



*Shri Shankersinh Vaghela, Hon'ble Minister of Textiles alongwith Shri P. Chidambaram, Hon'ble Minister of Finance unvelling the statue of Netaji Subash Chandra Bose, while Inaugurating the Apparel Park at New Tirupur*

- Eighteen projects sanctioned at a cost of Rs. 580 crore; and
- Six projects to be completed by the end of current year.
- Modifications likely to include proper targeting, aggressive marketing, implementation structure etc. with **involvement of the Industry in implementation**;

### **Proposed modifications in the TCID/APE Schemes**

The Ministry of Textiles proposes to revamp and synergise these schemes by restructuring them into a single scheme - "**Scheme for Integrated Textile Parks**" for speedier implementation and actualisation of the vision for attaining the export target of \$50 billion by 2010.

- Budgetary allocation for these projects increased **from Rs. 60 crore in 2004-05 to Rs. 200 crore in 2005-06**; and
- These project on completion will provide **fresh employment to 5,00,000** persons.

## Apparel Training and Design Centres (ATDCs)

The ATDCs were formed five years back to provide facilities for training the manpower in garment industry at shop floor level. But they could not be operationalised due to procedural and financial bottlenecks. This year, the Government has ensured that the hurdles are overcome and the Scheme made functional.

- Twelve ATDCs set up for training 3,000 persons per annum.
- Rs. 7 crore allocated from budget.

## Apparel International Mart (AIM)

The Apparel International Mart, first of its kind in South-Asia, is being setup at Gurgaon with an assistance of Rs.45 crore from the Government. Started in 2002, it was stuck up in bureaucratic maze, non-participation of industry and lackadaisical monitoring. However, the present Government has put the project on fast track and is expected to be inaugurated in October 2005. It would act as a podium to showcase Indian garments to the world. On completion it would provide:

- 250 centrally air-conditioned showrooms to the exporters;
- State-of-art-art exhibition complex;



*Proposed Building of Apparel International Mart (AIM)*

- State-of-the-art business centre; and
- One stop shop for reputed international buyers.

## 8. National Institute of Fashion Technology (NIFT)

The NIFT has been setup as an Institute of Excellence for imparting Fashion Education with International benchmarking. Over the years it has assumed the leadership role in sensitizing the Industry to the concept of value addition through design upgradation. A Bill is under consideration for granting the status of Institute of National Importance to NIFT.

- Seven centres of NIFT have been set up to produce qualified designers;
- One new Centre is being set up at Lucknow; and
- An Apex Body is being set up to train the teachers / trainers imparting Fashion Business Education in the country.

## 9. Improving the Quality of Cotton

The cost and quality of cotton is a crucial determinant of the competitiveness of the Textile Industry in the world market.

The **Technology Mission on Cotton (TMC)** was launched in 2000 for increasing the productivity and reducing the contamination of cotton

through upgradation of cotton market yards and modernisation of Ginning & Pressing factories.

- The cotton contamination level which was 6% had been brought down to 2.5% and **the Government is aiming to bring it further down to 1.5%.**
- During the last 5 years, 112 market yards and 429 ginning and pressing factories have been modernised at an estimated cost of Rs.751 crore. The Government wants to **complete modernisation of 139 market yards and 500 ginning factories in this one year. It is hoped that the progress achieved over a period of 5 years would be equalled during the current year!**
- **The budgetary allocation for TMC increased from Rs. 30 crore in 2003-04 to Rs. 80 crore in 2005-06, logging an increase of 167%.**
- **Cotton productivity increased from 387 kg. per hectare in 2003-04 (October-September) to 440 Kg. per hectare in 2004-05 (October-September).**
- **Cotton production estimated at record high of 232 lakh bales (170 Kgs each) in the current cotton year (October 2004-September 2005).**

## 10. New Dawn in the Jute Sector

The NCMP has pledged a special treatment to the Jute Sector.

### Importance of Jute

- Ten lakh hectares under cultivation and it employs 40 lakh farm families - highest in the world;

- The jute industry provides direct and indirect employment to 5.4 lakh workers; and

- Eco-friendly golden fibre with great future.

The sector has been facing the following crisis – low returns to farmers and wide spread sickness in the industry - which **have not been adequately addressed for decades.**

The present government on assuming power has mounted a crusade for bringing about a **new dawn in the Jute Sector.**

### The National Jute Policy 2005

The Government has formulated the **first ever National Jute Policy 2005.** The objectives of the policy are to:

- Increase production by achieving a CAGR of 15% per annum;
  - Improve quality of jute fibre and ensure value addition through diversified jute products; and
  - Ensure remunerative prices to the jute farmers and enhance per hectare yield.
- The specific sectoral thrusts for achieving the aforesaid objectives are :
- (i) Enhancing R & D efforts to improve yield and quality of jute fibre through better technology transfer and agronomic practices;
  - (ii) Accelerating modernisation of the jute industry;
  - (iii) Restructuring and revitalising the existing Public Sector Enterprises;
  - (iv) Revamping the Market Support Scheme to enhance the share of diversified jute products from 18% to 35% in next 10 years;



Shri Shankersinh Vaghela, Hon'ble Minister of Textiles, announcing the first ever National Jute Policy , 2005. Also seen in the picture Shri R. Poomalingam, Secretary (Textiles).

- (v) Enhancing R&D efforts to achieve higher degree of jute diversification;
- (vi) Restructuring and revamping existing public institutions and establishing new ones to give a fresh impetus to the jute sector; and
- (vii) Operationalising the Jute Technology Mission expeditiously.

### **Jute Technology Mission (JTM)**

A holistic approach has been adopted to the jute commodity system under a Mission made approach, which encompasses sub-systems pertaining to agricultural research and seed development, agronomic practices, harvesting and post harvesting techniques, primary and secondary processing of raw jute, diversified

product development, market development, and marketing and distribution.

- **Jute Technology Mission, which was pending approval for the last 4 years, will become operational from this year; and**
- **Outlay of Rs. 345.55 crore within a time span of five years.**

### **Revival of National Jute Manufactures Corporation(NJMC)**

A Revival Package has been approved for this chronically sick PSE, which includes:

- VRS to all the employees at an estimated cost of Rs. 978 crore; and



- Revival of 2 mills in due consultation with the Board for Reconstruction of Public Sector Enterprises (BRPSE).

### Price Support Operations for Jute

- Minimum **Support Price for Jute fixed at Rs. 910 per quintal, which is 21% more** than what the previous government has given in 1999-2000.

The Government has provided Bank Guarantee of Rs. 33 crore and released Rs. 20 crore to JCI for undertaking these operations.

### Restructuring of Jute Corporation of India (JCI)

The Jute Corporation of India (JCI) has been restructured to serve the requirements of the

country better. The proposal includes capital restructuring amounting to approximately Rs. 600 crore, which will enable JCI to borrow from financial institutions at reasonable rates and thereby improve its profitability. The incentives given to its employees will also enhance productivity of the organisation. The JCI is in the process of signing an MOU with Government of India to improve its functional parameters.

### Jute Packaging Order

The previous Government tried to dilute the Mandatory Jute Packaging Order by reducing the use of Jute in food grain and sugar packaging to 60% and 50% respectively. This would have acted against the interests of 40 lakh jute farmers.



Shri Shankersinh Vaghela, Hon'ble Minister of Textiles, inaugurating Indian Handicrafts & Gifts fair, Spring 2005 & Jute India, 2005. Also seen in the picture are Shri R. Poomalingam, Secretary (Textiles) & Shri Navrattan Samdaria, Chairman, Export Promotion Council for Handicrafts

The present Government has ensured restoration of the Mandatory Jute Packaging to 100% for food grains and 90% in respect of sugar for the year 2004-05.

## 11. Sericulture

### Importance

- Employs 50 lakh persons; and
- Spread almost all over the country, including the remote areas in the North East.

### Major Initiatives taken during the year

Launching of Silk Mark Organization of India (SMOI) for

- Generic Promotion of silk;

- Consumer protection; and
- Brand promotion in the export market.

**Launching of Futures Trading in Cocoons and Raw Silk** through National Commodities and Derivatives Exchange Ltd (NCDEX) in January 2005. It would work as an effective tool to cover the risks associated with price fluctuations.

### Vanya Silk and Forest Policy

- **Policy Guidelines issued in June 2004 for "Vanya Silk cultivation" under the Forest Conservation Act;**
- Consequently cultivation of all varieties of **Vanya Silk** (Tasar, Eri & Muga) on its identified



*Shri Shankersinh Vaghela, Hon'ble Minister of Textiles, launching the "Silk Mark" Scheme in Bangalore*



*Shri Shankersinh Vaghela, Hon'ble Minister of Textiles, launching the Future Trading in Cocoons and Raw Silk through NCDEX, Mumbai. Also seen in the picture Shri R. Poomalingam, Secretary (Textiles).*

host plants in forests by the tribal and non-tribal rearers is treated as a forest based activity;

- The policy would boost the development of Vanya Silk;
- The policy allows host plantations in collaboration with the Forest Departments in major Vanya Silk producing States; and
- **Eri silk** is being promoted as **Ahimsa Silk**.

### **Protection of Silk Farmers**

Due to surge of cheap imports from China, the prices of raw silk plummeted threatening the cultivators dependent on silk farming. The Government through pro-active measures

ensured that anti-dumping duty of \$ 27.97 per Kg raw silk was imposed on cheap imports from China, and thereby protected the domestic silk farmers.

### **12. Woollen Textile Industry**

- Provides employment to approximately **12 lakh people**;
- Primarily located in Punjab, Haryana, Rajasthan, Uttar Pradesh, Uttaranchal Jammu and Kashmir, Himachal Pradesh, Maharashtra and Gujarat; and
- Falls into organised and decentralized sector.





*Smt. Sonia Gandhi, Chairperson, National Advisory Council (NAC) alongwith Shri Shankersinh Vaghela, Hon'ble Minister of Textiles & Shri Ghulam Nabi Azad, Hon'ble Minister of Parliamentary Affairs and Minister of Urban Develepmont inaugurating the Pashmina Dehairing Plant at Leh, Laddakh*

### Major Initiative during the year

The **premium Pashmina wool** is produced in the Ladakh region under trying conditions. Farmers in this remote region were exploited by the traders and were unable to get fair price for their produce.

In order to end this exploitation and to provide facilities for processing of the Pashmina wool, **modern Dehairing Plant has been set up at Leh at a cost of Rs. 8.25 crore. This was inaugurated by the UPA Chairperson Smt. Sonia Gandhi** in September 2004.

The Plant is expected to **increase the incomes of the wool farmers by 25%.**

### 13. Initiatives in Handloom Sector for Welfare of the Weavers

#### Importance

- Employs 75 lakh people;
- Contributes 13% to cloth production; and
- Part of the great Indian tradition.

The sector was facing extinction and was afflicted with problems of marketing, low returns and defunct cooperative societies, however, nothing concrete was done in the past years. Several handloom workers committed suicides and other simply starved.