The textile industry occupies a unique position in the Indian economy as it contributes significantly to the industrial production, employment generation and foreign exchange earnings. Currently, it adds about 14 per cent to the industrial production and about 4 per cent to the GDP. It has immense potential for employment generation, particularly in the rural and remote areas of the country on account of its close linkage with agriculture. It provides direct employment to about 35 million people including substantial segments of SC/ST and women. In fact, the textile industry is the second largest provider of employment after agriculture. The contribution of this industry to the gross export earnings of the country is about 21 per cent. It is the only industry, which is self-reliant and complete in value chain i.e. from raw material to the highest value added products – garments/made-ups. Therefore the growth and development of this industry has a significant bearing on the overall development of the Indian economy.

The Indian textile industry is extremely complex and varied with hand-spun and
hand-woven sector at one end of the spectrum and the capital-intensive sophisticated mill sector at the other, with the decentralized powerloom and knitting sectors coming in between. This industry uses natural fibres – cotton, jute, silk and wool, as well as synthetic/man-made fibres – polyester, viscose nylon, acrylic and their multiple blends. The complex and varied structure of the industry coupled with its close linkage with our ancient culture and tradition provides it with the unique capacity to produce, with the help of latest technological inputs and design capability, a wide variety of products suitable to the varying consumer tastes and preferences, both within the country and overseas.

The textile industry has shown remarkable resilience and has grown considerably in terms of installed spindleage, yarn production and output of fabrics and garments. The spindleage capacity of the organized sector as well as that of Small Scale Industries (SSI) has increased from 37.91 million in 2000-01 to 39.03 million in 2002-03. A noticeable feature in this growth process has been the installation of large number of open end rotors in the 1990s, and the setting up of 100% Export Oriented Units (EOUs) in the spinning sector. The production of spun yarn is anticipated to touch 3221.37 million kg during 2004-05. It is worth noting that the production of 100% non-cotton yarn has shown an upward trend in recent years and it is anticipated to reach 377.31 million kg during 2004-05 from 341.76 million kg achieved during 2003-04, registering an annual growth rate of 10.40%. The production of cloth by all sectors – mill, powerloom, handloom and khadi, wool and silk has shown an upward trend in recent years. The total production of cloth during 2003-2004 was 42,383 million sq.mtrs and is anticipated to touch 44,322 million sq.mtrs. in 2004-05. The cloth production from decentralized powerloom sector was 27,258 million sq.mtrs. during 2003-04 and is anticipated to be 28,803 million sq.mtrs during 2004-05.

The per capita domestic availability of cloth in the country during 2004-05 is provisionally placed at 31.89 sq.mts.

**TEXTILE EXPORTS**

As per the National Common Minimum Programme, the textile industry will be enabled to meet new challenges imposed by the abolition of quotas from January 2005 under the international Multi-Fibre Arrangement (MFA). In pursuance, the Government has initiated a number of measure for strengthening the domestic textile industry for meeting the global competition. The following important announcements were made in the Union Budget 2004-05:

- Except for mandatory excise duty on polyester filament yarn including texturised yarn, synthetic and artificial fibres and synthetic and artificial filament yarns, the whole value addition chain was given excise exemption option.
- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of
Special Importance) Act was abolished.

- Basic customs duty on various textile machinery items and spare parts was reduced to 5%.

The following important announcements have been made in the Union Budget 2005-06.

- The allocation to Technology Upgradation Fund Scheme (TUFS) has been enhanced to Rs. 435 crore, along with an additional capital subsidy of 10% for the processing sector.

- Thirty textiles products and hosiery items have been identified for dereservation from the ambit of Small Scale Industry.

- Creation of a Special Purpose Vehicle (SPV) for improving infrastructure in manufacturing with an investment of Rs. 10,000 crore.

- Excise Duty on Polyester Filament Yarn (PFY) and Polyester Texturised Yarn (PTY) reduced from 24% to 16%.

- Optional CENVAT Scheme has been extended to stand alone Texturising Units at 8% excise duty with CENVAT credit or at nil duty without CENVAT credit.

- Peak customs duty rates reduced from 20% to 15%.

- Duties on specified textile machinery items, raw materials and spare parts for manufacture of such machinery brought down from 20% to 10%. The existing concessional duty of 5% on some other machinery is being continued.

Besides, a number of steps have been taken to provide an enabling environment to the Indian Textile Industry to meet the emerging global competition. Some of the important initiatives taken are:

- Launching of TUFS in April 1999 for a period of five years to facilitate the modernization and upgradation of textile sector. The Scheme has since been extended till 31.03.2007.

- Launching of Technology Mission on Cotton (TMC) in February 2000 to improve productivity and quality of cotton. The scheme will continue till the end of 10th Five Year Plan (31.03.2007).

- Launching of “Apparel Park for Export Scheme” in March 2002 for setting up of apparel manufacturing units of international standards at potential growth centres for exports.

- Launching of “Textile Centre Infrastructure Development Scheme” (TCIDS) in March 2002, modified subsequently in November 2002, for upgrading infrastructure facilities at important textile centres.

- Launching of High-Tech Weaving & Processing Parks for modernisation of the Powerloom Sector in places having high concentration of powerloom units. The High-Tech Weaving & Processing Parks are
availing a package of benefits under existing schemes like TUFS, Group Workshed scheme for Powerloom and TCIDS.

- Setting up of an Apparel International Mart at Gurgaon for providing world-class facility to the apparel exporters to showcase their products and serve as a one-stop shop for the reputed international buyers. It is expected to become fully operational by September 2005.

Textile exports on a year-to-year basis recorded a growth of 4.6% during April-November 2004 and in value terms amounted to US$ 8,348.5 million against US$ 7,981.5 million in the corresponding period of the previous year.

Post MFA Global Environment: Till 31.12.1994, the exports of textiles to certain developed countries (US, EU member countries and Canada) were governed by bilateral textile agreements entered into between India and the respective countries under the aegis of MFA, outside the rules of the General Agreement on Tariffs and Trade (GATT). From 01.01.1995, the quantitative restrictions (import quotas) on the bilateral agreements under the MFA were governed by the Agreement on Textiles and Clothing (ATC), contained in the Final Act of the Uruguay Round negotiations of the GATT.

As per ATC, the textile quotas have been phased out and textile sector fully integrated into WTO w.e.f. 01.01.2005. The liberalized trading regime would result in increased global trade in textiles thus providing greater export opportunities and at the same time exposing the domestic industry to higher import penetration. The industry has to improve its efficiency and productivity to meet the emerging global competition.

It is reckoned that the following benefits would accrue to textile industry after quota abolition:

- Average growth rate of export from the supplying countries under quota would increase substantially;
- Investment in the textile and clothing sector on the basis of comparative advantage amongst supplying countries will be promoted;
- An equitable international system for free flow of goods between suppliers, buyers and consumers will be established;
- The multilateral system enshrined under the WTO will be strengthened; and
- Consumer prices and transaction costs for consumers and distributors will be reduced across the board.

Expectations for the future: With the dismantling of the quota regime, the Indian textile exports are expected to receive a big push. Top textile importing countries like USA and the EU are looking towards India for meeting their import requirements. India, according to several recent studies, is going to emerge as an alternative source of supply after China.
The country’s export growth will be driven by value added made ups and apparel as India has comparative advantages over its competitors in relation to (i) availability of relatively inexpensive and skilled workforce; (ii) design expertise; (iii) large production base of raw material like cotton, yarns and fabrics; and (iv) availability of wide range of textiles. According to a recent study by CRISIL {commissioned by Indian Cotton Mills Federation (ICMF)}, the Indian textiles and apparel industry can achieve a business of US$ 85 billion by 2010, of which the domestic market share would be US$ 45 billion and the share of export would be US$ 40 billion, and approximately 60% of textile exports would be of garments. The liberalized trading regime would result in increased international trade in textiles thus providing greater export opportunities and in further creating additional jobs. It is reckoned that post quota regime would create 12 million job opportunities, which would include 5 million direct jobs in textile industry, and 7 million jobs in allied sectors.

ORGANISED TEXTILES INDUSTRY

The Cotton/Man-Made Fibre Textiles Mill Industry is the single largest organized industry in the country employing nearly 1 million workers. Besides, a large number of ancillary industries – accessories, stores, dyes & chemicals are dependent on this sector. Even on a modest assumption that a worker’s family comprises five people, the direct dependents on the organized textiles mill industry work out to about 5 million. During the year the following major initiatives were taken:

Technology Upgradation Fund Scheme (TUFS): The Technology Upgradation Fund Scheme (TUFS), the “flagship” Scheme of the Ministry of Textiles, aims at making funds available to the domestic textile industry for technology upgradation of existing units and for setting up of new units with state-of-the-art technology for enhancing their viability and competitiveness in the domestic and international markets. The Scheme was launched on 01.04.1999 for a period of five years and has since been extended till 31.03.2007. In the Tenth Plan Period (2002-07), Rs.1,270 crore have been earmarked for the scheme. According to provisional estimates available till 31.01.2005, 3,811 applications amounting to Rs. 25,820 crore and involving a loan component of Rs. 13,767.52 crore were received. Of these, 3,575 applications amounting to project cost of Rs. 21,851.05 crore and involving a loan component of Rs. 9,942.38 crore had been sanctioned. Till January 2005, loan of Rs. 8,222.57 crore, involving 3016 applications with project cost of Rs. 16,958.61 crore, was disbursed.

Modification in the TUFS: The following modifications have been made in the Technology Upgradation Fund Scheme (TUFS) with effect from 13.01. 2005:

(i) The capital ceiling for machinery increased from Rs.60 lakh to Rs.1 crore for decentralized powerloom
sector under Credit Linked Capital Subsidy (CLCS) @ 20% -TUFS.

(ii) The rate of credit linked capital subsidy increased from 12 per cent to 15 per cent for small scale textile and jute industries under CLCS @12% -TUFS.

NATIONAL TEXTILE CORPORATION LIMITED (NTC)

The National Textile Corporation Limited (NTC) was incorporated in April 1968 for managing the affairs of the sick textile undertakings of private sector taken over by the Government. Starting with 16 mills in 1968, this number eventually increased to 119 by 1994. However with the implementation of revival schemes and consequent closure of 65 unviable mills, NTC has 54 mills as on 28.02.2005.

The cost and means of finance of the Rehabilitation Schemes sanctioned by BIFR/Government are Rs. 3,937.49 crore and Rs. 4,697.14 crore respectively.

Status of Implementation of the Scheme

In pursuance of the rehabilitation scheme:

1) Assets unencumbered by issuance of Government Guaranteed Tax Free Bonds of Rs.248.69 crore to Banks and Financial Institutions against One Time Settlement (OTS).

2) Rs. 2,000 crore mobilised through Government Guaranteed Bonds for implementing Voluntary Retirement Scheme (VRS).

3) Of 66 unviable mills, 65 mills closed under the ID Act and one mill (Swadeshi Cotton Mill, Pondicherry) is being consideration for transfer to Pondicherry Government. As many as 44,159 employees have availed of VRS at a cost of Rs. 1,545.31 crore.

4) Rs. 563 crore realised through the sale of surplus assets. Proposal to sell lands worth Rs. 500 crore by 31.03.2005.

Table 1.1
Number of Mills of NTC – Subsidiary-wise

<table>
<thead>
<tr>
<th>No</th>
<th>NTC subsidiary</th>
<th>Mills</th>
<th>Headquarters</th>
<th>States covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>APKKM</td>
<td>10</td>
<td>Bangalore</td>
<td>Andhra Pradesh, Karnataka, Kerala &amp; Mahe</td>
</tr>
<tr>
<td>2</td>
<td>DPR</td>
<td>5</td>
<td>Delhi</td>
<td>Rajasthan, Punjab, Delhi</td>
</tr>
<tr>
<td>3</td>
<td>GUJ</td>
<td>2</td>
<td>Ahmedabad</td>
<td>Gujarat</td>
</tr>
<tr>
<td>4</td>
<td>MN</td>
<td>8</td>
<td>Mumbai</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>5</td>
<td>MP</td>
<td>2</td>
<td>Indore</td>
<td>Madhya Pradesh</td>
</tr>
<tr>
<td>6</td>
<td>SM</td>
<td>9</td>
<td>Mumbai</td>
<td>Maharashtra</td>
</tr>
<tr>
<td>7</td>
<td>UP</td>
<td>2</td>
<td>Kanpur</td>
<td>Uttar Pradesh</td>
</tr>
<tr>
<td>8</td>
<td>TNP</td>
<td>10</td>
<td>Coimbatore</td>
<td>Tamil Nadu, Pondicherry</td>
</tr>
<tr>
<td>9</td>
<td>WBAB&amp;O</td>
<td>6</td>
<td>Kolkata</td>
<td>West Bengal, Assam, Bihar &amp; Orissa</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>54</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5) Proposal to start modernization in 15 mills in the first Phase at a cost of Rs.230 crore.

**Steps taken for improvement of the 53 mills**

- Uninterrupted supply of raw material and working capital for running these units at peak capacities. Cotton supply arranged on credit basis from Cotton Corporation of India (CCI), because of unwillingness of Banks to have exposure to NTC.

- The Nationalised Banks are being convinced to continue the working capital funding on a Letter of Comfort by the Ministry. Though partially successful in these attempts, working capital continues to be a problem for these mills.

- Rs. 50 crore invested on renovation of existing machinery.

- Rs. 400 crore invested in reducing the excess manpower to cut down production cost.

- Decentralisation of decision-making to the unit level.

**COTTON**

Cotton is one of the major crops cultivated in India and plays a vital role in the Indian economy. It sustains the Indian Cotton Textile Industry accounting for more than 75% of the total fibre consumption in the spinning mills and 56 % of the total fibre consumption in the textile sector. In cotton season 2004-05(October-September), the production of the cotton is anticipated at 213 lakh bales (170 kg each) with an cultivated area of 89.69 lakh hectares (approx.) and average yield of 404 kg per hectare compared to production of 177 lakh bales with cultivated area of 77.85 lakh hectares and average yield of 387 kg per hectare in 2003-04. The main reasons for low yield in India as compared to the world average of about 680 kg/hectare is that 65% of the area under cotton cultivation is rain-fed. The largest share in the total production of cotton is of medium staple & medium long staple varieties followed by long staple varieties. In 2003-04, the share of short staple cotton was about 4.5%, the share of medium and medium long staple varieties was 48.5 % and that of long and extra long staple varieties was 47.5 %.

**Initiatives in Cotton Sector:**

**Technology Mission on Cotton (TMC):**

The TMC was launched in February 2000 to give a focused impetus to cotton research and development, and it would continue till the end of 10th Five Year Plan. The Mission comprises four Mini Missions with specific objectives of ‘research’, ‘dissemination of technology to farmers’, ‘improvement in market infrastructure’ and ‘modernization of ginning and pressing sector’. The Ministry of Textiles is implementing Mini Missions III & IV for improving market infrastructure and modernization of Ginning & Pressing factories.

Till February 2005, development of 112 market yards and modernization of 447 Ginning & Pressing Factories have been
sanctioned at an anticipated cost of Rs.781.23 crore of which Government of India share would be Rs 200.29 crore. So far 83 market yards have been completed and 289 ginning & pressing factories have been modernized.

**Farmers’ Information Centres (FICs):**
One important feature of modernization of the cotton-marketing infrastructure is establishment of the Farmers’ Information Centres (IFCs) in market yards. Farmers can access information regarding various aspects of cotton cultivation and future prices of cotton online through a touch button system of kiosks. So far, 86 FICs have been established.

**SERICULTURE**

Globally India is the second largest producer of silk and contributes about 18% to the total world raw silk production. The country has the unique distinction of being endowed with all the four varieties of silk namely Mulberry, Eri, Tasar and Muga. Among Non-Mulberry silks, Tasar is practiced by the tribals who rear silkworms on natural grown plantations. The Eri culture is domesticated like Mulberry culture and has a close link with the culture and tradition of the people of the North East. The golden yellow silk produced by the Muga Silkworm, *Antheraea Assama* is unique to Assam and neighbouring states of Nagaland and Meghlaya.

In 2003-04, the total silk production was 15,742 M.T. – Mulberry silk 13,970 M.T. (88.7%), non-Mulberry silk 1772 M.T. (Eri 8.6%, Tasar 2% and Muga 0.7%). The sector provides gainful occupation to more than five million people in the rural and semi-urban areas. Of these, a sizeable number belongs to the economically weaker section of society. There is substantial involvement of women in this industry. During the year, the Central Silk Board (CSB) continued its work in three broad areas of Research and Technology Development; Seed Maintenance and Development of Sericulture and Silk Industry to support, supplement and facilitate the efforts of the State Govts.

Some of the initiatives taken during the year to boost Sericulture sector are:

- Through its R&D programmes, the Central Silk Board (CSB) was successful in (i) evolving more productive and stress tolerant breeds, hybrids of Mulberry, non-Mulberry varieties of food plant and silkworm; (ii) adoption of an integrated eco-friendly pest and disease management protocol; and (iii) upgradation of reeling and processing technologies.

- Through its development programmes, CSB gave thrust to the growth of bivoltine Mulberry sericulture in the traditional states and the expansion of non-Mulberry silks in the North East Region as well as non-traditional areas.

- Anti-dumping investigations undertaken by the Directorate General of Anti-Dumping & Allied Duties (DGAD&AD) on a petition filed by the reellers affected by a fall
in domestic prices of raw silk on cheap imports from China. Anti Dumping Duty @ US $ 27.97 per kg. was imposed on all imports of Mulberry raw silk (not thrown) of International grade 2A and below, originating in or imported from the People’s Republic of China w.e.f. 02.07.2003. Prices of raw silk have stabilized as a result. Silk Weavers Associations, with the support of CSB, had filed a petition before DGAD&AD requesting for levy of anti-dumping duty on imported Chinese Silk fabric, which is being considered by DGAD&AD.

- Setting up of “Silk Mark Organization of India” by CSB for undertaking the testing of silk products and promoting, the concept of quality silk with a ‘Silk Mark’ Label.
- Launching of futures trading in cocoon and raw silk at the National Commodity and Derivatives Exchange (NCDEX) in Mumbai by CSB on 20.01.2005. The sericulture Industry would benefit through better price realisation, quality linked pricing and the dissemination of market information.

**WOOL**

Wool is the only raw material of the textile industry for which the country is dependent on imports. Of annual indigenous production of 52-55 million kg., 85% of raw wool is carpet grade. Therefore, for fine quality wool, the country is largely dependent on imported wool, with Australia and New Zealand being the major suppliers.

The woollen industry in India is small in size and scattered. It is primarily located in Punjab, Haryana, Rajasthan U.P., Maharashtra and Gujarat, with 40% of the units being in Punjab, 27% in Haryana, 10% in Rajasthan and 23% in other States. During 2004-05, it is reckoned that the production of wool would be 55.10 million kg.

**Important Initiatives/Development in Wool sector are as under:**

**Inauguration of Pashmina De-hairing Plant in Leh, Ladakh:** India produces the finest Pashmina in the world, the main and best quality coming from the Changthang region of Ladakh and a little from mountainous terrain of similar altitude in other States. The Ladakh region of J&K produces 32 MT of Pashmina per annum. A Pashmina de-hairing plant at Leh was inaugurated by Smt. Sonia Gandhi, Chairperson of the National Advisory Council(NAC) in the presence of Shri Shankersinh Vaghela, the Union Minister of Textiles on 30.09.2004. The plant is a part of the Pashmina Development Project initiated in 2002-03, with cooperation from the UNDP. The project aims at improving production and quality of Pashmina and generating employment opportunities in Ladakh Region by making early stage processing and value addition possible in the region.

**Setting up an Expert Group to look into the issues relating to Shahtoosh:** In pursuance of the announcement of
Reconstruction Plan for the Jammu & Kashmir made by the Prime Minister in November 2004, an Expert Group has been set up with Joint Secretary (Wool), Ministry of Textiles, as the convener to look into the issues relating to Shahtoosh. The Group comprises representatives of Central Government, State Government of Jammu & Kashmir, Industry and Wildlife NGOs.

JUTE

The Jute Industry occupies an important place in the national economy. It is one of the major industries in the eastern region, particularly in West Bengal. It supports nearly 4 million farm families, besides providing direct employment to, 2.6 lakh in industry sector and 1.4 lakh people in the tertiary and allied sector.

The Jute Packaging Materials (Compulsory Use in Packing Commodities) Act, 1987 provides for the compulsory use of jute packaging material in the supply and distribution of certain commodities. On the basis of the recommendations of the Standing Advisory Committee (SAC), the Central Government issued a notification dated 28.09.2004, for mandatory packaging of 100% foodgrains and 90% sugar, in jute materials during the jute year 2004-05.

New Initiatives taken in Jute Sector

In pursuance of commitment made in the National Common Minimum Programme to give a fresh impetus in all respects to Jute Industry, the following measures have been initiated.

National Jute Policy: In view of rising global concern about environmental issues, jute is poised to become favoured products because of its eco-friendly and biodegradable characteristics. The Government is in the process of formulating a Comprehensive National Jute Policy. A conference on Comprehensive Jute Policy was held on November 19-20, 2004 at Kolkata to elicit the views of stakeholders, and it was attended by almost all segments of jute sector. Meetings of the Parliamentary Consultative Committee attached to the Ministry of Textiles were held in Delhi and Mumbai on 25.11.2004 and 20.01.2005 respectively to elicit and incorporate the views of the Members of Parliament on the
proposed policy. The National Jute Policy will be announced soon after obtaining the necessary approval.

**Jute Technology Mission:** The Jute Technology Mission (JTM) is proposed to be launched with the following objectives:

- To strengthen existing infrastructure for development and supply of quality seeds;
- To improve the yield and quality of jute fibre through better methods of retting and extraction technologies;
- To increase the supply of quality raw material to the jute industry at reasonable prices and to develop efficient market linkage for raw jute;
- To modernize, technologically upgrade the jute industry;
- To improve productivity and the quantum of diversification;
- To focus on Human Resource Development for jute industry;
- To develop and commercialize innovative technology for diversified use of jute and allied fibres.

The Planning Commission has recently conveyed “in principle” approval to the launching of the mission, subject to certain conditions and further modalities are being worked out. The total outlay would be Rs.345.55 crore.

**POWERLOOM**

The decentralized powerloom sector plays a pivotal role in meeting the clothing needs of the country. This sector contributes significantly to the cloth production and provides employment to millions of people. During 2003-2004, the production of cloth by this sector was 27,258 million sq.mtrs while employment was 4.59 million. In 2004-05, it is anticipated that production would be 28,803 million sq. mtrs and employment 4.75 million.

**Scheme for Establishment of High-Tech Weaving Parks:** The Government has announced a package for establishment of High-Tech Weaving Parks for modernisation of powerloom sector. The objective of the scheme is to create a better working environment, common infrastructure and encourage technological upgradation for higher productivity. This scheme is a combination of three on-going schemes – the Textile Centre Infrastructure Development Scheme (TCIDS), the Group Workshed Scheme (GWS) and the Technology Upgradation Fund Scheme (TUFS). Project proposals received under this scheme are approved by a ten-member Project Appraisal and Approval Committee (PAAC) under the Chairmanship of Secretary (Textiles). The first meeting of the PAAC was held on 17.01.2005. The Committee approved five high-tech weaving park projects in Karnataka, Tamil Nadu and Andhra Pradesh with an outlay of Rs. 7,841.20 lakh, of which GOI share would be Rs. 3,913.50 lakh. These parks will provide direct employment to approximately 12,000 people and have an annual turnover of Rs. 1,252.34 crore.
HANDLOOMS

The Handloom Textiles typifies the country’s rich cultural Heritage. As an economic activity, the handloom comes next to agriculture in providing livelihood to the people. This sector accounts for 13.12% of total cloth produced in the country excluding that made of wool, silk and hand spun yarn. During the year the ongoing schemes and programmes such as Deen Dayal Hathkargha Protsahan Yojana, National Centre for Textile Design, Weavers Service Centres, Integrated Handloom Training Project, Design Development and Training Programmes, Weavers’ Welfare schemes and Bunkar Bima Yojana for Handloom Weavers continued.

Till December 2004, the production of handloom fabrics is anticipated to be 4,238 million sq.mtrs.

HANDICRAFTS

The Handicraft Sector plays a important role in the country’s economy as it contributes significantly to employment generation and export earnings. The annual growth rate of direct and indirect employment in the handicrafts sector is around 2.5%. (Source: Population Census, National Sample Survey Organization (NSSO)/National Council for Applied Economic Research (NCAER) surveys and information regarding Unorganized Cottage Industry). It is anticipated that during the 10th Plan period employment opportunities in Handicrafts sector would annually rise @ 3%, and an additional 9.29 lakh artisans would find employment during the period and cumulative employment would reach 67.70 lakh at the end of Tenth Plan. In 2003-04, the sector provided employment to 61.96 lakh artisans. The Handicrafts being a state subject, its development and promotion is the primary responsibility of the State Government. However, the Office of the Development Commissioner (Handicrafts) is supplementing their efforts by implementing various developmental schemes.

Some of the initiatives taken during the year are:

Urban Haat: For providing permanent marketing outlets to the artisans’ community from rural as well as urban areas, a scheme “Setting up of Urban Haat” was launched in 1999-2000 on the pattern of Dilli Haat. The scheme allows for allotment of built up stalls on fortnightly rotational basis to artisans at nominal rent. In the Haats artisans get an opportunity
for direct sale of their products to the consumers without involvement of middleman. The Haats offer platform for cultural programmes, and ethnic food to attract customers and tourists. During the 9th Plan period, 16 Urban Haats were approved by the Planning Commission at commercially important and tourist locations. In the 10th Plan period there is proposal to set up 20 Urban Haats and till January 2005, 15 Urban Haats have been sanctioned.

During 2004-05, two Urban Haats have been sanctioned/approved as per details given in Table 1.2.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Place</th>
<th>Name of Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Delhi Eco Haat, Delhi</td>
<td>Haryana Tourism, Chandigarh</td>
</tr>
<tr>
<td>2.</td>
<td>Pondicherry</td>
<td>Pondicherry Tourism, Pondicherry</td>
</tr>
</tbody>
</table>

**Young Craftpersons Competition-2004:**
The Young Craftpersons Competition (YCC) was conceived as a special programme of the World Crafts Council, Asia Pacific Region to generate international awareness and appreciation of the dynamism of the living craft traditions of the Asia Pacific Region. The Award was launched in 2002 on biennial basis. The YCC-2004 was hosted in India by the Office of Development Commissioner (Handicrafts) and the Craft Council of India at Chennai from October 6-9, 2004.

**UNESCO-Seal of Excellence Award:** In order to maintain standard of quality, product excellence and enhance international market awareness of handicrafts from the seven SAARC countries and to conform to standards of cultural environment, the Office of the Development Commissioner (Handicrafts) has been designated as an associate, alongwith Craft Council of India, for conferring the UNESCO-Seal of Excellence Award. The Award Ceremony was organized at Siri Fort Auditorium, New Delhi on 14.10.2004. The Hon’ble Minister of Textiles conferred the awards on 35 products of 31 individuals/groups.

**Shilp Guru Award (Heritage Masters):**
The ‘Shilp Guru Award’ was conceived as a special programme coinciding with the Golden Jubilee Celebration of Handicrafts Resurgence in India in 2002. The Award is given to the living legends in recognition of their contribution to excellence and:

- In keeping alive the craft skills, despite social and economic vulnerability;
- In reviving the dying craft which is recognized by the community;
- In setting up of training institutions and conducting the community training of craftspersons; and
- In the welfare and development of crafts community and craft sector as a whole.
Integrated Approach on Handicraft Specific Package: To provide self employment opportunities to young artisans, the Office of Development Commissioner (Handicrafts) has sanctioned the setting up of State Initiated Design Centres (SIDCs) at Bhubaneshwar (Orissa), Lucknow (UP), Bhopal (MP), Shantiniketan (W.B.) and Bhuj (Gujarat). These centres would introduce specific package for business development and provide training inputs with focus on design and technology. In addition, the Office of Development Commissioner (Handicrafts) has sanctioned the proposals for setting up of 7 SIDCs at Gwalior (MP), Khurja (UP), Kolkata (W.B.), Delhi, National Institute of Fashion Technology (NIFT) Kolkata, Gandhi Nagar (Gujarat) and IIT (Roorkee).

MAN-MADE FIBRE & FILAMENT YARN INDUSTRY

The man-made fibre and yarn industry comprises fibres and filaments of both cellulosic and non-cellulosic origin generally called rayon and synthetic fibres/yarns respectively. While rayon is a regenerated fibre wholly or mainly of cellulose and includes viscose, acetate and cuprammonium, synthetic fibres or filaments are produced from polymers of chemicals elements or compounds and include acrylic, nylon, polyester and polypropylene. On a year-to-year basis the production of man-made fibre/filament yarn during April-October 2004 has shown an increase of 15% and 7.52% respectively. The total man-made fibre/filament yarn production is expected to increase by about 11% during 2004-05 as compared to 2003-04. However the production of polypropylene filament yarn declined by 22% during the period. The total filament yarn production during 2004-05 is expected to increase by about 3% as compared to 2003-04. The production of nylon filament yarn is expected to increase by about 26% and polyester filament yarn is expected to increase by 3% during 2004-05. However, the production of polypropylene filament yarn is anticipated to decline by about 22% and viscose filament yarn is anticipated to decline by about 1% during 2004-05.

TEXTILES IN NORTH EAST REGION

The decentralized sector comprising handloom, powerloom, sericulture, handicrafts, wool and jute forms the main source of gainful employment and income generation for the people of North Eastern Region after agriculture. These activities are characterised by their exclusivity, flexibility and export potential. The region’s woollen & silk fabrics including the exclusive Eri silks as well as cane/bamboo based crafts have created a niche for themselves due to their uniqueness, quality and designs.

ACTIVITIES RELATING TO PROGRESSIVE USE OF OFFICIAL LANGUAGE

For smooth implementation of Official Language Policy of the Union and for encouraging of progressive use of Hindi in the Ministry, a number of activities were organised:
(i) **Meetings of the Official Language Implementation Committee:** The Ministry regularly organises meetings of the Official Language Implementation Committee (OLIC), chaired by the Joint Secretary (Hindi). The last quarterly meeting was held on 28.12.2004.

(ii) **Organisation of Hindi Fortnight:** The Hindi Fortnight was organized from September 15-30, 2004 wherein various competitions such as Essay writing, Noting and Drafting, Debate, Quiz, Dictation, Typing and Poetry recitation etc. in Hindi were held. The Officers and Staff of the Ministry participated in these competitions. In order to inculcate interest for Hindi and also for encouraging attitude for progressive use of Hindi in day to day work, cash prizes were given to the winners of the competitions.

**FASHION / BUSINESS EVENTS OF NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)**

- **Cluster Development Initiatives:** NIFT has taken initiative for Cluster Development programmes with the active support of Ministry of Rural Development, National Centre for Jute Diversification (NCJD) and the Offices of Development Commissioner (Handicrafts) and Development Commissioner (Handlooms). The Delhi Centre of NIFT has carried out a capacity building project in Chanderi Cluster, which was sponsored by Government of Madhya Pradesh. On the sponsorship of Gujarat Government, the Gandhinagar Centre completed Cluster Development Project for small-scale ready-made garment manufacturers of Ahmedabad. The initiative of NIFT has successfully addressed some of the problems of the clusters, and has opened new avenues for students through sustained development of craft cluster by integrating it with academic curriculum.

- **Preparation of course curriculum for Fashion Studies:** NIFT has designed the course curriculum, prepared the course content, and prescribed minimum infrastructure and facility for conducting the courses in fashion studies in schools affiliated to Central Board of Secondary Education (CBSE). The
Fashion Studies will create an understanding of the fundamental concepts of fashion, fashion technology and interrelationships between different industries and services that comprise the fashion business. The Fashion Studies would be introduced by CBSE for 10th and 12th standards curriculum.

- **Initiative in North East Region:** NIFT was involved in the Design Development and Product upgradation project for Eri-Muga silk product by the Govt. of Arunanchal Pradesh. The Kolkata Centre of NIFT has been identified by Ministry for Development of North Eastern Region (DONER) for conducting Certificate programme of students in Fashion Clothing.

- **Industry Projects:** NIFT has designed ‘Breathers’ (Breathing Masks) for Bikers, which was sponsored by M/s. John Fowler India Ltd. and mobile case covers for Reliance Infocom. NIFT also participated in projects of various States and Central Government under the Swarna Jayanti Swarozgar Yojana and ‘Deen Dayal Hathkargha Protsahan Yojana’ scheme wherein total 1000 New Ikat designs were given to weavers for ensuring better marketability of their products.
SARDAR VALLABHAI PATEL INSTITUTE OF TEXTILE MANAGEMENT (SVPITM)

The Ministry of Textiles has established the SVPITM on 24.12.2002 as a premier National Level Institute at Coimbatore, Tamil Nadu, which is known for its textile related activities. The Institute is registered as a Society under the Tamil Nadu Society’s Registration Act, 1975 and the affairs of the Institute are managed by the Board of Governors with Secretary (Textiles) as the ex-officio Chairman of the Board of Governors. The Institute is all set to emerge as a Centre of Excellence in Textile Management Education. The objective of the Institute is to create a strong cadre of professional managers to manage various segments of the textile industry.

SVPITM has some of the best minds, as its faculty is drawn from premier Institutions and corporate houses. The Institute has an active placement cell that is in constant touch with leading players in the textile industry. The students are exposed to the latest developments in industry as well as actual working conditions through Institute- Industry interaction. The Institute endeavours continuously to up-grade the skills of the existing managerial cadre with a view to improving the competitiveness of the Indian Textile Industry. Keeping in view the requirements of the Textile Industry, the institute offers a two-year Post Graduate Course in Textile Management, one year Post Graduate Diploma in Knitting & Apparel Industry Management and other need based Short-Term Courses.