TEXTILE EXPORTS

The textile products continue to play an important role in the total export basket of the country. The data about export targets for 2004-05 and the latest status of exports is given at Table 10.1.

For 2004-05 the target for the export of textiles has been fixed at US$ 15,160 million, against US$13,500 million set during 2003-04.

### Table 10.1

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Readymade Garment</td>
<td>6,000</td>
<td>11,591.5</td>
<td>2,491.2</td>
<td>9.2%</td>
<td>11.6%</td>
</tr>
<tr>
<td>2</td>
<td>Cotton Textiles</td>
<td>4,200</td>
<td>6,604.7</td>
<td>1,419.5</td>
<td>14.6%</td>
<td>17.1%</td>
</tr>
<tr>
<td>3</td>
<td>Man-made textiles</td>
<td>2,200</td>
<td>3,745.8</td>
<td>805.1</td>
<td>20.4%</td>
<td>23.0%</td>
</tr>
<tr>
<td>4</td>
<td>Wool &amp; Woollen</td>
<td>400</td>
<td>725.3</td>
<td>155.9</td>
<td>45.0%</td>
<td>48.2%</td>
</tr>
<tr>
<td>5</td>
<td>Silk</td>
<td>625</td>
<td>1059.6</td>
<td>227.7</td>
<td>19.8%</td>
<td>22.4%</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>13,425</td>
<td>23,726.9</td>
<td>5,099.4</td>
<td>14.0%</td>
<td>16.5%</td>
</tr>
<tr>
<td>7</td>
<td>Handicrafts (a+b)</td>
<td>1,400</td>
<td>2,245.1</td>
<td>482.5</td>
<td>-13.3%</td>
<td>-11.4%</td>
</tr>
<tr>
<td>a)</td>
<td>Carpet</td>
<td>600</td>
<td>1122.7</td>
<td>241.3</td>
<td>10.3%</td>
<td>12.7%</td>
</tr>
<tr>
<td>b)</td>
<td>Other Handicrafts</td>
<td>800</td>
<td>1122.4</td>
<td>241.2</td>
<td>-37.0%</td>
<td>-35.6%</td>
</tr>
<tr>
<td>8</td>
<td>Coir</td>
<td>85</td>
<td>158.6</td>
<td>34.1</td>
<td>40.7%</td>
<td>43.8%</td>
</tr>
<tr>
<td>9</td>
<td>Jute</td>
<td>250</td>
<td>539.9</td>
<td>116.0</td>
<td>5.3%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>15,160</td>
<td>26,670.5</td>
<td>5,732.0</td>
<td>11.7%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>

Source: Foreign Trade Statistics of India (PC&C), DGCIS, Kolkata.

**EXPORTS OF TEXTILES**

Textile exports recorded a growth of 15.3% in 2002-2003 and 6.0% in 2003-2004. During the period April-November 2004, textile exports were US$ 8348.5 million, recording a growth of 4.6% as compared to the corresponding period of previous year.

**SECTOR-WISE ANALYSIS**

(i) **Readymade Garments:**
Readymade garments account for approximately 42% of the country’s total textile exports. In the year 2002-03 and 2003-04 they logged a growth of 15.5% and 5.5% respectively. During April-November, 2004, readymade garment
exports totaled US$ 34.5 million, recording a growth of 2.1% as compared to the corresponding period of previous year.

(ii) Cotton Textiles including handlooms: The export of cotton textiles comprising yarn, fabrics and made-ups (Mill made / Powerloom/ Handloom) constitute more than 2/3rd of exports of all fibres/yarns/made-ups. Cotton textiles exports recorded a growth of 9.1% in 2002-03 and 4.2% in 2003-04. During the period April-November 2004, cotton textile exports including handlooms were US$ 2144.1 million, recording a growth of 5.4% as compared to the corresponding period of previous year.

(iii) Man-made Textiles: The export of man-made textiles have recorded a growth of 30.2% in 2002-03 and 28.2% in 2003-04. During the period April-November 2004, man-made textiles exports were US$ 1286.6 million, recording a growth of 12.9% as compared to the corresponding period of previous year.

(iv) Silk Textiles: The export of silk textiles recorded a growth of 3.3% to 2002-03 and 18.4% in 2003-04 compared to previous year. During the period April-November 2004, silk textiles exports were US$ 365.0 million, recording a growth of 15.1% as compared to the corresponding period of previous year.

(v) Woollen Textiles: The exports of woollen textiles declined by 6.8% in 2002-03, compared to previous year. The decline has been attributed to sluggish
market conditions, over-stocking in major markets. However, woollen textiles have recorded a significant growth of 33.0% in 2003-04 as compared to the previous year. During the period April-November 2004, woollen textiles exports were US$ 294.0 million, recording a growth of 32.7% as compared to the corresponding period of previous year i.e. 2003.

(vi) **Handicrafts including Carpets:**
The exports of handicrafts including carpets recorded a growth of 24.4% in 2002-03 as compared to the previous year. However, handicrafts including carpet exports declined by 23.2% in 2003-04 as compared to the previous year. During the period April-November 2004, exports of handicrafts including carpet were US$ 570.9 million, registering a decline of 16.7% as compared to the previous year.

(v) **Coir:** Coir exports recorded a growth of 18.8% in 2002-03 and 6.8% in 2003-04. During the period April-November 2004, coir exports were US$ 65.3 million, recording a growth of 40.7% as compared to the previous year.

(vi) **Jute:** Jute exports declined by 33.7% in 2001-02 and thereafter recorded a growth of 45.9% in 2002-03 and 23.9% in 2003-04. During the period April-November 2004, jute exports were US$ 170.8 million, recording a growth of 9.9% as compared to the previous year.

**ADMINISTRATION OF EXPORT ENTITLEMENTS (QUOTAS)**

India’s exports of textiles and clothing (including knitwear), were subjected to quantitative restraints in certain countries, and are regulated by the Export Quota Entitlement Policies formulated by the Government from time to time. The allocations are made to the exporters as per these policies. A notification had been issued to continue the residuary provisions in the year 2005.

**EXPORT PROMOTION MEASURES INITIATED DURING THE YEAR**

(i) **Announcements in the Union Budget 2004-05:** In order to strengthen domestic textile industry for meeting the growing 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 given excise exemption option;
- Additional Excise Duty on Textiles & Textile Articles (AT&T) and Additional Excise Duty (Goods of Special Importance) Act abolished; and
- Basic customs duty on various textile machinery items and spare parts reduced to 5%.

(ii) **Announcements in the Union Budget 2005-06:** To strengthen domestic textile industry for meeting the growing global competition, the following important
announcements have been made in the Union Budget 2005-06:

- The allocation to TUFS has been enhanced to Rs. 435 crore, along with an additional capital subsidy of 10% for the processing sector;
- 30 items of textiles products and hosiery have been identified for dereservation from 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%; and
- 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.

(iii) Announcements in the new Foreign Trade Policy: The new Foreign Trade Policy contains a number of positive features, and the features which are particularly beneficial to the textile industry are:

- Handicrafts and Handloom sectors, among others, have been identified as Special Focus Initiatives;
- Duty free import of trimmings and embellishments for Handloom & Handicrafts sectors increased from 3% to 5% of FOB value of exports;
- Import of trimmings and embellishments and samples exempted from Counter Vailing Duties (CVD);
- Handicraft Export Promotion Council authorised to import trimmings, embellishments and samples for small manufacturers;
- Establishment of a new Handicraft Special Economic Zone; and
- Leftover materials and fabrics of the 100% EOUs upto 2% of CIF value or quantity of import shall be allowed to be disposed of on payment of duty on transaction value only.

(iv) Announcement of National Textile Policy: - One of the main objectives of the National Textile Policy (NTxP-2000) announced in November 2000 is to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. The policy endeavours to achieve the target of textile and apparel exports from the present level to US $ 50 billion by 2010 of which the share of garments will be US $ 25 billion.
(v) Technology Upgradation Fund Scheme: In view of the urgent need for stepping up the process of modernisation and technology upgradation of the textile industry in India, Ministry of Textiles launched a Technology Upgradation Fund Scheme (TUFS) for the textile and jute industry for a five years time frame from 01.04.1999 to 31.03.2004. The scheme has since been extended till 31.03.2007. The scheme provides 5% interest reimbursement in respect of loans availed thereunder from the concerned financial institutions for investments in benchmarked technology for the sectors of the Indian textile industries specified thereunder. An additional option has been given to powerloom units for 20% capital subsidy under Credit Linked Capital Subsidy (CLCS-TUFS) upto a cost of Rs. 100 lakh in eligible machinery with facility to obtain credit from a credit network that includes all co-operative banks and other genuine non banking financial companies (NBFC) recognized by the Reserve Bank of India.

(vi) Liberalization of FDI Policy: Government has allowed foreign equity participation upto 100%, through automatic route, in the textile sector with the only exception in knitwear/knitting sector.

(vii) Export Promotion Capital Goods (EPCG) Scheme: The scheme facilitates import of capital goods at 5% concessional rate of duty with appropriate export obligation. Import of second hand capital goods without any restriction on age is also allowed under the new Foreign Trade Policy as announced on August 31, 2004.

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

(ix) Duty Exemption Pass Book (DEPB) Scheme: DEPB credit rates have been prescribed for 83 textiles and clothing products. The nomenclature and rates for DEPB entries pertaining to certain textile products have been rationalized. The DEPB credit rates were reduced by 45% across the board in all textile items on 23.09.2004. While addressing the concerns of certain segments of the trade, the DEPB credit rates were again revised on 30.12.2004 by announcing changes to the extent of 60% reduction in respect of cotton textile items, 30% reduction in blended textile and woollen items and 22.5% reduction in man-made textile and silk items in place of 45% reduction effected earlier.

(x) Duty Drawback Scheme: The exporters are allowed refund of the excise and import duty suffered on inputs of the export products under the Scheme. Department of Revenue announced revision in All Industry Rates of Duty Drawback (AIR of DBK) on 18.01.2005 and the changes made effective from 19.01.2005. There has been substantial reduction in AIR of DBK in almost all textile export products except certain items of silk and wool sectors. In the revised Drawback Schedule, 165 new entries of textile products have been
created in addition to earlier 101 entries. The revised rates have been prescribed on the basis of weight of the export product instead of earlier system based on fob value of the product. Besides, in respect of apparel items, the drawback rates have also been given on the basis of composition of textiles.

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

(xii) Construction of Apparel International Mart:- Apparel Export Promotion Council is constructing an Apparel International Mart at Gurgaon with assistance from Government. For this purpose a grant of Rs. 15 crore was released during 2001-02 and Rs.30 crore was released during the year 2003-04. The Apparel International Mart (AIM) Complex is coming up in an area of 5 acre with 250-300 showrooms also which are being allotted to the exporters. This will provide a world-class facility to the apparel exporters to showcase their products and serve as one stop shop for reputed international buyers. The work for construction of apparel mart is in progress. The apparel international mart is expected to start functioning from September 2005.

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

(xiv) Apparel Park for Exports Scheme: A centrally sponsored scheme ‘Apparel Parks for Exports Scheme’ has been launched. The scheme is intended to impart focussed thrust to setting up of apparel manufacturing units of international standards at potential growth centres and to give fillip to exports. Since the inception of scheme in March, 2002, twelve project proposals have been sanctioned for setting up Apparel Parks at Tronica City & Kanpur (U.P.), Surat (Gujarat), Thiruvananthapuram (Kerala), Visakhapatnam (Andhra Pradesh), Ludhiana (Punjab), Bangalore
(Karnataka), Tirupur & Kanchipuram (Tamil Nadu), SEZ, Indore (Madhya Pradesh), Mahal (Jaipur, Rajasthan) and Butibori-Nagpur (Maharashtra). These projects are at various stages of implementation and five such projects are expected to be completed by the end of 2005.

(xv) Textile Centres Infrastructure Development Scheme (TCIDS):
Development of infrastructure facilities at pre-dominantly textile/apparel sector areas is one of the thrust areas of NTxP-2000. For attaining this objective, a new scheme (TCIDS) has been launched for upgrading infrastructure facilities at important textile centres. Till date, eighteen TCIDS project proposals have been approved – Pashmylarlam-Distt. Medak, Sircilla-Distt. Karimnagar and Warrangal (Andhra Pradesh), Panipat (Sector 29, Phase-II, Haryana), Indore (Madhya Pradesh), Jassol, Balotra-Bithuja belt Barmer Distt. and Pali (Rajasthan), Narol-Shahwadi-Ahmedabad City, Pandesara-Surat, Jetpur-Rajkot and Isanpur, Ahmedabad (Gujarat), Tirupur and Kancheepuram (Tamil Nadu), Solapur, Bhiwandi and Malegaon (Maharashtra), Kannur (Kerala) and Zakura (Jammu & Kashmir). These projects are at various stages of implementations.

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

TEXTILE IMPLEMENTATION ISSUES RAISED BY INDIA AT VARIOUS INTERNATIONAL FORA

During the year India raised textile-related implementation issues at various international and multilateral fora:

- Lack of meaningful integration. Like the first two stages, third stage integration programme of EU and US did not contain any items of commercial significance to India. In fact, the bulk of integration was taking place only at the very end of ATC period.

- Disregarding of special provisions for cotton producing countries. The restraining countries have entirely ignored the provisions of Article 1:4 in their implementation of the ATC, with adverse implications for the balance of rights accruing to the cotton producing countries. It is felt that cotton producing countries were to be given a special treatment; however, no additional quota access was granted to cotton producing countries like India by US, EU or Canada.
● Imposition of additional quotas by European Union. Despite the fact that only eight months remained before the termination of all quota restrictions w.e.f. from 01.01.2005, the EU decided to extend its quotas on textiles and clothing to include the newly acceding members, which is against the WTO charter.

● Frequent recourse to trade defence measures: Some of the restraining countries have been taking frequent recourse to the anti-dumping and countervailing measures in respect of India’s textile products although their exports are already circumscribed by quota limits.

● Failure of Council on Trade in Goods (CTG) on making recommendations to the General Council in regard to the Doha textile implementation tirets. One of the two implementation proposals, which was relevant for all restrained countries including India, required advancing the application of the higher “growth-on-growth” factor of 27%, which was otherwise due on 01.01.2002 to 01.01.2000. It is a matter of great concern that the Council failed to make recommendations in this regard.

● Denial of Carry forward of Quota in 2004. As per Article 2.16 of the ATC which deals with flexibility provisions it is mentioned that the flexibilities i.e. swing, carry over and carry-forward applicable to all restrictions shall be the same as those provided in the MFA bilateral Agreement for the 12 months period to the entry into force of the Agreement. It therefore means that all the flexibility provisions shall be carried through upto the end of the ATC. However, during 2004 carry forward provisions of the agreement were not being accepted on the premise that there is no quota in the next year from where carry forward can be taken. This effectively reduced the provision of flexibility and it would be contrary to the Article 2.16 of the ATC.

● Administrative arrangements after 2005. There was no indication from the restraining countries whether the administrative arrangements (visas, export certifications) would not be insisted upon them in the quote free regime starting from 01.01.2005. India raised the issue that the restraining countries should forthwith notify that there was no administrative requirement for clearance of goods reaching on or after 01.01.2005.

POST MFA GLOBAL ENVIRONMENT

Till 31.12.1994, the exports of textiles to certain developed countries (e.g. US; member countries of EU; Canada) were governed by bilateral textile arrangement entered into between India and these countries under the aegis of the Multi-Fibre Arrangement (MFA), outside the rules of the General Agreement on Tariffs and Trade (GATT). With effect from 01.01.1995, the quantitative restrictions (import quotas) in the bilateral agreements
under the MFA, were taken over 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 were to be phased out and textile sector fully integrated into WTO by 01.01.2005.

The liberalized trading regime would result in increased international trade in textiles thus providing greater export opportunities; and at the same time expose the domestic industry to import penetration in the domestic market. The industry will have to improve its efficiency and productivity to meet the emerging global competition.

**Implication on Indian Textile Industry**

India has a very strong and diverse raw material base manufacturing fibres/yarn from natural i.e., cotton, wool, silk, jute to artificial i.e., synthetic, cellulosic and multiple blend of such fibres/yarn. India has competitive advantage in terms of labour cost also. International Textile Manufacturers Federation (ITMF) conducted a comparative manufacturing cost study of 7 countries including India. This study has indicated that Indian industry has competitive advantage in terms of labour cost also. Therefore MFA phase out may not have much adverse impact on domestic textile industry.

**Forecasts for the post quota regime**

According to various studies, the Indian textile exports are expected to receive a big push after the dismantling of the quota regime. 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 alternative source of supply to China. India’s growth in exports 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 basic raw material like home grown cotton, yarns and fabrics; and (iv) availability of wide range of textiles.

According to a recent study by CRISIL (commissioned by ICMF), the Indian textiles and apparel industry can achieve a potential size of US$ 85 billion by 2010. Of which, the domestic market potential would be US$ 45 billion and export potential would be US$ 40 billion. Nearly 60% of exports would comprise garments. This would create 12 million job opportunities, 5 million direct jobs in textile industry, and 7 million jobs in allied sectors.

**ANTI-DUMPING/ANTI-SUBSIDY CASES**

(i) General Disclosure issued by EC in the anti-subsidy investigation against imports of bed-linen from India:

A complaint from the Committee of the Cotton and Allied Textile Industries (Eurocotton) was lodged with the EC on 04.11.2002 for initiation of anti-subsidy investigation. In the complaint, the
Eurocotton alleged some Schemes of Government of India such as DEPB, Advance Licence, EPZ/EOU, 80 HHC of Income Tax etc. to be subsidizing the export products. The EC initiated anti-subsidy investigation against imports of bed linen from India.

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

The EC has issued a General Disclosure in this case. On the basis of the investigation, EC has calculated the subsidy margin in the range of 4.4% to 12.2% on different companies for imposition of duties. The Government of India held consultations with EC. The EC vide Council Regulation No. 70/2004 dated 17.01.2004 imposed countervailing duty in the range of 4.4% to 10.4% with effect from 18.01.2004. The Government is considering challenging the regulation in the WTO Disputes Settlement Panel as the Regulation is based on surmises which are not correct. A view in the matter is being taken in consultation with Department of Commerce and Permanent Mission of India in Geneva.

(iii) Anti-dumping investigation by Turkey on the imports of ‘metallised yarn’ from India: Embassy of India, Ankara in January, 2004 informed the Ministry that Turkey had initiated anti-dumping proceedings against Indian export of metallised yarn covered under tariff lines 54.04, 54.05 and 56.05. The Turkish authorities had received a complaint claiming that ‘metallised, yarn gimped or not & strip and covered with metal or not’ under HS codes 5605.00, 54.04 or 54.05 were coming from India at dumping prices to Turkey and caused damage to the domestic industry in Turkey. As per the published Notification of Under Secretariat of Foreign Trade of Turkey, the total imports of the said material from the countries subject to the complaints increased significantly in both absolute and relative terms. SRTEPC has been coordinating the defense of the case in consultation with Government of India.
TEXTILES COMMITTEE

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

The Textiles Committee besides its Headquarters at Mumbai, has 31 Regional Offices, with 18 of them with laboratories, including 9 eco testing laboratories. The Committee has seven functional divisions at headquarters, Mumbai (1) Textiles Inspectorate Wing; (2) Textiles Laboratory Wing; (3) Market Research Wing; (4) ISO Wing; (5) Vigilance Cell; (6) Accounts Wing; and (7) Administration and Co-ordination.

During 2003-04, the Committee remitted to the Government of India Rs.42.40 crore towards the cess collection, whereas the funds received by the Committee for its budgeted expenditure during the said financial year was Rs.21 crore. Apart from the cess collected, the Committee also generated revenue of Rs.13.5 crore and registered an impressive 17% growth.

Textiles Committee has undertaken Inter Laboratory Proficiency Testing (ILPT) of textiles, on behalf of National Accreditation Board for Laboratories (NABL), during 2003–04. The programme, involving 46 laboratories covering five chemical tests, was successfully conducted and the participant laboratories have benefited immensely by the results of the tests. Apart from getting 8 of its own laboratories certified under ISO 17025, the Committee has also assisted 3 laboratories in private sector in getting the accreditation under 17025 Standard. Under a project, sanctioned by the Khadi and Village Industries Commission (KVIC), the testing services have been extended to various Khadi Institutions thereby helping these institutions to improve quality.

A total of 60 units came forward to avail the consultancy services under ISO 9000 (49), ISO 14000 (5), SA 8000 (4) and OSHAS 18000 (2) during the year 2003–04. One of the features of the performance during 2003–04 has been the coverage of cotton market yards and ginning/pressing factories (5 units) under the ISO 9000 QMS, which would help in improving the quality of cotton. The Total Quality Management (TQM) Division in Textiles Committee, Mumbai has obtained certification under prestigious ISO 9000-2001 Standard during the year 2003-04.

During the year a major country wide sensitization programme on Modernization of Cotton Ginning & Pressing Factories and Integrated Cotton Cultivation, jointly with TMC. Six seminars were held at Nagpur, Warangal, Tirupur, Madurai, Indore and Guntur covering approximately 750 units.

The Cluster Development Programme for capacity building of textile & clothing SMEs in 20 clusters continued to be implemented during 2003–04. Strengthening of industry associations
has been one of the key elements of the programme. New associations have been established in Salem (SEA) and Panipat (PEA) and the existing associations in Cannanore, Karur and Kanpur have initiated measures to strengthen their capacity by way of recruiting professional staff. The associations in Tirupur (SIHMA) and Karur (KTMEA) are being strengthened in the area of market information with the support of ZDH, Germany. Consortium approach is being actively promoted as a means to improve the competitiveness of the SMEs. Sensitization workshops on this approach were conducted in 17 clusters, covering 2100 SMEs. As a result of these efforts, around 35 consortiums in 14 clusters covering about 150 SMEs have been established / being established for common business operations such as procurement of raw-materials, marketing, engaging the consultancy services, etc., In order to expose the SMEs to better technology and work practices, and the pro-activeness of the industry associations, cluster to cluster visits were organized which were entirely self-financed by the industry. 60 SMEs from Kanpur and Solapur visited Tirupur in 4 batches, 25 SMEs from Bhawani and Chennimalai cluster visited Panipat. These visits have also been helpful in technology transfer and other business linkages between the clusters. In addition, visits were facilitated for Knitwear industry of Tirupur and Home furnishing industry of Karur to modern factories in China, which proved to be extremely useful in benchmarking themselves. Establishment / Strengthening of the institutions has been an important element of the programme. A centre for training of work force in stitching of home furnishings has been set up by industry at Karur, The capacity of local polytechnics at Rajapalayam and Solapur was strengthened for designing and conducting skill development programmes to meet the local needs. To increase the competitiveness at firm level, several initiatives were launched with the help of other BDS providers, for technology upgradation, productivity improvement, environmental compliances, quality management, social accountability, skill development, optimization of water and dyes, energy auditing, etc.

**NATIONAL INSTITUTE OF FASHION TECHNOLOGY (NIFT)**

NIFT is a premier institute of fashion education in India. It is a college of Design, Technology and Management. Ministry of Textiles, in response to the growing need of the fashion industry, both in the domestic and international arena, helped NIFT in its endeavour diffuse fashion education throughout the country. The NIFT is a brand ambassador of fashion business education in India.

National Institute of Fashion Technology (NIFT) was established as the apex body of human resources development for the textile & garment and allied sector in 1986 when the word ‘fashion’ or ‘fashion’ as a system of education was completely unknown to the country. The vision of the
pioneers in the Ministry of Textiles, Government of India and industry, coupled with experience drawn from institutes in the world through UNDP assistance in the first decade of NIFT’s experience helped to establish a hitherto unknown area of fashion education in the country. NIFT was established in collaboration with the Fashion Institute of Technology (FIT), New York.

With growing demand from industry across the country in 1995, NIFT established five centres in the major garment centres of India viz. Kolkata, Chennai, Gandhinagar, Hyderabad and Mumbai. The Bangalore Centre was established in August 1997, and Delhi Centre received its independent status as Centre and got segregated from Head Office in April, 2004. Simultaneously Head Office was established in New Delhi.

The Centres are looked after by Director who is assisted by Registrar and the other supporting staff. The Director General is responsible for the overall coordination and monitoring of the activities of all Centres and Head Office.

NIFT is a Government funded Institution under the Ministry of Textiles with Secretary (Textiles) as Chairman of the Board of Governors (BOG). Besides the Chairman, there are 17 members on the Board of NIFT, including the Director General, who is the Chief Executive Officer of the Organization. The Centres are under the Common Management of the BOG who in turn has formed Sub-Committees for better management and practical convenience. The State Level Management Committee of each Centre consisting of representatives from the Government and Industry has the Chief Secretary or his nominee as the Chairman, who acts as the link between the Industry and NIFT Centre, State and Central Government. Registrar of the Centre is a designated member Secretary of the SLMC.

The prime objective of NIFT is to assist the Fashion Industry in India in meeting the challenges of industrial competitiveness on global plane. NIFT also undertakes selected applied research studies and applications thereof in relevant areas of the fashion industry; particularly concerning the integration of locally produced materials, the requirements of mass production, improved product design and international marketing. The purpose here is to meet the needs of Indian Fashion Industry and commerce in respect of up-to-date information on fashion technology through research and publication of literature with particular reference to the programs of the fashion industry in the country; and to provide technical assistance to artisans, craftsmen, manufacturers, designers and exporters of fashion products.

**LANDMARKS - 2004-05**

**Cluster Development Initiatives**

NIFT has taken initiative for Cluster Development programmes with the active support of Ministry of Rural Development, Offices of Development Commissioner (Handicrafts), Development...
Commissioner (Handlooms) and National Centre for Jute Diversification. In this regard the Delhi Centre has done a capacity building project in ChandEri Cluster which was sponsored by Government of Madhya Pradesh. The Gandhinagar Centre completed Cluster Development Project for small-scale ready-made garment manufacturers of Ahmedabad, wherein the small-scale manufacturers were given inputs for skill upgradation and technology upgradation. This was sponsored by the Industry Department of State Government of Gujarat. The initiative of NIFT has been successful in addressing some of the problems of the clusters. NIFT’s initiatives in Cluster Development have opened new avenues for students through sustained development of craft cluster by integrating it with academic curriculum.

International Foundation of Fashion Technology Institutes (IFFTI) Conference

The 6th Annual IFFTI Conference, of whose NIFT is one of the founder member, was held on 01.04.2004 at NIFT Campus.

Spectrum 2004 - NIFT’s Annual Galore

Every year NIFT organizes a spectacular show by students in the form of SPECTRUM. The event was organized in November 2004 by Delhi NIFT Centre, which had a mix of cultural events. The event showcased students’ creations through fashion shows in NIFT’s own Amphitheater. The event had a galore of sports competition, on-the-spot painting competition, Carom Competition, exhibitions, fashion shows, choreography and dance competition. Besides NIFT, many other educational institutions participated in the event. The other NIFT Centres, which were established in 1995, viz. Chennai, Kolkata, Gandhinagar, Hyderabad and Mumbai will be celebrating their 10 years of existence, in 2005. These centres would be organizing a mega event to mark the completion of a decade.

Industry Projects

NIFT also undertakes various research based Industrial Projects. To name a few, NIFT has designed ‘Breathers’ (Breathing Masks) for Bikers. The project was sponsored by M/s. John Fowler India Ltd. In another research based project, NIFT designed mobile case covers for Reliance Infocom.

NIFT also participated in projects of various States and Central Government, which includes, technological and marketing support to the existing products of Self-Help Groups in Handicrafts Cluster being implemented under the Swarna Jayanti Swarozgar Yojana which is a Centrally sponsored Scheme, ‘Deen Dayal Hathkargha Protsahan Yojana’ scheme wherein total 1000 New Ikat designs with colour ways are being provided for the benefit of weavers for better marketability.

Initiative in North East Region

NIFT was involved in the Design Development and Product upgradation project for Eri-Munga Silk product for 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.

First Alumni Meet

The Delhi Centre of NIFT organized the first meet of the NIFT Alumni Association, in November 2004 which was inaugurated by Secretary (Textiles). The Alumni Meet was attended by a large NIFT Alumni working in National as well as International organizations in various fields and positions. The Alumni shared their experiences about the development in the fashion industry and the need for more professionals in the line. They also emphasized on hands-on experience of the NIFT students and importance of four-year course in NIFT. They also spoke about the future growth and emerging sectors in the fashion industry. The Alumni Meet was an eye-opener for various students and faculties of NIFT.

Infrastructure Development

All the NIFT Centres now have their permanent campuses. Further, steps to build academic blocks in line with requirements have already been initiated. NIFT is also in the process of building girls’ hostel at its various centres. The in-house talent would be utilized for designing Interiors of the hostels.

Fashion Forecasting Project

NIFT being a premier institution in Fashion and Design has also undertaken fashion-forecasting project for National Centre for Textile Design website, which was sponsored by Office of DC (Handlooms).

A New Dimension in Accessory Design Programme

A blossoming fashion industry has resulted in the creation of an equally buoyant accessory industry. Realising the potential, NIFT introduced specialized Accessory Design Programmes in its Centres. The ‘Accessory Design’ programme in New Delhi, Bangalore Centre offers ‘Peopleal Product and Interior Accessories Designing’ programme, Chennai Centre offers ‘Footwear and Leather Products Designing’, Gandhinagar Centre offers ‘Jewellery and Precious Products Designing’, and, Hyderabad Centre offers ‘Interior Products, Handicrafts, Mix Media and Glass’ programme.

Fashion Studies an Elective Subject in Schools Affiliated to Central Board of Secondary Examination (CBSE) - NIFT would prepare the Course Curriculum

In this connection, NIFT has designed the course curriculum and prepared the course content, as well as prescribed minimum infrastructure and facility for conducting the courses in fashion studies in schools affiliated to CBSE.

Fashion Studies will create an understanding of the fundamental concepts of fashion. The objective or the course is to introduce students to appropriate fashion technology and
understand the inter-relationships between different industries and services that comprise the fashion business.

**Gender Justice in NIFT**

Understanding the importance of womenfolk as workforce, and in the overall context of providing employment opportunities to women without any gender bias, NIFT has undertaken various projects for the uplift of women. These include conducting various short-term programmes for employment generation and instilling economic security in the women both in urban and rural areas. One such programme was organized in Karnataka and other programmes are:-

- **21 days Skill Development Programme for woman beneficiary under “Yashaswini” Scheme sponsored by Department of Industries and Commerce, Government of Karnataka.**

- Skill development programmes for the wives of weavers, backward community in Warangal district and in West Godavari District.

- Training programme and economic rehabilitation of the trafficked victims have been completed along with SANLAAP, a facilitating agency of International Organisation of Migration (IOM).

In addition, various programmes for the benefit of the industry are also undertaken in co-operation with the NGOs / State Government.