

**EXTRACT FROM NATIONAL
TEXTILE POLICY -- 2000**

(NTxP -- 2000)

PREAMBLE

Perceiving the role of the Textile Industry in providing one of the most basic needs of people and the importance of its sustained growth for improving quality of life;

Recognising its unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; and its major contribution to the country's economy;

Realising its vast potential for creation of employment opportunities in the agricultural, industrial, organised and decentralised sectors & rural and urban areas, particularly for women and the disadvantaged;

Acknowledging the tremendous impetus provided by the Textile Policy of 1985 to the economy, resulting over these years in compounded annual growth rates of 7.13% in cloth production, 3.6 % in the per capita availability of fabrics; and 13.32% in the export of textiles; raising the share of textiles to 13% of value added domestic manufacturing of the country; and to one third of the export earnings of the country,

Taking note of the new challenges and opportunities presented by the changing global environment, particularly the initiation of the process of gradual phasing out of quantitative restrictions on imports and the lowering of tariff levels for an integration of the world textile and clothing markets by end 2004, and the need for a focussed approach to maximizing opportunities and strengths inherent in the situation;

Having studied the issues and problems facing the sector, the views of a wide range of stakeholders, and the recommendations of the Expert Committee set up for this purpose;

Deciding to redefine the goals and objectives, focus on thrust areas and sharpen strategy in tune with the times,

the National Textile Policy – 2000 is enunciated as follows:

VISION

1. Endowed as the Indian Textile Industry is with multifaceted advantages, it shall be the policy of the Government to develop a strong and vibrant industry that can
 - Produce cloth of good quality at acceptable prices to meet the growing needs of the people;
 - Increasingly contribute to the provision of sustainable employment and the economic growth of the nation; and
 - Compete with confidence for an increasing share of the global market.

OBJECTIVES

2. The objectives of the policy are to-
 - Facilitate the Textile Industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing;
 - Equip the Industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market;
 - Liberalise controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment;
 - Enable the industry to build world class state-of-the-art manufacturing capabilities in conformity with environmental standards, and for this purpose to encourage both Foreign Direct Investment as well as research and development in the sector;
 - Develop a strong multi-fibre base with thrust of product upgradation and diversification;
 - Sustain and strengthen the traditional knowledge, skills and capabilities of our weavers and craftspeople;

- Enrich human resource skills and capabilities, with special emphasis on those working in the decentralised sectors of the Industry; and for this purpose to revitalise the Institutional structure;
- Expand productive employment by enabling the growth of the industry, with particular effort directed to enhancing the benefits to the north east region;
- Make Information Technology (IT), an integral part of the entire value chain of textile production and thereby facilitate the industry to achieve international standards in terms of quality, design and marketing and;
- Involve and ensure the active co-operation and partnership of the State Governments, Financial Institutions, Entrepreneurs, Farmers and Non-Governmental Organisations in the fulfillment of these objectives.

THRUST AREAS

3. In furtherance of the objectives, the strategic thrust will be on:

- Technological upgradation
- Enhancement of Productivity
- Quality Consciousness
- Strengthening of the raw material base
- Product Diversification
- Increase in exports and innovative marketing strategies
- Financing arrangements
- Maximising employment opportunities
- Integrated Human Resource Development

IMPORTANT TARGETS AND OUTPUTS

4. The endeavour will be to -

- Achieve the target of textile and apparel exports from the present level of US \$ 11 billion to US \$ 50 billion by 2010 of which the share of garments will be US \$ 25 billion.
- Implement vigorously, in a time bound manner, the Technology Upgradation Fund Scheme (TUFS) covering all manufacturing segments of the industry;
- Achieve increase in cotton productivity by at least 50% and upgrade its quality to international standards, through effective implementation of the Technology Mission on Cotton;
- Launch the Technology Mission on Jute to increase productivity and diversify the use of this environment-friendly fibre;
- Assist the private sector to set up specialised financial arrangements to fund the diverse needs of the textile industry;
- Set up a Venture Capital Fund for tapping knowledge based entrepreneurs of the industry;
- Encourage the private sector to set up world class, environment-friendly, integrated textile complexes and textile processing units in different parts of the country;
- De-reserve the Garment industry from the Small Scale Industry sector;
- Strengthen and encourage the handloom industry to produce value added items and assist the industry to forge joint ventures to secure global markets;
- Re-design and revamp, during the 10th Five Year Plan, the Schemes and Programmes initiated in the handloom, sericulture, handicrafts and jute sector to ensure better returns for those belonging to the disadvantaged categories, and the North East and other backward regions of the country;
- Facilitate the growth and strengthen HRD Institutions including NIFT (National Institute of Fashion Technology) on innovative lines;
- Review and revitalise the working of the TRAs (Textile Research Associations) to focus research on industry needs; and

- Transform, rightsize and professionalise all field organisations under the Ministry of Textiles to enable them to play the role of facilitators of change and growth.

SECTORAL INITIATIVES:

RAW MATERIALS

Silk

5. Focus will be on achieving international standard in all varieties of silk. Steps will include

- Improving Research & Development and the effective transfer of technology at all stages;
- Considerably improving the production of non-mulberry varieties of silk;
- Augmenting efforts for the spread of bivoltine sericulture;
- Encouraging clustering of activities of reeling and weaving and strengthen linkages between the producers and industry;
- Periodically reviewing the import policy for raw-silk taking into account the balanced interests of the sericulturists as well as the export manufacturers.

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DELIVERY MECHANISMS FOR IMPLEMENTATION OF THE POLICY:

6. Organisations working under the Ministry of Textiles will be re-oriented, rightsized and restructured to act as facilitators instead of regulatory bodies, with the mandate and role of each being reviewed and redefined over the next two years. Simultaneously, regulations and controls will be reviewed and progressively reduced.

7. Some of the specific changes will be:

- The role of the Offices of the Textile Commissioner and Jute Commissioner will be moulded to serve the developmental needs of the industry;
- Export Promotion Councils will be restructured so as to become capable of devising dynamic export strategies; promoting financing; disseminating information on various aspects of the WTO agreements; extending legal advice to trade and industry in dispute settlements, etc.
- All the nine Textile Research Associations under the Ministry of Textiles will be revamped to give a market and industry driven focus to their Research and Development support.
- The role of the Central Silk Board will be restructured in keeping with the objective of participative implementation in partnership with the State Governments and the private sector.

The Government is committed to providing a conducive environment to enable the Indian textile industry to realise its full potential, to achieve global excellence, and to fulfil its obligation to different sections of the society. In the fulfilment of these objectives, Government will enlist the co-operation and involvement of all stakeholders and ensure an effective and responsive delivery system.
