) Establishment and running of jute farmer's information and training centers to disseminate information regarding improved organic practices, adoption of scientific retting practices, market prices and future trends of markets etc. and training farmers regarding measuring moisture content of jute and grading of raw jute.

2. To promote modernization of jute industry

(a) Development and commercialization of modern machinery and process ,

(b) Supporting the modernization by providing subsidy on capital investment,

(c) Implementing worker's welfare schemes to secure better working conditions and improvement in amenities and incentives for workers engaged in jute industry and (d) ensuring total quality management (TQM) and productivity improvement, economic energy consumption and elimination of wastage in jute production processes

3. Product development, diversification and promotion of avenues for innovative uses of jute products:

(a) Sponsoring, assisting, coordinating scientific, technological and economic research related to materials, equipment, methods of production, product development including development of new materials, equipment and methods in use in the jute industry,

(b) Providing and creating necessary infrastructural facilities and conditions conducive to the development of diversified jute products by assisting entrepreneurs, artisans, craftsmen, designers, manufacturers, exporters and non governmental agencies etc,

(c) Increasing use of jute in technical textiles specifically for use of jute geo-textiles in civil engineering, irrigation tank lining, agro-textile applications and in retarding soil erosion problems. Use of jute in other technical textiles like medi-tech, auto-tech etc need to be enhanced and

(d) Promoting standardization of jute products.

4. Promotion of jute products in domestic and international markets:

- a. Establishment of supply chain for promotion of marketing of jute products in domestic market by (i) opening of retail outlets (ii) establishment of bulk supply depots, (iii) arrangement of buyers- sellers meets, (iv) interactive workshops, (v) participation in and organization of exhibitions fairs etc,
- b. Assisting WSHGs, NGOs, artisans, other entrepreneurs in the decentralized sectors by extending market support schemes for marketing the diversified jute products produced by them.
- c. Maintaining and improving existing markets and developing new market within the country and out side for jute manufacturers,
- d. Conducting international market survey and devising market strategies in consonance with the demand for such manufacturers in the domestic and international markets,
- e. Supporting participation of the jute exporters and entrepreneurs in international exhibitions, fairs, buyer-seller meets etc and sponsoring of Government – Industry composite business delegations to exploring new markets and renewing lost market links, (f) Extending export market development assistance to the exporting for participating in international activities.
- f. Establishing international standards for jute products particularly for technical textiles like jute geo-textiles and increasing the scope of utilization of these materials in diversified applications,
- g. Establishment of eco-label of jute and its disposal protocol in international consuming countries, and
- h. Promoting or undertaking the collection and formulation of statistics of jute industry.

5. Completion of the implementation of Jute Technology Mission and Way Forward:

- (a) National Jute Board is responsible for the implementation of Jute Technology Mission which co-terminates with the 11th five year plan on 31st

March 2012. It proposed to be extended by two more years i.e. up to 2012-2014 and

(b) If the JTM extension is not approved, NJB will continue to implement the schemes from its own fund as these are result oriented and their continuation till 2016 will help to promote and develop Jute industry in achieving the desired goals.

6. Setting up and Operationalization of Jute Parks: Under Mini Mission IV of the Jute Technology Mission (JTM) 10 Jute Parks are proposed to be set up. Construction activities of the parks are to be completed within the JTM period but operationalization will take some more time and they will be commercialized by 2016.

3.5.13.4. Silk

The policy directions for the Indian Silk Industry are aimed at strengthening the R&D effort and extension work for increasing the output and productivity of the sector, right from mulberry and non-mulberry plantation, cocoon production, till weaving and value added product, in order to bridge the gap between demand and supply, in terms of both quality and quantity of silk. Towards this end the strategy for the sector would be;

1. To Increase thrust on R&D for scientific ways of increasing silk productivity and quality in two distinct stages i.e., pre-cocoon and post-cocoon stages.
2. In the pre-cocoon stage, R&D initiatives such as, development of silkworm breeds and their food plants (Mulberry and Vanya Silk host plants), development of clonal propagation techniques, improving soil health and fertility and cultivation practices would be introduced. Development of disease forecast and forewarning system, economic farming models and practices and mechanization in sericulture farming and silkworm rearing will also be undertaken.
3. The existing and potential areas for developing sericulture in the country would be mapped through ISRO remote sensing satellite images and schemes will be implemented in a concerted manner in non-traditional new areas as well. There should be development of technologies and commercialization thereof in collaboration with National Research Development Corporation (NRDC).

4. In the post cocoon stage, basic research should be conducted to widen knowledge base useful in developing new methodologies, practices, devices, products, etc useful in silk industry or allied industries. Emphasis should be given on development of improved reeling, weaving and processing devices for silk at low cost to produce quality silk.

5. Strengthening of extension activities: Transferring the technology developed in the research laboratories to the field through extensive extension work is critical for development of sericulture. Strengthening of extension activities would be done by involving the states and organising refresher courses/training programmes at various levels. States would be persuaded to make proper structural arrangements for single window facility for the stakeholders in the silk industry in the entire value chain i.e. from farmers to the weavers.

6. Appropriate incentive structures would be put in place to encourage the sericulturists, reelers and weavers to upgrade the skills and technologies to move up in the value chain for higher quality products and also achieve higher productivity.

7. Facilitating availability of quality silk for weavers and rationalisation of duty structure: While thriving for enhancing the domestic availability of silk for the weaving sector appropriate mechanism will be evolved to facilitate adequate availability of quality silk yarn for the weaving sector and the inverted duty structure in the silk value chain would be corrected to encourage production of value added products while protecting the livelihood of sericulturists.

8. Evolve, modify and implement schemes for supporting and developing basic infrastructures for sericulture, increasing area under food plants, promotion of moisture conservation and water saving techniques to promote rain-fed sericulture, support to adopted seed rearers and improvement in seed multiplication infrastructure to produce silkworm seed as per quality standards, creation of infrastructure at stake holders level to improve the quality and productivity, establishment of reeling infrastructure to produce import substitute quality silk, improvement in weaving infrastructure, processing, dyeing, printing etc. to produce quality silk products based on market demands, and skill development in all stages of silk production chain etc.

9. Cluster approach would be introduced for integrated development of silk and sericulture in the traditional and non-traditional areas.

10. Specific measures would be taken for product development and diversification to promote development of basic designs, structures and materials that can be used in production of commercial silk products. Initiatives are required in creating awareness and promoting uses of silk, their by products, etc in the new areas such as bio-medical applications in medicinal industry, surgical applications, genetic engineering areas, cosmetics, handicrafts, ceramic industry, sports industry for the production of mulberry tipped hockey sticks, cricket bats, oil and soap industry, poultry foods, aviation industry etc.

11. A concerted effort and campaign would be made to promote and establish 'Indian Silk' as a brand in global market. Generic promotion of Indian silk will be taken up to create awareness about exclusive and rich traditional designs.

12. Vanya silks would be promoted as Eco Silks by providing subsidy/incentive to support eco friendly production and processing of Vanya silks. Accreditation of the entire production process (through approved accredited agencies to get eco silk certification) and R&D support for promoting technology packages should be provided. Recognising the fact that virtually the entire supply chain of vanya silk is in the unorganised sector, there is a need to draw in reputed NGOs to handhold and strengthen the unorganised players.

13. Use of vanya silk fibres as blends with cotton, wool and mulberry silk would be encouraged to ensure higher value addition for all fibres and lead to production of premium or exclusive fabrics.

14. In order to safeguard the interest of the domestic silk industry against the cheap imports from China, Anti-dumping duty on Raw Silk and Silk fabrics has been imposed. The Directorate General of Anti-dumping & Allied Duties (DGAD) had extended the imposition of anti-dumping duty till December-2016.

New initiatives/approach proposed during XII Plan for development of sericulture are as follows:

- i) Maximization of benefits from the existing capacity in Mulberry and Non-Mulberry sector; Various infrastructure facilities created during earlier plan period with CDP support, State Govts, and other Funding Agencies, will be mapped for effective utilization and monitoring. Only critical gaps in infrastructure will be created during XII plan keeping in view the targets of production;
- ii) XII Plan CDP will focus on accelerating the growth of Biviltine Silk of 3A grade and above and augmenting production of Improved Cross Breed Varieties of Mulberry of 2A grade and above suitable for powerloom consumption through intensive R&D, extension support, better management of practices and incentivization; The performance of the scheme in XII plan will be monitored specifically in terms of production of these varieties through cluster approach;
- iii) Seed being the sheet anchor of the scheme and a significant gap in production of quality seed exists to match with the XII Plan production target, focus will be on seed sector to strengthen seed production and delivery mechanism in, both Govt. and Private Sector;
- iv) On Farm and off-farm productivity and quality improvement of cocoon and yarn will be one of the major areas of focus in XII plan;
- v) Vanya Silk sector, which has demonstrated high growth potential during XI plan will be supported with improved infrastructure and market linkage;
- vi) Convergence Programme : CDP will be dovetailed with a number of other developmental schemes of the Central Govt. and State Govts. to achieve higher coverage and deepening of the schemes during the XII Plan.

The overall effort is to increase the silk production from the level of 23060 MTs during XI Plan to 32000 MTs during XII Plan with the following interventions:

- i. To undertake 350 research projects to generate 130 Technology packages, which will translate into productivity improvement.
- ii. To train 40,000 persons to adopt improved technology packages in new areas.
- iii. To produce 1958 lakh basic and commercial dfls by the Seed production units at the end of XII plan for further multiplication to produce 32,000 MTs of silk.

Implementation of Centrally Sponsored scheme Catalytic Development Programme during XII Plan

CDP has been developed into an effective tool for transfer of technologies developed by the Research Institutes of CSB and its nested units and extended through the State Sericulture departments. It has successfully provided hand holding support to all the stakeholders (reares, graineurs, reelers and weavers) in the value chain in terms of dissemination of technologies, training extension support. The focused approach adopted in the scheme has ensured absorption of technology, brought improvement in crop varieties and silkworm seed production and better practices adopted in rearing and reeling resulting in improvement of quality, productivity and overall production of silk in the country.

It is proposed to continue implementation of the Centrally Sponsored Scheme “Catalytic Development Programme (CDP)” during XII Five Year Plan by Central Silk Board. During XII Plan the core objective of the Catalytic Development Programme is to scale up production particularly, production of quality bivoltine and improved cross breed silk coccons in the country through cluster approach. The CDP has been redesigned to meet the sectoral requirements, and to ensure that the sector grows at a healthy pace. While some of the existing components have been deepened / modified by taking up certain additional inputs / sub-components, certain new interventions have also been proposed in order to meet the Zonal requirements.

3.5.13.5. Wool

Fiscal Measures

- Rationalisation of import duty on wool and wool tops.

Non-Fiscal Measures

- Increasing production of carpet grade wool and highland wool
- Reduce mortality rate of Sheep from the current 12-15% to 3-5%
- Collaborative research with world leaders in wool.
- Introduce grading and marketing support.

- Implementation of Pashmina Wool Development scheme in 12th Plan with approach of Special Package from the MOT.

- Strengthening the Wool Development Board.

3.5.13.6. Handicrafts

To build the capacity of Indian handicraft artisans, enable the producers and exporters to meet international standards and to penetrate international markets the following policy initiatives will be taken during the next five year.

- (i) Enhancing the capacity of producers to increase diversity, volumes and improve upon quality of crafts to respond to market opportunities
- (ii) Facilitating access to best available technology, processes and practices,
- (iii) Promoting trade facilitation with particular emphasis on export promotion,
- (iv) Pursuing aggressive market development programmes,
- (v) Ensuring welfare of handicraft artisans
- (vi) Adoption of cluster approach
- (vii) Undertaking design and technology development related interventions
- (viii) Marketing support measures like support to exporters in production and market identification, brand building, level playing field international trade bodies in terms of trade laws, IPR issues, labour laws

and other non tariff barriers like exchange rate parity etc, support for brand building within the country and abroad,

- (ix) Organizing marketing events like exhibitions, craft bazaars, shilp bazaars, sourcing shows and thematic fairs and festivals for marketing handicraft products directly by artisans
- (x) Providing marketing infrastructure like metro hubs, marketing hubs,
- (xi) Urban haats and warehousing facilities at important places of business
- (xii) To undertake vigorously the welfare schemes like health and general insurance to cover more number of artisans
- (xiii) Introduce innovative e-initiatives for design improvement and marketing of handicrafts products.
- (xiii) e- initiatives such as Web portals like www.craftsclustersofindia.in” and www.themecrafts.in” launched showcasing theme based craft products of handicraft clusters to cater to global clientele, which will also function as a marketing platform for domestic producer groups and handicrafts artisans.
- (xiv) Focussed efforts under way for identification and revival of languishing crafts.
- (xv) 40 National Awards are conferred on outstanding handicrafts artisans and Handloom weavers in recognition of their exquisite skills and contribution to development of their respective craft activity.
- (xvi) The Cluster approach : Organization of artisans into identifiable self Help groups to develop them into self sustaining enterprise. Facilitating required infrastructure for production, processing, marketing at cluster level and making available credit facilities by linkage to banks/other financial Institutions etc. This will be achieved through cluster development initiatives for integrated development.

3.5.14. Policy on PSUs

The Ministry shall create an enabling policy environment for the PSUs to function efficiently and generate surpluses for investment and expansion. The Ministry shall continue to sign MOUs with the PSUs and monitor their performance on the basis of the indicators agreed in the MOUs.

Core Component 6: Prioritization of Proposed Solutions and Policy

Options

3.6.1. The table given below indicates solutions and policies, priority, impact and sequencing of the proposed solutions and policy options and its prioritization. Due to the very nature of the Ministry's responsibilities, ranging from production, marketing and export of textile products, all initiatives are of high priority.

Solutions and Policies	Priority	Impact	Sequencing
Incentivisation of Investments for modernization and expansion	High	High	Medium Term
Human Resource Development and skill Up-gradation	High	High	Medium Term
Development of Technical Textiles	High	High	Medium Term
Export Promotion	High	High	Short Term
Strengthening of Institutional Framework	High	Medium	Medium Term
Correcting Fiscal Anomalies	High	High	Short Term
Handloom sector promotion	High	Medium	Medium Term
Handicraft sector promotion	High	Medium	Medium Term
Jute sector promotion	High	Medium	Medium Term
Silk sector promotion	High	Medium	Medium Term
Common compliance code	High	Medium	Medium Term
Cluster Development	High	High	Medium Term
Improving Supply Chain Management	High	Medium	Short Term
Addressing Infrastructure Bottlenecks	High	Medium	Long
Encouragement to domestic textile markets	High	Medium	Medium Term

SECTION 4: IMPLEMENTATION FRAMEWORK AND IMPLEMENTATION PLAN

4.1. Strategic initiatives

The strategic initiatives and policy options as outlined under section 3, Core Component 5, would be implemented under the annual plan framework. The Annual Plans will be formulated based on the Strategic Plan priorities. The RFD mechanism will be used to measure and monitor the progress of the Strategic Plan. The Strategic Plan will be implemented with the help of the various Divisions of the ministry, its attached offices, field formations and various stakeholders.

4.2. Stake Holders Engagement

The following are the main stake holders of the textile sector.

4.2.1. Stakeholders of Textile Industries

Indian Textile and Garment Industry

- Composite mills,
- Spinning mills both large and medium and small scale units,
- Processing houses,
- Garment and apparel manufacturing units,
- Hosiery knitting and garment manufacturing units ,
- Export houses (for garments and apparels).
- Power-looms cloth weaving units (un organized sector).
- Public sector units of NTC
- Apparel Export Promotion Council

Handlooms

- Weavers
- Primary cooperatives
- Apex Cooperatives
- State Handloom Development Corporations
- Self Help Groups
- ACASH
- Handloom House
- Fabric Society of India
- Weavers Service Centres
- Indian Institutes of Handloom Technology
- National Handloom Development Corporation
- Handloom & Handicraft Export Corporation
- Handloom Export Promotion Council

Handicrafts

- Artisans
- Entrepreneurs/exporters
- Designers
- Design & Technology/Fashion Institutions
- NGOs and other Implementing Agencies.
- State/Central Handicrafts Development Corporations.
- Export Promotion Councils
- Trade bodies.
- Art and Craft Colleges
- Research Institutions/professionals.
- Testing and standardization laboratories

Sericulture and Silk

- Sericulturists and feed plant farmers
- Silk yarn reeling/twisting spinning units
- State Sericulture Departments
- Silk Fabric Weaving units
- Processing units
- Garmenting units
- Job-workers/ embroidery units
- Handicraft makers
- State Associations Federations of weavers /reelers /sericulturists / self help groups /NGOs

Wool and Woolen Industry

- Wool rearers and shepherds
- Wool Yarn Spinning units (small and cottage units)
- Wool cloth weaving (handlooms and powerloom units)
- Wool dyeing units (large and small units)
- Wool Exporting Units (large and small operators)
- Wool Cloth manufacturing units (large mills and small units)

Jute and Jute Textiles Industry

- Jute growing farmers
- Jute Yarn Spinning Mills
- Jute Cloth weaving units (including jute packaging units)
- Jute item manufacturing units
- Jute textiles and goods exporting units (large and small operators)

Technical Textiles

- Technical textile manufacturing units
- Jute geo –textile units

Research and Development Organizations

- Textile Research Associations (supported by ministry)
- Textile R&D units in private sector

Human Resource Development Institutions

- Sardar Vallabhbhai Patel International School of Textile & Management
- Universities
- Colleges conducting Diploma, Degree and Post Degree
- Indian Institutes of Handloom Technology, Indian Institute of Carpet Technology
- National Institute of Fashion Technology

The ministry has already done extensive stakeholder consultations recently in connection with the formulation of the National Fibre policy. Many of the policy options that came up during those consultations have been included in the Strategic Plan. Additionally, individual Divisions of the Ministry have also held Stakeholder consultations while preparing their Divisional strategic plans which were, in turn, included in the Ministry's Strategic Plan. Stakeholder Consultations are an ongoing process in the Ministry of Textiles and will continue to be used as an important tool for policy formulation and modification.

4.3. Learning Agenda

Inputs from the field organisations, NGOs, Stakeholders, results of review meetings regional consultations, evaluation reports etc will form the resource base for learning. Lessons drawn from the experiences of competing countries will also be used for policy formulation and policy modification.

4.4. Resource for the Plan

The implementation of the Strategic Plan require resources to the tune of approximately Rs 51294/- crore during the next five years. Assuming an annual 25% increase in Annual Plan outlays from the base level (2011-12) of Rs 5000/- crore, the required Annual Plan allocation are as follows:

Year	Required allocation	Actual allocation (BE)	Gap in resources
2012 – 13	6250	7000	+750
2013 – 14	7813	4631	-3182
2014 – 15	9766	4631	-5135
2015 – 16	12207	--	--
2016 – 17	15259	--	--

The funds are to be provided as Budget Support to the Ministry's Plan. Planning Commission and the Ministry of Finance will be persuaded to allocate sufficient funds for the Ministry of Textiles under the Annual Plans. Planning Commission has made an allocation of 25931 crore during 12th Five Year Plan.

SECTION 5: LINKAGE BETWEEN STRATEGIC PLAN AND RFD

5.1. The strategic Plan has been prepared broadly in tune with the Vision, Mission, Functions and Objectives laid out in the RFD (2013-14) of the Ministry of Textiles. However, the strategic Plan goes beyond the scope of the RFD in view of its longer time horizon of 5 years instead of 1 year for the RFD. The RFDs of the coming years will be prepared on the basis of the strategic plan.

5.2. The RFDs will be used as a monitoring tool to assess the progress and performance of the strategic plan. The targets and objectives of the ensuing RFDs, will be fixed based on the overall targets and objectives of the strategic plan.

SECTION 6: CROSS DEPARTMENTAL AND CROSS FUNCTIONAL ISSUES

6.1. The Ministry of Textiles is responsible for policy formulation, planning, development and trade regulation of the Textile industry. While implementing the policy and developmental and promotional programmes, welfare schemes for weavers, artisans, powerloom workers etc. the ministry needs cooperation from a number of agencies, ministries of Central government like Ministry of Finance, Environment, Department of Chemicals and Petrochemicals, State governments and their organizations functioning for the development of textile units, handloom production agencies, handicraft manufacturing units etc. For effective implementation of export assistance schemes the ministry needs cooperation from Ministry of Commerce. The ministry has to interact with the Planning Commission for resource allocations for its schemes and programmes for Five Year Plans and Annual Plans, and also for approval of plan schemes and programmes.

6.1.1: Cotton Security

Cotton security of the country is critical to ensure there are no domestic supply line distortions across the textile value chain in the backdrop of the global shortages and price volatility of raw cotton, which are expected to continue over the next few years. Formulation of a cotton security policy in consultation with the Prime Minister's Economic Advisory Council, Ministry of Finance, Ministry of Agriculture and Ministry of Commerce and Industry is critical to the success of the strategic Plan.

6.1.2: Other Issues

The Following are the other Ministries, co-operation of which are essential for the successful implementation of the Strategic Plan;

- Consultation and convincing the Planning Commission for providing necessary approval and plan outlays which have been identified in the Strategic Plan.
- Formulation of export friendly promotional schemes by the Ministry of Commerce for achieving the targeted exports of US\$ 50 billion by the end of the Strategic Plan.
- Environmental clearances for the new SITPs by the concerned agencies

- Formulation of promotional and developmental schemes by the Ministry of Agriculture so as to make available adequate quantity of cotton. Cotton production is envisaged to reach 475 lakh bales by the end of the Strategic Plan. Conducive policies are also needed to encourage production of genetically modified (GM) cotton and other organic fibres like Suvin and ELS cotton.
- Formulation of promotional and developmental schemes by the Ministry of Agriculture so as to make available adequate quantity of jute. The jute production is expected to reach 125 lakh bales by the end of the Strategic Plan .
- Wool production was around 44.40 million kgs in 2011 – 12. During the period between 2009-10 and 2016-17 raw wool consumption is to be grow at a CAGR of 7.8% and will be approximately 208 Million Kg by end of 12th Plan i.e. year 2016-17. As per past trends Wool production in the country is to be remain constant at approx. 44 Million Kg and thus India will Import nearly 164 million Kg wool at the end of 12th Plan. To reduce the imports of wool and meet our domestic demand, there is need to develop environmentally friendly sheep species. Department of Animal Husbandry needs to take up programmes for cross breeding and selective breeding of sustainable new species to increase quality and productivity of wool.
- Most of the developmental schemes in un organized sectors like handloom, handicraft and powerlooms are being implemented by various agencies of State Governments. It is necessary that all state governments may provide adequate resources in their state plans and give priority for these schemes and do not divert the funds allocated to these schemes.
- State Governments are implementing the centrally sponsored schemes (CSS) of the Ministry of Textiles. It is imperative that the state governments provide their share of CSS expenditure and also implement these schemes successfully.
- State Governments should take all efforts to make workable, adequate and uninterrupted power supply to powerloom units and textile mills at competitive rates for smooth functioning of these units so that they can withstand domestic and international competition.

- It is necessary that State Governments provide adequate extension services to Sericulturists so that they are able to increase their silk production to achieve 32000 metric tonnes.
- A number of seed money programmes and providing loans / credit to units set up by SC/ ST/ Minority entrepreneurs are being implemented by SC/ ST/ Minority Development Corporations of GOI and state governments. Office of Development Commissioners for handlooms and handicrafts may take advantage of these schemes by dovetailing their developmental schemes with the schemes of these Corporations.
- Regular meetings of various division heads should be organized periodically to review the achievements under Strategic Plan. Particularly coordination is required with Economy Division, export division, textile/ jute commissioner office and skill development division.
- The RFD for coming years should be designed in such a manner that goals set up under Strategic Plan are achieved. There should be complete coordination with RFD and Strategic Plan.
- While signing MOUs with PSUs under the ministry, the objectives/ targets indicated under the Strategic Plan need to be kept in view.

6.2. Linkage with potential challenges that are likely to be addressed in the 12th Plan.

The Strategic Plan of the Ministry of Textiles have linkage with the following potential challenges that are likely to be addressed in the 12th Plan;

- Enhancing capacity for growth
- Enhancing skills and faster generation of employment
- Market for efficiency and inclusion
- Technology and innovation
- Better preventive and curative health care

SECTION 7: MONITORING AND REVIEWING ARRANGEMENTS

7.1. Monitoring Arrangements

- RFD as an effective tool for monitoring performances. Monthly review of performance as per RFD.
- Periodic monitoring, including regional consultations / reviews by the Hon'ble Minister of Textiles / MoS, Secretary and Joint Secretaries would be made.
- Regular inputs from the Project Management Consultants appointed under Schemes such as SITP, Mega cluster, Technology Mission on Technical Textiles, NERTPS etc. will be used for monitoring the progress of such schemes.
- There is an on-line monitoring arrangement for TUFs. This will be reviewed and strengthened if needed.
- The progress of implementation of schemes in the North East will be specifically monitored by Secretary (Textile).

7.2. Reviewing Arrangements

- Periodic review meetings by the Hon'ble Minister of Textiles, Secretary and Joint Secretaries in New Delhi and at important regional centres.
- Issue specific brainstorming session will be held with the participation of officers and other stakeholders to review policies and performance/ impact of various schemes.
- Consultation/ co-ordination/ meetings with state governments to review the progress of Centrally Sponsored Schemes (CSS).
- Studies will be assigned to reputed research institutions on important issues and developments to review policy issues and tasks.
- Periodic evaluation of all schemes will be conducted through independent agencies and their findings will be widely publicised. The scheme will be modified, if required, as per the findings of the evaluation studies.

7.3. The Ministry's Commitment to the Strategic Plan

The Ministry of Textiles will execute this strategic plan through coordination, integration and transparency among the Ministry's various administrative divisions, attached and subordinate offices, Public Sector Enterprises, Export Promotion Councils, Industry Associations, central ministries, State Governments and all other stakeholders to realize the Ministry's long term strategic goals and objectives. The strategic plan is the peak of an organisational pyramid that extends from long term goals and objectives to near term-priorities and annual operating plans and down to individual performance plans and results. The Ministry recognizes that its success in achieving its strategic goals depends on the collaboration and dedication of its officers, the various organisations under the Ministry and all other stakeholders. The Ministry will ensure that its programs, performance and resources are appropriately aligned to meet its strategic goals.

The Ministry of Textiles will continue to help the Indian Textile industry to meet the emerging global challenges and opportunities and commit itself to meeting and exceeding the expectations of all its stakeholders by building on its previous efforts and by implementing this forward- leaning Strategic Plan.

Data Source: Economic Division

Last Updated on: 18/03/2014.