

IMPORTANCE OF TEXTILE INDUSTRY IN INDIA

Dr. Anju Pandey

INTRODUCTION TO TEXTILE TRADITION OF INDIA

India has a diverse and rich textile tradition. The origin of Indian textiles can be traced to the Indus Valley Civilization. The people of this civilization used homespun cotton for weaving their garments. Excavations at Harappa Mohenjo-Daro have unearthed household items like needles made of bone and spindles made of wood, amply suggesting that homespun cotton was used to make garments. Fragments of woven cotton have also been found from these sites.

The first literary information about textiles in India can be found in the Rigveda which refers to weaving. The ancient Indian epics -Ramayana and Mahabharat also speak of a variety of fabrics of those times. The Ramayana refers to the rich styles worn by the aristocracy on one hand and the simple clothes worn by the commoners and ascetics. Ample evidence on the ancient textiles of India can also be obtained from the various sculptures belonging to Mauryan and Gupta age as well as from ancient Buddhist scripts and murals (Ajanta Caves). India had numerous trade links with the outside world and Indian textiles were popular in the ancient world. Indian silk was popular in Rome in the early centuries of the Christian era. Silk fabrics from South India were exported to Indonesia during the 13th century. India also exported printed Cotton fabrics, to European countries and the far East before coming of the Europeans to India. The British East India Company also traded in Indian cotton and silk fabric, which included the famous Dacca muslins. Muslins from Bengal, Bihar and Orissa were also popular abroad. (Muslin-a very thin cotton material)(chintz-cotton cloth usually printed with flowery patterns, that has a slightly shiny appearance).The past traditions of the textile and handlooms can still be seen amongst the motifs, patterns, designs, and the old techniques of weaving, still employed by the weavers.

Early beginnings of the Indian cotton industry

It is undoubted that the birth-place of the cotton industry of the world is India but there is diversity of opinion as to exactly when the industry began. Several authors consider that the textile industry was in a flourishing condition during the time Rig-Veda was written. The Ramayana, Mahabharata and the Puranas contain references to the production of cotton goods in Indian.

The Indian cotton fabric had a worldwide importance and were exported to foreign lands during the Buddhistic period according to Dr. Radha Kumud Mukerjee's "History of Ancient Indian shipping." By about 450 B.C. Herodotus describes cotton as the customary wear of the Indian and added that "India has wild trees bear fleeces as their fruits". The cotton manufacturers reached a high degree of excellence during the time of Chandra Gupta Maurya (321-297 B.C.) there is special mention of the excellence of the cotton fabrics of the western parts in Kautilay's Arthashastra which was written in the second B.C. when Alexander invaded India, more than 2200 years ago. Indians dressed them in calicoes pure and white are adorned with figures. Even admitting that the Indian trade in cotton began so late as the fifth century B.C. (It must be earlier), we cannot conclude that the Indians did not know the arts of spinning and weaving long before they traded in it with other people but the claim to antiquity of the Indian cotton industry goes deeper still since the manufactured goods of India were known and used by the most civilized people of antiquity. Mr. H.G. Wells observes "the primitive Aryan women of prehistoric times spun and wove and embroidered". The muslins of Dacca, the most delicate of the fabrics of India, an ancient test of which was for the piece drawn through a finger ring were known to the Greeks under the name "gangitiki" which is suggestive of their origin from the banks of the Ganges. The Romans used the Indian cotton clothes and they named the cloth as *ventus textiles* or *nebula*. These clothes are mentioned in the list of goods charged with duties in Justinian (529 AD) Digest of the laws. Thus by the beginning of the Christian Era, we have fairly vivid glimpse of India as a cotton growing as well as cotton manufacturing country. Textile industry is one of the oldest industries of India, contributing significantly to the industrial production and exports. The textile industry, encompassing yarn, fabric, clothing and other products, may be classified into four categories on the basis of the raw material usage. These are: cotton textile, woollen textiles, pure silk textiles and man-made fibre textiles including blends. Both from the angle of

weight age in India's production and exports, cotton textiles have the most important position. From the organizational point of view, the textile industry is composed to two sectors. The organized sector consists of textile mills-both composite and otherwise. The decentralised sector comprises handloom and power loom units scattered all over the country.

The organized textile industry consist of three distinct categories viz. (i) spinning mills, (ii) coarse and medium composite mills and (iii) fine and superfine composite mills. Spinning mills are generally small in size. Coarse and medium composite mills are not able to adjust their cost in the face of rising prices of raw materials and increase in wages. Consequently, many of them became uneconomic units and ran into difficulties. Fine and superfine composite mills use foreign cotton they are not subject to stock restriction and can therefore carry on stable production programmes.

Cotton textile industry is the premier national industry of India. It is the most organized industry in the country. It employs the largest number of workers. The first cotton mill was set up in 1818 in Calcutta. The second mill was established in 1854 in Bombay which was the real beginning of this industry in India. The industry made rapid progress when protection was granted to it in 1927. World War II benefited cotton textile industry in a great sense. Due to partition of the country industry face the problem of regular supply of raw materials. In 1947, protection was withdrawn. Upto 1920, the Indian cotton textile industry was localized at Bombay. In recent year there has been a change in the location of the industry. The cotton textile industry has become more diversified with the setting up of new mills in North India and in Madras and Mysore. Bombay is now mainly engaged in the production of finer varieties of cloth which were less bulky and, therefore, can easily be sent to markets situated in distant parts of the country without incurring excessive transport charges. The newly developed centres are mainly producing coarse and medium quality cloth and are catering to local requirements.

CULTIVATION OF BIOTECHNOLOGY COTTON

About 3000 hectares of land in the cotton growing belt of Mehsana Amreli, Rajkot, Surat, Baroda, Kutch and Bharuch, Districts in Gujrat was planted with genetically modified (GM) cotton in 2001 without any approval form the genetic engineering approval committee in the

ministry of environment. In Ahmedabad - based seed company, Navbharat seeds limited, sold the seeds of this cotton, Navbharat 151, to farmers as a variety resistant to bollworms with disclosing that it is a genetically modified variety. The company is reported to have sold this seed to the farmers in 1999-2000 and 2000-01 also. The facts came to light only in 2001, when the cotton crop in 70% of the adjacent regions where farmers had planted other cotton seeds were severely attacked by bollworm while the crop in the area planted this variety was not damaged. The seed was even registered with the state agricultural department since 1998 but not as Bt seed. The seed was planted by some farmers in Maharashtra and in Andhra Pradesh also. In Andhra Pradesh it was planted in an area of about 120 hectares in Mehboobnagar and Kurnool districts in 2001. The world area under GM cotton has gone up to 5.3 million hectares in 2000-01 from less than 1.00 million hectares in 1996-97 of this, the US alone accounted for an area of 3.93 million hectares, China 1.00 million hectares and Australia, South Africa, Argentina and Mexico less than 0.25 million hectares. In 2001-02, about 68% of the total area under cotton in the US was under transgenic cotton.

The Cotton Advisory Board comprising representatives of growers, industry traders and the government in their meeting in October 2001 passed a resolution to speed up the introduction of Bt. cotton in the country. Even the textile ministry favoured acceleration in the commercial production of Bt. cotton in the country. The ministry wanted to include its development in the Mini-Mission of the technology mission on cotton. Even the US environment protection agency had renewed its registration for Bt. cotton, finding no adverse impact of this cotton on humans, animals or plant life, in the US for a further period of 5 years. While in china it took only 18 months for the government to test, decide and to for Bt. cotton. In India the government took 6 year to clear it for commercial cultivation. In October 2001, when the ministry of agriculture wanted to destroy the transgenic crop produced in India illegally, the traders and farmers in Gujarat were opposed it. They wanted India to expeditiously adopt this technology which gives better yields and also reduces the cost of cultivation in view of savings in the use of pesticides. The scientists at the University of Agricultural Sciences, Dharwad are also trying to develop transgenic varieties of cotton i.e. Mahyco Monsanto Bt. Cotton Seeds, Raasi's Bt. Cotton Seeds, Nuziveedu Seeds, Nath Seeds Limited.

Research and Development :- In cotton, India's the only country in the world which has developed and cultivated hybrid cotton commercially. India scientists have developed long-staple premier hybrid seeds. It gives the finest quality cotton with spinning performance of 120s counts. It is comparable in quality with Giza 45, the best quality Egyptian cotton. Some new varieties developed which are early maturing hybrids are: Fateh, Dhanlaxmi and Rajhans.

These hybrids suitable for cultivation in Punjab, Haryana and Rajasthan in the Northwest region. An NGO based in Pune, appropriate rural technology institute (ARTI), has suggested that the farmers should plant the seeds of hybrid cotton in plastic bags and cultivate them in these bags for two months (May and June) before planting the sampling so produced in July, in the fields to protect them from severe damage from American bollworm. The NGO is reported to have been using this technique for the last three years in Marathwada and Vidharba regions and claims that a yield of 1000 kg cotton per hectare can be obtained by following this method. It had demonstrated this technique in fields of more than 30 groups with each group comprising of 15-20 farmers. The Central Institute of Cotton Research, Coimbatore has developed a medium staple cotton variety, Sumangala, which is tolerant to sucking pest and bollworm attack. It can be planted in closer row spacing in north as well as south zones and gives a yield of 25 quintal per hectare under irrigated conditions and 15 quintals in rainfed conditions. It is an early maturing variety maturing in 150-160 days. It can be used as parent to produce hybrids. The SIMA cotton development and research association has appealed for a need to do maintenance breeding of cotton hybrid varieties which meet the textile industry's requirement in terms to fibre quality parameters, before long so that their original fibre qualities are retained year after year. Now fibre quality is of immense importance and research efforts should be directed towards development of such new seeds in which these parameters are maintained or improved. The development of varieties which give higher yield at the expense of quality parameters will only promote varietal mixing and quality deterioration. In July 2001, the Union Government removed all curbs of cotton exports. The quota system was done away with and the exporters are now not required to obtain any certificate from the textile commissioner on the registration, allocation quality and quantity of export. According to the planning commission, India is not likely to make any significant growth in its exports of cotton in the next 2-3 years (2002-05) in view of low world prices that are expected to prevail notwithstanding removal of all restrictions on cotton

exports from India. Since July 2001 India's imports of cotton are also expected to remain high unless steps are taken to increase the production of 27-30 mm staple cotton under technology mission on cotton. India is expected to have imported 22 lakh bales of cotton in 1999-2000 and 16 lakh bales in 2000-01. India's exports of cotton fell from 16.82 lakh bales in 1996-97 to 3.5 lakh bales in 1997-98. China had become a net exporter of cotton from an importer. This is because while in India, both the yield and quality of cotton have remained low during the past few years, in China and some other countries significant improvements have been made i.e. early adoption of Bt. cotton.

Analysis of Textile Industry 1991 and onwards

India's textile industry continues to be predominantly cotton based. Total fabric production in 1991-92 at 22,588 million square metres was marginally lower than the production in 1990-91. The shares of the mill, power looms and the handloom sector in this output were 10.5, 71.2 and 18.3 percent respectively in 1991-92. The textile sector has been undergoing a major restructuring. The mills are modernizing their plant and machinery and devoting greater attention to exports. Textile exports (yarn, fabrics, made ups and ready made garments: excluding jute goods and handicrafts) accounted for about 23 percent of India's total exports in 1991-92. It is also the largest net foreign exchange earner as the import content in textile goods is very low. During 1991-92, textile exports accounted to Rs. 10,106 crore, an increase of 46 percent over the previous year.

Several Policy measures have been adopted to improve the health of the textile industry.

These include

- 1- The textile modernization fund set up in 1986 with a corpus of Rs. 750 crore has received an overwhelming response from the mills. Till the end of September 1992 financial institutions had sanctioned loans amounting to Rs. 1368 crore for 357 cases while disbursements aggregated to Rs. 858 crore.
- 2- A turnaround strategy for the sick mills of NTC and BIC has been evolved by the government. The package includes providing working capital finance to tide over the liquidity problems, capacity modernization and shedding of surplus labour through a voluntary retirement scheme which will be handled through the recently established NRE.

- 3- In the jute sector, which has been in the grip of a recession since 1991-92, a new package of revitalization programme is being implemented with the help of UNDP to cater to the needs of the sector from production to export stage. Major thrust of the programme is on diversification of product range and involvement entrepreneurs.
- 4- Other programmes related to the technological up gradation of ginning and pressing operations and also of the handloom sector. Powerloom co-operative societies are being encouraged to upgrade capacities in this sector. It is expected that these policy measures will further encourage up gradation of capacities and a higher export orientation to the industry.

In tune with the liberalized industry policy of July, 1991 ministry of textiles issued textiles (Development and Regulation) order 1993 which replaced the rest while textiles (control) order 1986 and the textiles (Development and Regulation) order 1992. This order effectively delicensed the textile industry. Under the revised order, the provision of licence / registration certificate in respect of textile industry including powerloom has been abolished. Only an information memorandum is required to be filed before the appropriate authority for installation of powerloom in SSI sector. Changes have also been made in the export / import policy effective from April 1, 1993 for giving a fillip to the export sector and for providing more facilities for improving export capability by allowing import of capital goods at concessional import tariff of 15 percent with an export obligation of four times the value of the machinery. The government announced a new Export Entitlement Distribution Policy, 1994-96 (generally known as the quota policy) on September 4, 1993 for export of various textile items to the countries, where such exports are Covered under the Bilateral Trade Agreements. As a result of successful conclusion of Uruguay Round of GATT talks, in December 1993, it has been agreed to phase out Multi Fiber Arrangement (MFA) within ten years. Agreement on textiles will strengthen the areas of comparative advantage of Indian. The textile industry continues to be the largest industry in the country. According. to Economic Survey 1993-94 it accounts for about 20% of the total industrial output, providing employment to about 17 million people and contributing nearly 30% of the total value of exports. The Indian textile industry continues to be predominantly cotton based with 70 percent of the fabric production in the country is being accounted for by cotton.

The production of cotton during 1992-93 was estimated at 13 million bales which was higher by 92% compared to 1991-92 and 11.1% compared to 1990-91. The prices of raw cotton have registered an upward movement in recent weeks. The price increase during the current financial

year (over March end), which was only around 8% at the end of November, is now 28.2 percent (January 8,1994). Government is initiating several steps including higher import and off loading of stocks to keep the prices under check. The fabric production has recorded an increasing trend over the years excepting a marginal setback in 1991-92. Total fabric production in 1992-93 at 25,045 million sq. mtrs. Was higher by 10.9 percent than the production in 1991-92. The powerloom and handloom sectors have increased their respective shares marginally to 71.3 percent and 21.1 percent at the expense of the mill sector whose share has declined to 7.6 percent.

Production of yarn is almost entirely in the organized sector. It has also shown a steadily increasing trend over the year excepting a marginal set back in 1991-92. Production of yarn at 189 million kgs during 1992-93 was higher by 4.9 percent than in 1991-92. The production of man made fibres has recorded an increase over the years. Production during 1992-93 was 379.3 million kg. compared to 341.0 million kg during 1991-92, showing an increase of 11.2 percent. Exports of cotton during 1992-93 amounted to 100.4 million kg. as against 160.3 million kg. In 1991-92 and 497.1 million kg. in 1990-91. During April-October 1993-94 exports of cotton were 187.5 million kg. compared with 7.9 million kg. During the corresponding period last year. Exports of man made fiber were of the order of 17.5 million kgs as against 15.1 million kg. during 1991-92. During April-November 1993-94 export were of the order of 5.9 million kg. as against 13.1 million kgs. during April-November 1992-93, recording a decline of 3.7 million kgs. Exports of silk and woollen products have also registered positive growth rates in the recent years.

In line with the general policy of liberalization several measures have been under taken to eliminate / reduce controls and bring about greater transparency in the textile sector. The textile industry has been delicensed as per the textiles (Development and Regulation) order 1993. The current export entitlement distribution policy (known as Quota Policy), effective from January 1994 to December 1996, aims at making the system of quotas more transparent and simple and realizing increased unit value from textile and garment quotas and encourages non quota export of garments. The agreement on textiles and clothing includes as part of the Final Act of GATT, provide for a dismantling of the discriminatory quota regime practiced under the Multi Fibre

Arrangement (MFA), within a definite time span of 10 years. The Indian textile industry continues to be predominantly cotton based, with about 70% of raw materials consumed being cotton. The production of cotton during the 1993-94 cotton season was lower by 10% than in 1992-93. The year started favourably, but because of a pest attack in the Northern states and crop damage in Pakistan and China, an unexpected shortage in availability of cotton was reported. The cotton year 1993 witnessed an abnormal, increase in the prices of cotton from November 1993. However, several steps taken by the government such as allowing imports of specified quantities (like permitting stipulated imports of viscose staple fibre cotton at zero or concessional rates of duty) and tightening of selective credit control measures for cotton, helped to contain the rise in cotton prices.

Fabric production recorded an increasing trend over the years, except for a marginal setback in 1991-92. Total fabric production in 1993-94 was higher by 9.7% than in 1992-93 production of spun yarn was almost entirely in the organized sector and showed a steadily increasing trend over the years, except for a marginal set back in 1991-92. Production of spun yarn increased by 9.1 percent in 1993-94. The production of spun yarn by small scale units at 75 million kgs. during 1993-94.

The production of man made fibres at 455.3 million kg. registered an increase of 19.2 per cent in 1993-94. Production during April-August, 1994 was 185.6 million kg. As against 177.1 million kg. in April-August 1993, recording an increase of 4.8 percent. The production of man made filament yarn also recorded on increasing trend over the years. The export of textile has been increasing at a fast rate during the last few years. During 1993-94 total export of textile (including coir, jute and handicrafts) was estimated at Rs. 25,011 crore registering an increase of 30.9 percent over 1992-93. Among the various items of textiles, ready made garments achieved a growth rate of 31.7 percent cotton textiles (mill made, power looms and handlooms) 29.6 percent, silk textiles 7.5 percent, man made fiber textiles 28.4 percent woolen textiles 43.1 percent, handicrafts 39.8 percent, jute goods 5.7 per cent and coir good 32.2 percent exports of cotton yarn had also increased by 37.9 percent in 1993-94.

In the wake of the coming into force of agreement on textile and clothing (ATC), the than Export Entitlement Distribution, Policy known as quota policy effective from January 1994 to December 1996 has been formulated to enable the industry to meet the challenges in the international market. Quota policy is made simple and more transparent and is expected to lead to greater export earning and to facilitate the modernization of the industry. Indian textile industry continues to be predominantly cotton based, with about 65% of raw consumed being cotton. As per estimated made by the cotton, Advisory Board at its meeting held on 5-6-1995, the cotton production during the cotton season 1994-95 (September 1994 to August 1994) was 130.00 lakh bales of 170 kgs each provisional against the production of 121.50 lakh bales of 170 Kgs each during the cotton season 1993-94, registering a growth rate of 7.00 Per cent. During 1994-95, cotton prices showed mixed trend. Government has taken several steps like permitting import of 29104 MT of Viscose Staple Fiber (VSF), a near substitute to cotton at zero / concessional rate of duty, keeping import of cotton under OGL at zero rate of duty and tightening of selective credit control measures for cotton. All these helped to contain the rise in prices of cotton. Looking to the supply and demand situation in the country, the government had released an export quota of 1.856 lakh bales of various varieties of cotton during the cotton season 1994-95, out of which 1.08 lakh bales of cotton valued at Rs. 83.39 crore were exported during that year.

Total fabric production in 1994-95 was higher by 1.8 percent than in 1993-94. Production of fabrics during April-October 1995 increased by 5.4 percent over April-October, 1994. Production of spun yarn was almost entirely in the organised sector and showed a steadily increasing trend over the years, except for a marginal setback in 1991-92. Production of spun yarn increased by 1.1percent in 1994-95 and 11.1 percent in April-October 1995. The production of spun yarn by small scale units at 110 million kg. during 1994-95. Production of man made fibres at 478.6 million kg. registered an increase of 5.6 percent in 1994-95. Several measure have been undertaken in recent years by the government to eliminate / reduce controls and bring about greater transparency in the textile sector. The textile industry has already been delicensed as per the textile. (Development and Regulation) order 1993. Keeping in view the requirement of agreement on textile and clothing (ATC) a new long term quota policy applicable for the three years period 1997-99 for export of textile and garments covered by the quota system has been

announced on October 16,1996. The new policy not only simplifies procedure and ensures greater transparency, but encourages higher value unit realisation for quota items.

The prices of raw cotton which had showed a sudden spurt from November 1994, was speedily brought under control by government by taking several steps like permitting import of Viscose Staple Fibre (VSF), a near substitute to cotton, at zero / concessional rate of duty, and tightening selective credit control measures for cotton. With the easing of domestic supply / demand situation, government released export quota of 15.90 lakh bales for the year 1995-96 (September' 95 to August'96). Government has announced in the month of October, 1996 the release of initial quota of 5 lakh bales of cotton for export. The production of cotton yarn recorded an increase of 9.66 percent in 1995-96 over 1994-95.

The production of blended and 100 percent non - cotton yarn increased by over 15 percent during the same period. The production of fabric in 1995-96 recorded an increase of 9.3 percent over the level of production in 1994-95. The export of textiles has been increasing at a fast rate during the last few years. During 1995-96, export of textiles (including coil, jute and handicraft) was estimated at Rs. 35,504.6 crore, registering an increase of 13.3 percent over 1994-95. Among the various items of textiles, man made fibre textiles achieved a growth of 26 percent, jute goods 24.5 percent, woollen textiles 23 percent, cotton textiles 19 percent, handicraft 18 percent, coir goods 14 percent and readymade garments 6.4 percent.

According to economic survey 1997-98 textile industry has a unique place in our economy accounting for about 4 percent of GDP, 20 percent of manufacturing value added and one third of total export earnings and provides employment to millions of skilled and semi - skilled workers. Fabrics Cloth production has increased to 34,018 million square meters in April - February 1996-98 compared to 31,845 million square meters in April-February 1996-97 recording a growth rate of 6.8 percent. The fiber mix pattern of fabrics has also undergone changes in as much as cotton fabrics. According to economic survey 1997-98 accounts for about 60 percent of total fabric production and the remaining 40 percent is blended / non - cotton fabrics. The increase in fabrics production has facilitated the emergence of a decentralised cotton sector which has made impressive progress and economic - survey 1997-98 accounts for about 15

percent of total export earnings. Textile items including handicrafts and jute not only account for about one third of the country's export earning but remain as a group, the largest net foreign exchange earner. Export of textile items have increased to \$ 11,279 million or Rs. 41,729 crore during April-February 1997-98, thus recording growth of 5.7 percent in terms of dollar earnings and 10.8 percent in terms of rupees. However, with the increasing integration of textile and clothing industry into the world trading regime export of textile items have to cope with new challenges in the form of growing non-tariff/ non-trade barriers such as growing regionalisation of trade between blocks of nations, child labour, anti dumping levies etc.

Textile industry provides employment to millions of skilled and semi skilled workers. The industry is characterised by wide diversity ranging from the organized mill sector to the decentralized power loom sector and million of artisans sector and millions of artisans and weavers. The production of man made fiber and yarn has increased significantly from 223 million kgs in 1980-81 to 1,477 million kgs in 1997-98. However the ratio of cotton to man made fibre in the indian textile industry is quite high at 65:35 compared to the world average of 46:54. There is thus sufficient scope to increase the use of man - made fibres and utilize cotton for higher ends of the market, particularly for the export market.

The production of fabrics registered an annual growth rate of 7.6 percent from 27,898 million square meters in 1993-94 to 37,436 million square meters in 1997-98. While the share of the mill sector in fabric production has declined from 7.1 percent in 1993-94 to 5.2 percent in 1997-98, the share of power looms (including hosiery) has increased from 70.4 percent to 73 percent during this period. The per capita availability of fabrics has increased from 26.22 sq. meters in 1993-94 to 30.92 sq. meters during 1997-98. Export of textile items including jute and handicrafts increased from US\$ 66,00 million in 1992-93 to US\$ 11,839 million in 1996-97, indicating a compound annual growth of 15.7 percent. However, export growth decelerated to 4.7 percent in 1997-98. During the year 1998-99 the East Asian economic crisis and sluggish growth of world trade have significantly contributed to decline in export of cotton yarn. But the export of readymade garments, the mainstay of textile exports and the export of cotton fabrics and made-ups, have increased during April-November 1998 by 8.3 percent and 3.5 percent respectively over April-November 1997.

In the face of progressive globalization, the textile industry requires improvement in product quality and cost efficiency. To this end, the government has proposed two major initiatives, viz. Cotton Technology Mission (CTM) and Technology Upgradation Fund (TUF). While the main thrust of CTM will be on improving productivity and quality of cotton, the TUF will address the problem of technology obsolescence particularly in the weaving and processing sector of the industry. These initiatives, when operationalised, are expected to enhance cost efficiency and improve quality of production in the textile industry. In July 1998, the government also set up an export group to review the existing textile policy and recommend changes against the emerging imperatives of international competition. The production of man made fibre and yarn has increased significantly from 188 million kgs. in 1980-81 to 1,632 million kgs in 1998-99. However the ratio of cotton to man - made fibre in the Indian textile industry, remains high at 65.35 compared to the world average of 46.54. There is thus sufficient scope to increase the use of man - made fibres and utilize cotton for higher ends of the market, particularly for the export market. The production of fabrics registered a compound annual growth rate of 5.3 percent from 27,898 million sq. meters in 1993-94, to 36,102 million sq. meters in 1998-99. The share of the mill sector in fabric production has declined to 5 percent in 1998-99, while that of powerloom (including hosiery) has increased to 74.7 percent. Exports of textile items, including jute and handicrafts, increased from US\$ 6,600 million in 1992-93 to US\$ 12,533 million in 1998-99, indicating a compound annual growth of 11.3 percent.

A new quota policy has been announced for the textile sector, for the period 1-1-2000 to 31-12-2004. The policy seeks to maintain continuity and stability in exports and prepare the exporters for facing the challenges of the post quota regime beginning from January 2005. In addition, it aims at better utilization of quotas and discourages 'trading of quotas'.

Two other major initiatives viz. cotton Technology Mission (CTM) and Technology Upgradation Fund Scheme (TUFS) have been proposed. The CTM has four mini missions, with two dealing with improving productivity and quality of production and the others dealing with the problem of minimizing contamination and improving existing ginning and pressing facilities. The TUF has already come into effect from April 1, 1999. The scheme provides for reimbursement of five

percentage points on the interest charged by lending agencies on projects of technology up gradation.

The expert committee, appointed to make suitable recommendations for strengthening the domestic industry in the face of competition, has submitted its report in August 1999.

The recommendations include measures for introduction greater transparency, avoiding excessive regulations, translation the comparative advantages into competitive strength and promotion exports.

The production of man-made fibre and yarn has increased significantly from 188 million kgs. in 1980-81 to 1,729 million kgs. in 1999-2000. However, the ratio of cotton to man-made fibre in the Indian textile industry, remains high at 58:42 compared to the world average of 46:54. There is thus scope to increase the use of man made fibres and to utilize cotton for higher ends of the market, particularly for the export market. The production of fabrics registered a growth rate of 8.6 percent from 36.102 million sq. meters in 1998-99 to 39.202 million sq. meters in 1999-2000. The share of the mill sector in fabric production remains at 4.4 percent in 1999-2000, while that of powerloom (including hosiery) remained at 75.4 percent.

Export trends are an important indicator of textile industry's performance. Export of textiles increased by 3.8 percent from US\$ 8,348 million in 1999-2000 (April-November) to US\$ 8,662 million in 2000-01 (April-November). During this period export of readymade garments increased by (6.3 percent) handicrafts (9.0 percent), man made textiles (15.1 percent), silk (7.2 percent) while that of cotton fabrics and made ups, wool and woollens and coir registered a decline of (-) 3.2 percent, (-) 17.3 percent and (-) 1.8 percent respectively.

An important factor inhibiting technology upgradation in the textile sector has been the relatively high cost of capital required for carrying out such changes. The Technology Upgradation Fund Scheme (TUFS) was launched in April 1999 to provide easy access to capital for technology upgradation by various segments of the industry. The scheme implemented through selected nodal agencies/co-opted institutions has been progressing well. As on 30th November 2000, 910 textile units have applied for loan under the scheme with a total project cost of Rs. 10,654 crore

and a loan requirement of Rs. 6215 crore. Out of this, 710 units have been sanctioned for an amount of Rs. 3,946 crore out of which Rs. 1,893 crore has been disbursed to 483 units.

A Technology Mission on Cotton (TMC) was launched in February, 2000 to address issues of low productivity, marketing infrastructure and availability of cotton which is the core fibre used by the industry. TMC includes four mini missions (MM) of which two i.e. mini-mission-III for improvement in marketing infrastructure and mini-mission IV for modernization/upgrading and ginning and pressing factories are under the preview of ministry of textiles. As on 31st December 2000, proposals worth Rs. 42.36 crore (with central share of Rs. 23.13 crore) under MM III and Rs. 98.98 crore (with central share of Rs. 19.38) crore under MM IV were sanctioned. The major initiatives with respect to the unorganised sector of the industry include introduction of a comprehensive scheme called "Deen Dayal Hathkargha Protsahan Yojana" with effect from April 2000 to provide financial support and assistance to handloom activities like basic inputs, product development, infrastructure marketing support, etc. under the scheme implemented through the state government, financial assistance will be provided for funding a particular component or combination of components included as per the approved funding pattern's. The total out lay approved for the scheme is Rs. 690 crore (of which centre's shares Rs. 360 crore and states Rs. 330 crore).

The market for textile product is determined by its quality, design, colour and conformity with fashion trends. Accordingly a National Computer Aided Design Centre for handlooms has been set up. Two national centers for design and product development for handicrafts have also been set up at New Delhi and Muradabad. These CADCs are being given internet connectivity to a recently set up national textile design centre which is equipped with state of the art design systems. Other initiatives include sanctioning of urban haats at eight other centres of the country viz, Ahmedabad, Agra, Bhubneshwar, Calcutta, Ranchi, Jammu, Karnal and Tirupati on the pattern of the successful urban haat to provide direct Market access to weavers and craft persons. Production of fabrics increased by 9.25 per cent in 2005 and, in the current year up to November 2006, by 8.20 per cent over the corresponding period of the previous year (Table 7.6) In US dollar terms, the value of exports increased by 21.8 per cent in 2005-06 and 11.7 per cent in the current year up to September 2006 (Table) Nevertheless, Indian textile sector's performance

continues to lag substantially behind that of China even in the post-quota era. China's export of textile and clothing reached a new peak of US\$ 115.51 billion in 2005 which accounted for 24.07 per cent of global trade. In comparison, India's share was a miniscule 3.37 per cent amounting to US\$16.14 billion. The Indian textile sector continues to suffer from ageing machinery inadequate infrastructural facilities (Power and ports), and rigid labour laws. The continuing scheme such as the Technology Up gradation Fund (TUFS) and the Scheme for Integrated Textile Parks launched last are aimed at addressing some of these problems. Under the Technology Upgradation Fund Scheme (TUFS), launched on April 1, 1999, loans amounting to Rs. 14,901 crore have been disbursed to 6,739 applicants. under the Scheme for Integrated Textile Park (SITP) launched in the last financial year to develop 25 Integrated Textile Parks (Covering weaving) knitting, processing and garmenting sectors) of international standard, project proposals worth Rs. 2,411 crore, (of which assistance from Government is Rs. 862.55 crore) have been sanctioned. These projects are likely to be completed by March 2008.

OVERALL PERFORMANCE

Textile Sector :- At present textile sector contributes about 14% to industrial production and about 21% (based on 2003-04(Apr-Feb) export data of DGCIS) to the country's export earnings.

Production of Cloth :- The total production of cloth by all sectors i.e. mill, powerloom, handloom, hosiery and khadi; wool and silk was 42,708 million sq. mtrs (provisional) during 2003-04. The total production of cloth by all sectors i.e. mill, powerloom, handloom, hosiery and khadi, wool and silk is anticipated to be 44,322 million sq. mtrs, during 2004-2005 based on sector-wise annual growth during the last 5 years@ 3.78%.

Per Capita availability of Cloth :- The satisfactory performance in cloth production has resulted in favorable per capita domestic availability of cloth in the country. The per capita availability of cloth during 2003-04 mission was provisionally estimated at 31.24 sq. mtrs. The per capita availability of cloth during 2004-05 may remain same as in the previous year.

Powerloom Sector :- The powerloom sector play very important role in the country's economy. The provisional production of cloth in the decentralized powerloom sector during the 2003-04 was 27,258 millions sq. mtr., which is around 64% of total cloth production in the country.

Employment generation was 4.59 million (provisional) during 2003-04. The production for the year 2004-05 is anticipated to be 28,803 million sq. mtr. based on individual sector growth rate during the last 5 years @5.6%.

COTTON :- Cotton, one of the principal crops of the country, plays a vital role in the Indian economy providing substantial employment and making significant contributions to export earnings. The ratio of the use of cotton to man-made fibre and man made continuous filament yarn is 57:43 (prov) for Indian Textile Industry (based on financial year 2002-03). It engages million of farmers, while another about 40-50 million people depend on activities relating to cotton cultivation, cotton trade and its processing for their livelihood. It is the principal raw material for the domestic textile industry comprising 1,600 spinning mills & 276 composite mills, with an installed capacity of 36.10 million spindles, 379,000 Open End Rotors and 119,000 looms in the organized sector plus another 1,146 small scale spinning units with 2,93 million spindles and about 89,000 Rotors in the small scale decentralized sector. The cotton and cotton related textile items contribute significantly towards exports earnings of the country.

Production & Consumption :- India is the 3rd largest producer (2.84 Million Metric Tons) of cotton during 2003-04 in the world, accounting for 13.90% of the global production. In cultivated area (7.66 Million hectare during 2003-04), we lead in the world, but in productivity (371.88kg. lint/ha), we are far behind many countries (USA:814kg/ha, China:953kg/ha, Australia: 1,667 kg/ha, World Average:620kg/ha). One of the major reasons for low yield is that 65% area under cotton is rainfed. Under Mini-Million II of Technology Million on Cotton, a target of 388kg. lint/hectare has been set to achieve by the end of Xth Five Year Plan (2006-07).

a. The largest share in the total production of cotton is of medium staple & medium long staple variety followed by long staple. The share of short staple was about 4.5%. The share of medium and medium long staple varieties was about 45% and that of long and extra long staple varieties was 37% and 7% respectively in 2001-02.

b. Consumption of cotton has been increasing over the last few years. As against a total consumption of 115.50 lakh bale during 1990-91 (Mill and Non Mill), the consumption level including consumption by spinning units in the small scale sector and non-mill consumption has

been estimated at 167.00 lakh bales in 2003-04 cotton season (Oct. 2003-Sept. 2004). The variety-wise demand for cotton almost follows the same pattern as the variety-wise production. The major demand is for medium and medium long staple variety, which also has the largest share in the total production of cotton. The demand for short staple varieties is relatively very small.

c. Data on area, production, yield and consumption of cotton is given in the table-3.

Prices of Cotton

Kapas Price:- The Minimum Support prices of Kapas (Seed cotton) for fair average quality announced for the cotton season 2003-04 (Oct-Sept) has been fixed at Rs. 1,725/- per quintal for medium staple variety (F-414/J-34/H-777), an increase of Rs. 50/- per quintal over 2002-03 support price. Similarly, the support price for H-4 (Long staple variety) has been fixed at Rs. 1,925/- per quintal, an increase of Rs.50/- per quintal over support price of 2002-03.

Lint Cotton:- The monthly average prices in respect of few popular lint cotton varieties during the month upto May 2004 are given below along with the corresponding data for the last season i.e., 2002-03. In comparison to the previous year, prices of J-34, H-4/ MECH-1, S=4/8-6, and DCH-32 has been increased around 19.61%, 16.90%, 16.93% and 3.39% respectively.

HANDLOOM SECTOR :- The handloom sector plays a very important role in the country's economy. It is one of the largest economic activities. About 124 lakh persons are engaged in the handloom weaving and allied activities in the country. Due to effective State intervention through financial assistance for the development and welfare of this sector, the persons engaged in handloom weaving and allied activities have been able to earn their livelihood. As a result of these measures the production of handloom fabrics has gone up to 5,536 million sq. meters during 2003-04 (provisional) from a level of 500 million sq. meters in the early fifties. This sector accounts for about 13.12% of the total cloth produced in the country (excluding wool, silk and hank spun yarn).

MARKETING PROMOTION PROGRAMME

Marketing promotion programme (MPP) is an integrated scheme including components for Publicity and Awareness, setting up of Marketing Complexes and organization of Exhibitions and Fair through various agencies to promote the marketing of handlooms in the country and to improve levels of awareness among handloom weavers and the general public in the interest of overall development of the handloom sector. The main components of this scheme are:

1. Organizing of National Handloom Expos (NHE), Special Expos and District Level Events (DLE)
2. Setting up of Urban Haats
3. Participation in Craft Melas Setting up of Marketing Complexes
4. Publicity and Awareness
5. Design Development and Training Programme (DDTP)
6. SUPPLY OF YARN AT MILL GATE PRICE
7. Deen Dayal Hathkargha Protsahan Yojana (DDHPY)
8. HANDLOOM EXPORT SCHEME/ ERSTWHILE DEVELOPMENT OF EXPPROTABLE PRODUCTS AND THEIR MARKETING
9. Workshed-Cum-Housing Scheme
10. Weavers' Welfare Scheme

The Schemes which were in implementation during 2003-04 are as under:

- (i) Health Package Scheme for Handloom Weavers.
- (ii) Thrift Fund Scheme for Handloom Weavers.
- (iii) Group Insurance Scheme
- (iv) New Insurance Scheme for Handloom Weavers

Credit :- For production procurement and marketing activities as well as the purchase and sale of yarn National Bank for Agriculture and Rural Development (NABARD) provides refinance facilities through State Cooperative Bank (SCB), District Central Cooperative Bank (DCCB) and Commercial Banks at concessional rates of interest. NABARD has since reviewed the rates of interest and it has decided to further reduce the rates of interest. The revised rates of interest are indicated in the table

The revised interest rates will be applicable w.e.f. 01 January, 2004 on the outstanding balances, if any as the close of business on 31st December 2003 under this credit limits from NABARD as on the drawals that may be availed of by the banks on or after 01 January 2004. Particulars of short-term credit limits sanctioned to the State Co-operative Banks for financing Weavers' Societies during the financial year 2002-03 (April-March) position as on 31 March, 2003.

A sum of Rs. 11.80 lakh was released to NHDC during 2002-03. Also a sum of Rs. 41,00,924 was released to National Cooperative Union of India (NCUI) towards committed liabilities during the year 2003-04.

DEVELOPMENT SCHEMES AND PROGRAMMES

Development Scheme and Programmes supported by the CSB include those which are funded through the CSB's budget; by the Centre or the centre and the state; those which are externally assisted, and those in which funding has been organized by convergence with rural and other development programmes. The development thrust concentrated during the year on expansion of non-mulberry silks with a focus on the North East Region, and growth of bivoltine mulberry sericulture in traditional states, with a focus on increasing productivity and upgrading quality. A convergence strategy with Rural Development Schemes was adopted to create sustainable livelihoods and infrastructure for sericulture for the rural poor. Several new projects were started to spread s+eri-culture, using existing castor plantations. Eri was started in stated such as Andhra Pradesh, Punjab, Bihar, Uttranchal, Chattisgarh. Progress during the year in the main projects & schemes is briefly below:

1. **Catalytic Development Programme (CDP)** :- The CDP aims at development and expansion of host plantations, development of farm infrastructure, upgradation of reeling and processing technologies in silk, enterprises development programme and data base development. Of Rs. 450.00 crores approved by Govt. of India for implementation of Central Sector Programmes during Xth Five Year Plan, an outlay of Rs. 180.98 crores is earmarked for implementation of CDP.
2. **Externally Aided Projects.** :- The promising projects include:
 - (i) **Japan international Cooperative Agency (JICA) Assisted Bivoltine Project**

The first and second phase of the project was implemented from 1991 to 1997 and 1997 to 2002 respectively during which a comprehensive practical Bivoltine Sericulture Technology suitable to Indian conditions has been successfully development and piloted. The third phase of the Project has commenced form August 2002 for a period of five years with a target to establish a suitable extension and seed supply system for promotion of bivoltine in the selected TSCSs in Karnataka, Tamil Nadu and Andhra Pradesh.

ii) **Chhatisgarh Sericulture Project** :- The Govt. of Chhatisgarh is implementing Chhatisgarh Sericulture Project with financial assistance from Japanese Bank for International Co-operation (JBIC). The state has so far incurred an expenditure of Rs. 48.53 crores against the provision of Rs. 117.16 crores for first phase.

iii) **Manipur Sericulture Project** :- The Govt. of Manipur is implementing the first phase of the "Manipur Sericulture Project" with financial assistance from JBIC, Japan. The project would be implemented over a period of 10 years at total of Rs. 490.59 crores.

3. **Convergence Projects** :- With financial assistance from the SGSY scheme of Ministry of Rural Development and technical assistance from central Silk Board, sericulture projects are being implemented in the states of NE, Bihar & Jharkhand with total cost of project of Rs. 124.32 crores including financial assistance of Rs. 51.36 crores from the Centre.

4. **Expansion of Sericulture in Non-traditional areas** :- For exploiting the vast potential available for development of sericulture in the non-traditional area, CSB has launched projects for development of Seri culture in Andhra Pradesh, Punjab, Uttranchal, Chattisgarh, Tamil Nadu, Pondicherry, Kerala and Uttar Pradesh and Oak Tasar in Uttranchal at a total cost of Rs. 6.10 crores. This includes a Central share of Rs. 2.86 crores.

5. **Development Projects in NER** :- The thrust on development of sericulture in the North East Region was continued with implementation of Central and centrally sponsored schemes of the Ministry of Textiles and SGSY projects of Ministry of Rural Development. In 2002-03, 17.54% of the Sericulture budget was earmarked & spent on the NER. In 2003-04, the earmarking is 24.27% amounting to Rs. 22.50 crores.

Annexure:**Table : 1 Production of fabrics**

(in millions of square metres)

Sector	2000-01	2001-02-	2002-03	2003-04	2004-05-	2005-06	April-2005-06	November 2006-07(P)
Mills	1,670 (4.2)	1,546 (3.7)	1,496 (3.6)	1,434 (3.4)	1,526 (3.4)	1,656 (3.3)	1,085 (3.3)	1,234 (3.5)
Power looms (including Hosiery)	30,499 (75.8)	32,259 (76.8)	33,835 (80.6)	34,494 (82.1)	37,437 (82.5)	41,044 (82.8)	27,105 (82.6)	29,471 (83.0)
Handlooms	7,506 (18.7)	7,585 (18.0)	5,980 (14.2)	5,493 (13.0)	5,722 (12.6)	6,108 (12.3)	4,111 (12.5)	4,278 (12.1)
Others	558 (1.4)	644 (1.5)	662 (1.6)	662 (1.6)	693 (1.5)	769 (1.6)	513 (1.6)	513 (1.5)
Total	40,223	42,034	41,973	42,383	45,378	49,577	32,814	35,496

Note : Figures in parentheses indicate share in output**P - Provisional****Source : Office of Textile Commissioner, Mumbai****Table: 2 Export of textiles**

(in US\$ million)

Item	2003-04	2004-05	2005-06	April - 2005-06	August 2006-07 (P)
Ready made garment	5,786.37	6,024.39	7,752.44	3,085.34	3,461.88
Cotton Textiles	3,599.95	3,544.16	4,493.20	1,650.30	2,071.09
Wool & Woolen Textiles	337.98	417.09	473.91	197.42	204.89
Manmade Textiles	1,821.24	2,050.73	2,000.08	777.20	907.83

Silk	545.21	594.56	691.83	279.06	292.75
Handicrafts	1,085.36	1,013.85	1239.26	524.11	501.46
Coir & Coir manufacture	77.77	105.56	134.25	53.99	59.44
Jute goods	242.43	276.25	294.60	127.33	128.79
Total	13,496.31	14,026.72	17,079.57	6,694.97	
Source : Foreign Trade Statistics of India (Principal Commodities and Countries)DGCI &S, Kolkata					

Table - 3 Data on Area, Production, Yield and Consumption of Cotton for the period from 1995-96 to 2003-04 season

Cotton year	Area in Lakh Hectares	Cotton prodn. in lakh bales of 170 kgs each	Production in 000's tons	Cotton yield in kg/Hectare	Cotton Consumbption in lakh bales of mill+non-mill+small spinning
1995-96	90.63	170.70	2901.90	320.00	154.29
1996-97	91.66	177.90	3004.30	330.00	170.16
1997-98	88.29	158.00	2686.00	307.00	159.01
1998-99	92.87	165.00	2805.00	302.00	165.36
1999-2000	87.31	156.00	2652.00	304.00	173.36
2000-2001	85.76	140.00	2380.00	277.52	173.03
2001-02	87.30	158.00	2686.00	307.67	171.76
2002-03 (P)	74.10	136.00	2312.00	305.33	168.83
2003-04 (E)	76.57	167.50	2847.50	317.88	167.00

Source: Cotton Advisory Board (CAB) (P)-Provisional (E)-Estimated

Table - 4 Cotton Budget For 1998-99 And Onwards

<u>Supply</u>	1998-99 (Oct-Sept)	1999-2000 (Oct-Sept)	2000-01 (Oct-Sept)	2001-02 (Oct-Sept)	2002-03 (Oct-Sept) estimated as on 10.03.2004	2003-04 (Oct-Sept) Projected as on 10.03.2004
Opening Stock	30.00	36.50	40.50	29.00*	40.00*	24.00*
Crop	165.00	156.00	140.00	158.00	136.00	167.50
Import	7.87	22.01	22.13	25.26	17.67	9.00
TOTAL SUPPLY	202.87	214.51	202.63	212.26	193.67	200.50
Demand						
Mill Consumption	145.53	50.60	149.36	147.00	142.42	143.00
Small Spinners Consumption	6.24	8.37	10.97	11.70	11.63	12.00
Non-mill Consumption	13.59	14.39	12.70	13.06	14.78	12.00
Export	1.01	0.65	0.60	0.50	0.84	9.00
TOTAL DEMAND	166.37	174.01	173.65	172.26	169.67	176.00
Closing Stock.	36.50	40.50	29.00	40.00*	24.00*	24.50

* The opening stock and closing stock for 2002-03 are based on verified figures. Therefore, non-mill consumption is taken as the balancing figure. Closing Stock of 2002-03 is taken as the opening Stock for 2002-03 and hence, it is a verified figure.

Table - 5 Average Spot rates of Kapas (Seed Cotton) (Rs./Qtl)

Month	J-34		LRA-5166		H-4/MECH-1		S-4/S-6		DCH-32	
	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04
Oct	1963	2488	*	2487	2105	2628	2105	2676	*	*
Nov	2009	2529	1984	2466	2004	2513	2157	2585	2783	3065
Dec	2146	2573	2031	2427	2121	2462	2224	2557	2872	3113
Jan	2196	2712	2054	2525	2176	2569	2306	2720	2985	3280

Feb	2426	2715	2188	2565	2362	2629	2484	2728	*	*
Mar	2570	2585	2294	2410	2521	2470	2661	2575	*	*
Apr	*	2536	*	2416	*	2466	*	2581	*	*
May	*	*	*	*	*	*	*	*	*	*

* Not procured by CCI

Table -6 Average Spot rates of Lint Cotton (Rs./Qtl)

Month	J-34		LRA-5166		H-4/MECH-1		S-4/S-6		DCH-32	
	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04	02-03	03-04
Oct	4210	5692	-	6206	4847	6266	5031	6400	7849	8155
Nov	4410	5880	-	6075	4811	6253	4980	6487	7807	864
Dec	4643	5721	4618	5790	5032	5976	5225	6341	8168	8782
Jan	4601	6154	4536	6105	5016	6358	5335	6698	8301	9108
Feb	4976	6184	4839	6102	5344	6435	5679	6707	8528	9021
Mar	5352	5875	5279	5673	5737	6197	6049	6558	8828	8646
Apr	5790	5996	5501	5536	5966	6234	6286	6623	8790	8579
May	5835	6125	5520	5515	5983	6240	6247	6606	8972	8579

Table - 7 Production of Cloth In The Handloom Sector (IXth Plan)

(In million sq. meters)

<u>YEAR</u>	<u>TARGET</u>	<u>ACHIEVEMENT</u>
1997-1998	6860.00	7603.00
1998-1999	7272.00	6792.00
1999-2000	7708.00	7352.00
2000-2001	8170.00	7506.00
2001-2002	8440.00	7586.00

Table - 8 Physical and Financial target of the events

S.NO	NAME OF EVENTS	PHYSICAL TARGET	FINANCIAL TARGET (RS. IN

		(NOS.)	CRORE)
1	National Handloom Expos/Special Expos	20	4.00
2	District Level Events	150	3.00
3	Crafts Melas and Master Creation Programme	05	0.04
4	Setting up of Urban Haats	**	2.00
5	Marketing Complexes	**	1.00
6	Publicity and Awareness	**	1.60
	Total		12.00

**** Funds to be released on receipt of proposals for setting up of Urban Haats, Marketing Complexes and Publicity and Awareness.**

Table 9 The revised rates of interest

S.No	Purpose	Present rate of Interest per Annum	Revised rate of interest per annum
1	Financing of Working capital requirements of Primary Handloom Weavers Cooperative Societies (PHWCS)	7%	6.5%
2	Financing of Working capital requirements of State Handloom Development Corporation (SHDCs)	7%	6.5%

Table -10 Credit limits sanctioned to the State Co-operative Banks in various States

(Rs. In Crore)

S.No	Name of the SCB	Credit limits in force.
1.	Andhra Pradesh	16.36
2.	Gujarat	1.00

3.	Karnataka	5.25
4.	Kerala	40.31
5.	Madhya Pradesh	0.00
6.	Orissa	16.43
7.	Pondicherry	5.65
8.	Tamil Nadu	404.26
9.	West Bengal	61.68
	TOTAL	550.94

Table - 11 The reimbursement rates to the user agencies

Types of Yarn	In Plain areas	Hill/Remote areas	North - East area
Other than Silk/Jute Yarn	1.00%	1.75%	3.00%
Silk Yarn	1.00%	1.25%	1.50%
Jure/Jute Blended Yarn	7.00%	8.00%	8.50%

Note: Rates are in terms of percentage cost of material.

Table -12 The present funding pattern of the Central assistance and the weavers' contribution as also the loan up arrangement is given as under

Name of the Component	Unit cost in Rs.	Maximum Subsidy	Loan form HUDCO/Fls	Weavers Contribution
Rural Workshed	9000	7000	-	2000
Urban Workshed	14000	10000	-	4000
Rural Workshed-cum-Houses	35000	18000	14000	3000
Urban Workshed-cum-Houses	45000	20000	20000	5000

Table -13 The estimated number of powerlooms in the decentralized sector in the country by the end of March, 2004 was 18.37 lakh as below

Year	Power looms
1999-2000	16,29,853
2000-2001	16,61,550
2001-2002	16,66,033
2002-2003	16,92,737
2003-2004	18,36,856

(Source : State Government & U.Ts.)

Table 14 The progress of the sericulture industry from 1997-98 to 2003-2004

S. No	Raw silk production (Tons)	IX PALN					X PLAN	
		1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04 (Prov.)
A.	Mulberry Silk	14048	14260	13944	14432	15842	14617	13930
B.	Non-Mulberry silk							
	Tasar	312	242	211	237	249	284	315
	Eri	814	970	974	1089	1160	1316	1350
	Muga	62	72	85	99	100	102	105
	Total	15236	15544	15214	15857	17351	16319	15700
C.	Total export Earning (Rs. Crores)	1060.60 +	1250.55 +	1755.55\$	2421.98\$	2359.56 \$	2162.7\$	2400 (target)
D.	Estimated employment (lakh Persons)	52.50	53.00	53.50	54.00	55.00	56.00	57.50

Table - 15 Total silk export earnings during the years 2001-02, 2002-03 & 2003-04 (April to Dec.)

(Rs. in crores)

Items of Export	2001-02	2002-03	2003-04* (April to Dec)
1. Natural Silk Yarn, fabrics & Made-ups	1309.47	1451.07	1205.27
2. Readymade Garments	720.88	609.18	510.11
3. Silk Carpets	168.45	87.60	87.04
4. Silk waste	36.58	14.85	4.52
Total	2235.38	2162.70	1806.94

- **Provisional figures & subject to change.**

References:

- 1- Indian Economics by Sudhir Dawra ,page no- 406-407
- 2- Indian Economics by K.K. Dewett, J.D. Verma and M.L. Sharma, page no. 208, 211, 279-281, 605.
- 3- Indian Economics by Dr. R.K. Agarwal, page no. 274, 321, 333-350
- 4- Pratiyogita Darpan (Extra Issue)
- 5- Indian Economy 2004-05, page no- 77, 87-90
- 6- Indian Economy by Ruddar Dutt and Sundharam, page no- 603
- 7- Globalisation and Development Experiences by Debendra K. Das,page no- 3,4, 397-399, 435
- 8- Globalisation of Indian Economy: A swot analysis,by C. Lakshmi Narayana Pillay,page no- 28, 245
- 9- Liberalisation Economic Challanges by A.P. Gupta, S.K. Srivastava. page no- 248, 36-37.
- 10- Evalution of Indian Economy by T.R.Jain, Dr. V.K. Ohri.
- 11- Indian Agriculture-2003 by Vikas Singhal,page no- 772-793

- 12- ISMA website accessed on May, 16, 2005
- 13- Ministry of Food, Government of India
- 14- Indian Sugar Magazine, December, 2004 Published by ISMA.
- 15- Courtesy; Cement News Digest 15-22 Aug, 2003 Page no. 4-5