

STRATEGIC PLAN (2011-2016)

MINISTRY OF TEXTILES

FEBRUARY 2011

Strategic Plan (2011-12 – 2015-16) 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
- 8% Excise and Customs revenue collections
- 12% 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 (2011-12 – 2015-16) 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 build state of the art production capacities and achieve a pre-eminent global standing by 2020 in manufacture and export of all types of textiles including technical textiles, jute, silk and wool and develop a vibrant handloom and handicraft sector for sustainable economic development and promoting and preserving the age old cultural heritage in these sectors.

1.2. MISSION

1. To promote planned and harmonious growth of textiles by making available adequate fibres to all sectors.
2. To promote technological up-gradation for all types of textiles including technical textiles, jute, silk and wool.
3. To promote skills of all textile workers, handloom weavers and handicrafts artisans, creation of new employment opportunities and development of new designs to make these sectors economically sustainable.
4. 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.
5. To promote exports of all types of textiles and handicrafts and increase India's share of world exports in these sectors.

1.3. OBJECTIVES

1. To have sustainable growth and development of Textiles Sector in the country.
 - Overall capacity addition in the Textile Industry to be increased by 10% per year.
 - Aim at overall fibre production growth rate of seven percent per year.
 - Achieve overall cloth production growth rate of 9% per year

- Achieve textiles and apparel manufacturing growth rate 10% per year
 - To achieve textiles and apparel export growth rate of 15% per year.
2. To improve productivity across the entire textiles value chain.
 3. To achieve inclusive growth by improving productivity in handlooms, handicrafts and sericulture and by ensuring welfare of weavers and handicrafts artisans.
 4. To ensure integrated development and promotion of jute sector. Jute production to grow at 3.6% per year.
 5. To develop Sericulture & Silk Sector
 - Raw silk production targeted to grow at an annual average rate of 4.5% during 2010-15
 6. To promote Growth and Development of technical textiles in India.
 - Production of technical textiles to grow at 11% per year till 2012-13 and there after at 6-8% per year till 2020.
 7. To develop Wool & Woollen Textiles Sector. Wool production to grow 1% per year.
 8. To develop and modernize the decentralized Powerlooms Sector. Powerloom cloth production targeted to grow at 10% per year.
 9. To develop handloom sector and ensure welfare of weavers. Handloom cloth production projected to grow at an annual average rate of 5%.
 10. To develop Handicrafts Sector and ensure welfare of artisans.
 - To achieve production and export growth rate of 15% per year.
 11. To improve the functioning of PSUs and to make all PSUS profitable by 2015-16.
 12. To ensure efficient functioning of the RFD System.
 13. To improve internal efficiency/responsiveness/service delivery of Ministry.

1.4. FUNCTIONS

1. To formulate appropriate policy for all sectors of textiles and fibres.
2. To promote domestic and foreign direct investments in the textiles sector.
3. To improve the technology in the textiles sector.
4. To increase the production of textiles.
5. To raise productivity, improve quality and reduce contamination in cotton.

6. To strengthen, modernise and expand the market base of the powerloom sector.
7. To promote exports of all types of textiles and handicrafts items.
8. To promote R&D in textiles sector.
9. To strengthen data base.
10. To increase productivity, production and diversity of jute goods.
11. To increase production and productivity in the silk sector.
12. To develop and strengthen the powerloom sector by modernising and encouraging adoption of advanced technology.
13. To formulate regulatory framework and standards for technical textiles.
14. To support marketing facilities through exhibitions, buyers-sellers meets, e-initiatives for handlooms, handicrafts, and other textiles products.
15. Dissemination of schemes, programmes and designs, etc, through the website of The Ministry
16. To implement the Social Security Scheme for weavers, artisans and allied workers in handlooms, handicrafts, powerlooms and wool sectors.
17. To improve the penetration of schemes in the NE Region.
18. To monitor the performance of PSUs and improve their performance.
19. To implement RFD system for all Responsibility Centres.
20. To provide suitable backward linkages to handicraft artisans, exporters and State/Central Handicrafts Development Corporations.

SECTION 2 : ASSESSMENT OF THE SITUATION.

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

2.1.1. Size of the Industry

In value terms, India's T&G industry is estimated to be worth US \$ 78.0 billion in 2010, comprising exports of US \$ 22.0 billion and domestic market of US \$ 56.0 billion. The industry had grown from US \$ 58 billion in 2006 at a CAGR of 7.69%. Segment-wise, garments constituted an estimated 64.0% of the domestic market, followed by household fabrics (nearly 17.0%), technical textiles (14.3%), and home textiles (4.7%)

In terms of textile units, the Indian T &G industry is one of the largest in the world. India has the second-largest installed capacity of spindles in the world after China. With an installed capacity of 43.0 million spindles, India represents 20% of global spindle capacity. India also has one of the highest weaving capacities in the world (61.6% of global weaving capacity), with a presence of 2.2 million powerlooms, 3.5 million handlooms, and an estimated 92,000 million looms in the organised mill sector.

There are round 2,300 processing units in India. Most of these are independent units, with only 22 units being integrated with spinning, weaving or knitting units. Additionally, there are roughly 27,000 manufacturers, 48,000 contractors and over 1,000 manufacturer-exports of garments in India.

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 21.5% of world production. In case of jute, India is the largest producer contributing about 64% of world jute production. In case of silk, India is a distant second to China, contributing 15.5% of world production.

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

Items	Total Production	% World Production
Cotton (2009-10)	5.01 Million metric tonne	21.48%
Jute (2010 projected)	1494 Million Kg	63.79%
Silk (2008-09)	19690 (MT)	15.50%
Wool (2008-09)	46.4 (Million .Kg.)	2.2 %

Sources: Cotton Corporation of India, Mumbai (Cotton)

Central Silk Sources Board, Bangalore (Silk)

National Fibre Policy, Ministry of Textiles, New Delhi (Silk & Wool)

FAO, Rome.

2.1.3.2. Installed capacity

During the last ten years capacity addition has increased at a CAGR of 7.5% for man-made filament yarn, 5.5% for man-made fibres, 4.4% for rotors, and 3.45% for powerlooms. There was no significant growth in capacity addition in respect of spindles, looms in organised sector (huge decline) and worsted and non-worsted spindles. In the handlooms sector also, the number of units and looms have come down drastically.

Table 2. Installed Capacity

Item	Unit	2001-02	2010-11	CAGR %
Spindles (SSI + Non SSI)	Million No	38.33	43.06	1.3%
Rotors (SSI + Non SSI)	Lakh No.	4.8	7.07	4.4%
Looms (Organised Sector)	Lakh No.	1.41	0.57	-9.57%
Powerloom	Lakh No.	16.66	22.61	3.45%
Man-Made Fibres	Million Kg PA	1090	1763.11	5.49%
Man-made Filament	Million Kg PA	1135	2188.22	7.57%
Worsted Spindles (Woolen)	Thousand No.	598	604	0.11%
Non-Worsted Spindles (Woolen)	Thousand No.	426	437	0.28%

Source: Textile Commissioner, Mumbai

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 exclusive weaving mills, composite mills and handlooms units.

Table 3: No. of Spinning and Weaving Mills

Item	Unit	2001-02	2010-11	CAGR %
Spinning Mills (Non-SSI)	No.	1579	1713	0.64%
Composite Mills (Non-SSI)	No.	281	183	-4.66%
Total	No.	1860	1896	0.21%
Exclusive Weaving Mills (Non-SSI)	No.	207	183	-1.36%
Spinning Mills (SSI)	No.	1046	1299	2.44%
Powerloom Units	Lakh No.	3.75	5.09	3.45%
Handloom Units*	Lakh No.	38.91	23.77	-5.33%

* The number of handloom units in 2001-02 has been estimated based on Handloom Census 1995-96. Though the number of handloom units has declined, the decline in handloom cloth production is at a lower rate due to increase in productivity.

Sources: 1) Textile Commissioner, Mumbai

2) Handloom Census, 2010

2.1.3.4. Fibre and Yarn

During the last five years, the production of man-made fibres increased at a CAGR of 5.3%, man-made filament yarn at 5.9% and spun yarn at 3.84%.

Table 4. Trends in production of fibre and yarn

Unit: Million Kg.

Item	2001-02	2009-10	% Growth over 2008-09	CAGR % (2001-02 to 2009-10)	Projection for 2015
Man-made fibres	834	1268	18.95%	5.38%	1647.82
Man-made filament yarn	962	1522	7.33%	5.90%	2027.19
Total Spun Yarn	3101	4193	7.13%	3.84%	5062.30
a) Cotton yarn	2212	3079	6.21%	4.22%	3785.86
b) Blended & 100% Non Cotton yarn	889	1114	9.75%	2.86%	1282.68

Source: Textile Commissioner, Mumbai

2.1.3.5. Cloth Production

During the last five years, total cloth production registered a CAGR of 4.82%. 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	2009-10	% Growth over 2008-09	CAGR %	Projection for 2015-16 as per current CAGR	Targeted CAGR for the next 5 years (percent)	Projection for 2015-16 as per the targeted CAGR
Mill Sector	1546	2016	12.25%	3.37%	2379	6	2860
Handlooms Sector	7585	6806	1.93%	-1.35%	6359	3	8127
Powerloom Sector	25192	36997	9.95%	4.92%	47039	10	6554
Hosiery Sector	7067	13702	13.46%	8.63%	20727	12	27045
Others (Khadi, Wool & Silk)	714	812	5.73%	3.22%	880	4	1027
Total Cloth Production	41390	60333	9.76%	4.51%	77384	9.6	104601

Source: Textile Commissioner, Mumbai

2.1.3.6. Composition of Cloth Production

Powerlooms and hosiery segments together contribute 84% of the total cloth production.

Table 6: Composition of cloth production

Segment	Contribution to total Cloth Production (%)
Mill	3.34
Handlooms	11.28
Powerloom	61.32
Hosiery	22.71
Others (Khadi, Wool & Silk)	1.35

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.

2.2. Export Scenario:

India's textile exports increased from US\$ 12.3 billion in 2004-05 to 22.4 billion in 2009-10, registering a CAGR of 8.93%. The expectation that ending of the quota regime since January 2005, would lead to higher export growth did not materialize due to various reasons. After recording a high growth rate of 24.90% in 2005-06, the export growth rates steadily declined to 15.54%, (-) 5.00% and 6.31% in the subsequent years. It is expected, the textile export growth rate would be higher during 2010-11, the first half of which has recorded a growth rate of 11.47%.

Country-wise analysis indicates that EU remains the top destination for Indian textile export followed by USA with export share recorded at 29.81% and

19.89% during the period April-Sept. 2010. In the same period, textile export from India to China and Turkey has increased by 69.51% and 47.90 % in US\$ terms as compared to the same period of previous year.

Apart from the above traditional markets for Indian textiles and clothing products, in the last few years Latin American countries, South Africa, East European countries and East Asian Countries, are emerging as promising destinations and potential markets for Indian textiles and clothing products due to concerted policy focus in promoting Indian textiles and clothing in new and emerging markets.

2.3. Performance of Competitors

During the post- quota period, India’s competitors, viz, Bangladesh, China, Pakistan and Vietnam could achieve higher export growth rate than India due to their better competitiveness.

Table 7: Growth rates of (combined) textiles and apparel exports (to the world) from Selected Asian Countries (2004-2009)

Countries	2005	2006	2007	2008	2009
India	20%	8%	6%	9%	*-13%
Bangladesh	15%	66%	-11%	n/a	n/a
China	21%	14%	6%	10%	-11%
Pakistan	18%	17%	10%	19%	-10%
Vietnam	12%	33%	29%	18%	n/a

Source: UN Comtrade and DGFT. Reproduced in “Benchmarking of International Competitiveness of the India Textile and Apparel Industry”, ICRIER. May 2010.

One of the major strategies adopted to increase exports is to tap new markets. As part of this strategy, mega textile shows have been held to capture new markets in Japan, South Asia, Australia, Latin America and South Africa.

2.4. International Competitiveness

The standard costs of production is one of the major factors in determining inter national 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. 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.

To bridge the skill deficit in the textiles sector, a flagship programme called the Skill Development Programme has been conceptualised to improve the skill base of 30 lakh workers employed in the sector over a period of five years with an outlay of Rs. 2,200 crore.

As part of the programme, an Integrated Skill Development Scheme at a cost of Rs 272 crores to provide training to 2.56 lakh persons for jobs in the textile and apparel sectors, including Jute & Handicrafts during 2010-12, 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:

1,00,155 Artisans were given assistance to upgrade skills and build capacity under the Ambedkar Hastshilp Vikas Yojana, the Human Resource Development and the Design & Technology Upgradation Schemes.

In addition and as a part of the Human Resource Development, mapping of the human resource requirements of textiles industry to facilitate the creation of pool of skilled labour to meet the growing requirements of the industry is one of the critical tasks to be undertaken.

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 1997-2010. It has gone up from Rs. 2243.00 crores in 2007-08 to Rs. 4725.00 crores in 2010-11 with a CAGR of 28% during the 11th Plan period. 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. However, the Plan allocation for 2011-12 is

only Rs. 5000 Crore. The Ministry has requested for increase in Plan Allocation to Rs. 7000 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 handicrafts artisans/ handloom weavers.

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

Under Handloom Weavers' Comprehensive Welfare Scheme, 16.11 lakh weavers and ancillary workers were provided Health Insurance coverage against a target of 14.31 lakh weavers. This includes 4.76 lakh in the North Eastern Region (NER).

Further, 5.10 lakh weavers and ancillary workers enrolled under the Mahatma Gandhi Bunkar Bima Yojana (MGBBY) for Life Insurance Cover.

Under the Rajiv Gandhi Shilpi Swasthya Bima Yojana, 7.33 lakh artisans were provided with health insurance coverage.

Scholarships worth Rs.6.87 crore distributed to children of handloom weavers in 72,793 cases in 2009-10 under the Mahatma Gandhi Bunkar Bima Yojana (MGBBY). Out of total budget of Rs.120 crore, 99.84% were released (Rs.119.81 crore) out of which Rs.39.89 crore is for NER (33%).

In 2009-10 under the Rajiv Gandhi Shilpi Swasthy Bima Yojana, 802514 artisans were provided with health insurance coverage. Besides, under the Janashree Bima Yojana, 37985 artisans were enrolled for which an amount of Rs. 0.46 lakhs was realeased to LIC of India towards GOI share of the Annual Premium @ Rs. 60/- per artisan. In addition to this, 15,462 scholarship worth Rs. 94.86 lakhs were distributed to eligible children of the handicrafts artisans @ Rs. 300/- per child per quarter under the Shiksha Sahayog Yojana component of the scheme.

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. 232.00 crores in FY07 to Rs. 472.50 crores in FY10 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. Presently, The Ministry is earmarking more than 20% the outlays of the VSE sector schemes to the North East Region.

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, by now, modernized 18 out of the

24 mills identified for revival. Out of 18 modernized mills, 17 mills have made cash profit during January 2011. NTC has achieved, production value of Rs.564.00 crore upto January 31, 2011 of the Financial Year 2010-11 as against Rs. 527 crore during 2009-10.

2. NATIONAL JUTE MANUFACTURES CORPORATION LIMITED

The Government has approved the revival of National Jute Manufactures Corporation (NJMC) Limited. The revival package includes running of three mills of NJMC out of six closed mills. 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.

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 400 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 increase the efficiency of work processes and jute extraction.

5. THE BRITISH INDIA CORPORATION LTD.(BIC):

This PSU was taken over by government in June 1981 and has two woollen mills, one at Kanpur and another at Dhariwal. The product of these mills are well known under the brand name of "Lalimle" and "Dhariwal". Fresh 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. For cotton season 2010-11 The CCI envisaged purchase of 18 lakh bales. Actual sales achieved in 2009-10 were at the level of 75.36 lakh bales against which sales of 17 lakh bales has been envisaged by the corporation.

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).

NHDC has generated a cash profit of Rs. 265.23 lakh in 2010-11 and Rs. 253.18 lakh in 2009-10. NHDC has 721 yarn depots to ensure steady and timely supply of hank yarn at mill gate prices to the handloom weavers. Under the Mill Gate Price Scheme, the NHDC supplied 1081.21 lakh kgs. of yarn valued at Rs. 987.33 crore in 2009-10. NHDC has achieved a turnover of Rs. 1020.78 crore with a net profit of Rs. 3.04 crore.

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.

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.

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 in 2010 is 1.2 billion people living in over 206 million households. 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	14.8	17.2	32.0
2008-09	17.9	21.1	39.0
2009-10 [P]	19.7	23.4	43.1
CAGR%	3.2	3.5	3.4
Projection for 2015	23.06	27.79	50.94

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 295 lakh bales in 2009-10.
 - Cotton consumption has increased from 173 lakh bales in 2000-01 to 250 lakh bales during 2009-10.
 - 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. 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.
10. Highly supportive government policy regime.
11. 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. India has only 2% shuttle-less looms as against the world average of 16%. Our competitors China, Pakistan and Indonesia have 15%, 9% and 9% respectively of shuttle-less looms.
 - 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. Supportive policy regime, increasing plan expenditure and generous incentives for investment and modernisation.

4. Huge untapped potential for the development of technical textiles.
5. 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.
6. 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;
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 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) Establishment of a Yarn Advisory Board for formulation of a yarn Balance sheet to ensure adequate yarn availability for handlooms and garments sector;
- c) Launching of a Technology Mission on Technical Textiles and creation of centres of excellence in the identified sub groups of technical textiles;
- d) Creation of a Jute Development Fund for R&D efforts in modern machinery development of Jute Sector.
- e) 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.
- f) Adopting a Mission Mode approach and establishing an Inter Ministerial Board for promotion of Organic, Suvin and ELS cotton sector.
- g) 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;
- h) 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 of 18% during 2001-02 to 2007-08 and is expected to grow at 11% per annum till 2012-13 and thereafter at 6-8% per annum till 2020 without any special incentives.

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.

3.5.15. Sector-specific Policies

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

3.5.15.1. 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 of to ensure survival of languishing weaves

3.5.15.1.2. 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.

3.5.15.1.3.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.

3.5.15.1.4. New Handloom Mega Clusters

4 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 2 years. In order to scale up production and infrastructure of the Handloom Sector, Government will take up additional mega clusters in various States.

3.5.15.2. 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.

7. 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 operationalisation will take some more time and they will be commercialized by 2016.

3.5.15.3. 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 to 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. The Government would appropriately rationalise the import duty on raw silk from the present high level 30% with a view to improving the availability of silk for silk weavers.

3.5.15.4. 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.
- Strengthening the Wool Development Board.

3.5.15.4. 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) Mega Clusters at Moradabad for Art Metal Ware and for Crocheted goods at Narsapur have been taken up for integrated development, in which public private Partnership module has been adopted so as to gainfully use the private expertise and resources.
- (xv) Focussed efforts under way for identification and revival of languishing crafts.
- (xvi) 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.

3.5.16. 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
- Medium and Small manufacturing units
- Self Help Groups
- Artisan Guilds and Associations
- State Handicraft Development Corporations
- Export Houses (large and small operators)
- Design /Technology Institutes
- NGOs and other Implementing Agencies
- Art and Craft Colleges
- Testing and Standardization Laboratories
- Handicraft Export Promotion Council
- EXPO MART Noida
- Indian Institute of Craft Technology

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 58164/- crore during the next five years. Assuming an annual 25% increase in Annual Plan outlays from the base level (2010-11) of Rs 4725 crore, the required Annual Plan allocation are as follows:

Year	Amount in Rs crore
2011-12	7000
2012-13	8750
2013-14	11125
2014-15	13906
2015-16	17383

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.

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 (2010-11) 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 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 48 million kgs in 2008-09. Wool consumption is projected to nearly double to 250 million kgs in 2016. Currently we are importing huge quantities of wool from Australia and New Zealand. 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 unorganized 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 bivoltine and multi voltine silk production to achieve 27000 metric tones.

- 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 Arrangement s

- 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 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 reorganises 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.
