CHAPTER - V

ROLE OF PUBLIC AGENCIES IN PROMOTING
EXPORTS OF TEXTILES

In the previous chapter, Marketing Problems of Textiles were discussed. As Marketing has not been mechanised in India to any great extent, it was felt that maintenance of a uniform quality is a very important factor in marketing of yarn and cloth. The role of the Textile Committee which established a Marketing Division was also discussed.

The object of this chapter is to assess the role of the Government and other agencies in export promotion of Cotton Textiles. In addition to the Public Agencies, there are a few Research Associations in the country, which are involved in conducting researches in respect of the Textile Industry and to transfer the know-how and results of their researches to the industry for its utilization. These research associations were earlier under the administrative control of the Council of Scientific and Industrial Research, but later they have been transferred to the
Department of Textiles, under the then Ministry of Commerce, Government of India, with a view to provide a closer and more purposeful relationship between the Cotton Textile Industry and the Research Associations. This position still exists.

An attempt is also made in this Chapter to examine, assess and draw conclusions in respect of the role of these organizations and to analyse as to how far the functions and services of these organizations are jointly or individually useful in assisting the progress of Textile Industry as a whole.

**GOVERNMENT'S EXPORT POLICY:**

The pattern of Export Trade and Export Promotional activities in India has undergone radical changes since independence. India is no longer merely the exporter of basic raw materials. Exports cover a diversified spectrum of primary commodities and finished products, namely cotton fabrics, handicrafts, cotton yarn and cloth, cotton textiles, readymade garments, cotton handloom products along with other important products like Jute goods, Engineering goods, Leather and leather manufactures, Chemicals and allied products etc. etc. The markets abroad have expanded and
spread to all parts of the globe, including the industrially advanced countries like the U.S.A., the U.K., and Japan.

The Government's Export Policy envisages a major role for large concerns as well as all entrepreneurs and hence provisions have been made for better incentives to all producing units in different sectors, including the Cotton Textile Industry. Easy import of Technological know-how, creation of exclusive export-oriented free trade zones, liberalisation of rules for foreign exchange, tax holidays, incentives for foreign collaborations and joint ventures etc. are playing a very prominent role in the development of the Cotton Textile Industry of the country. Stress is being laid on cost efficiency combined with maximum output to provide optimum benefits to the Cotton Textile Industry.

In a nutshell the Government's Export Policy has been very healthy, liberal and full of incentives and concessions for exporters, which is ultimately extremely favourable for the development of the Textile Industry of India as a whole.
FUNCTIONS OF THE TEXTILE COMMISSIONER:

The Government has appointed a Textile Commissioner to look after the development of Textile Industry of the country. He is also responsible for the promotion of exports in this sector.

DEVELOPMENT COUNCIL:

There is a Development Council for Textile Industry. This Council is headed by a Secretary (Textiles) and has 14 other members. The Council is an advisory body to advise the Government on all matters relating to the Textile Industry to enable the industry to become more efficient, economic and productive and provide better service to the community.

EXPORT PROMOTIONAL ACTIVITIES:

The export promotion activities are directed towards increasing exports of our textiles both to 'quota' and 'non-quota' countries. In this sphere constant watch is kept on the fulfilment of restraints limits and consultations are entered into with the foreign countries under the provision of the "Multi Fibre Arrangement" (MFA). Export Promotion Councils play an important role in
Promoting Exports* by organising fairs and exhibitions abroad to popularise Indian Textile goods. Exhibitions and fairs are also organized within the country to bring to the notice of Indian Exporters the possibilities of exporting various items of textiles to foreign markets. Market Surveys are made and Seminars are also arranged, where both Indian exporters and overseas customers meet and exchange ideas, in respect of their tastes, liking, point of view, so that Indian Textiles could be produced to compete successfully in the International Market.

The Government of India has established various Public Agencies e.g. National Textile Corporation Ltd., Cotton Corporation of India Ltd., and Handicrafts and Handlooms Export Corporation of India etc., Export Promotion Councils, Handloom Export Promotion Council, Apparels Export Promotion Council and the Cotton Textile Export Promotion Council etc., in order to take effective steps for boosting the exports of Cotton Textile goods, to make surveys in different countries of the world and to use marketing research techniques in the promotion of exports in the Cotton Textile Industry of the country.
The U.S.A., West Germany and the U.K., the U.S.S.R., and Japan are our five top importers of textiles, along with Canada, Belgium, France, FRG., Netherlands, Australia, Iran, Iraq, Kuwait, Poland, Czechoslovakia, GDR., Rumania and many other countries. This fact will further support the role of the Government, along with the efforts made by the Public Agencies and the role played by various other institutions, which is discussed in detail in the following pages.

Prior to 1976, there was no independent Department of Textiles and the work relating to "Textile Industry" was looked after by the then Department of Export Promotion, in the Ministry of Commerce. In order to provide the necessary institutional framework for giving undivided attention at Government level, a full-fledged Department of Textiles under independent charge of a Secretary in the Ministry of Commerce was created in March, 1976. This arrangement continued up to November 1977, when the work relating to the development of the Textile Industry was transferred to the Ministry of Industry (Department of Industrial Development) and the work relating to textile exports was retained in the Ministry of Commerce. Thus, the Department of Textiles,
created as an entity in 1976, ceased to exist from November 1977. The Department of Textiles, was, however, revived in April, 1980 in the Ministry of Commerce and the work relating to the development of textile industry was transferred from the Ministry of Industry to this newly created department in the Ministry of Commerce at that time. But now a full-fledged Ministry of Textiles looks after the functioning of whole textile industry of the country.

And now the "Role of Public Agencies is discussed in the following pages:

**NATIONAL TEXTILE CORPORATION OF INDIA Ltd.:**

The National Textile Corporation Ltd., was incorporated in April 1968, for managing the affairs of 'Sick Textile Undertakings', taken over by the Government. One of its main functions was to manage Textile Mills which may be taken over under the Industries (Development and Regulation) Act, 1951 and under the Sick Textile Undertakings (Taking Over of Management) Act 1972. It was also proposed to rehabilitate/modernise and wherever necessary to expand these mills in order to convert them into viable units. At the time of the incorporation of the National
Textile Corporation in 1968, there were only 16 mills under Government Management. In 1974, 103 Sick Textile Mills were nationalised and their ownership was transferred to the NTC. In addition, the management of 9 Textile Mills was taken over by the Central Government and entrusted to NTC, thus bringing the total number of 1 mills under NTC to 125. The installed capacity of these mills is about 3.3 million spindles (16 percent of the industry), and 48,000 looms (23 percent of the Industry). About 1.9 lakh workers (23 percent of Textile Industry Workers) are employed in these mills.

For effective management on a decentralized basis, NTC formed subsidiary corporations at Andhra Pradesh, Karnataka, Kerala, Ahmadabad, Maharashtra, West Bengal, Assam, Bihar, Orissa, U.P., Punjab, Rajasthan, Indore and Coimbatore, with its Headquarters at New Delhi.

During 1981–82, NTC mills produced 903 million metres of cloth and 74 million Kgs. of market yarn. During the first nine months of 1982-83, production of about

551 million metres of cloth and 50 millions Kgs. of market yarn has been achieved.

The Marketing Division of NTC was started in 1975 and till the end of December 1982, was running about 380 retail outlets located in different cities. To streamline the marketing activities, the retail showrooms, which were directly run by the Holding Company, have been transferred, along with the staff to the subsidiaries of NTC in whose territories the showrooms are geographically located.

It was a wise-step on the part of the Government to establish the National Textile Corporation in 1968, for managing the affairs of Sick Textile Undertakings. Prior to the establishment of NTC, the conditions of many Textile Mills were highly deteriorated as would be established by the fact that at the time of incorporation of NTC in 1968 there were only 16 mills under Government management. In 1974, 103 Sick Textile Mills were nationalized and their ownership was transferred to the NTC. Subsequently, the management of 9 more Textile Mills were undertaken by the Central Government and entrusted to NTC, thus bringing the total number of mills as 125 under NTC.
During 1981-82, NTC mills showed a satisfactory progress and produced 903* million metres of cloth and 74* millions Kgs. of market yarn. For effective management NTC formed subsidiary corporations on a decentralized basis at various states and till the end of December 1982, it had about 380 retail outlets in different cities for marketing of cloth and yarn effectively.

THE COTTON CORPORATION OF INDIA Ltd.: 

The wide and varied used of cotton and its significance in our day-to-day lives is nothing new. We all know of it. And, yet while we may often marvel at the different forms of its use, we hardly ever spare a moment's thought to all the effort, time and care that are invested in the processing, storage and maintenance of this soft, white substance. This is where the Cotton Corporation of India Ltd. (CCI) enters the scene, performing various functions like buying raw cotton, processing and storing it, as well as take great pain and care at all levels. The CCI took its first step in the Indian cotton market back in 1970, when it

started functioning as a Government of India Undertaking, to promote the healthy growth of cotton in the Indian Economy. Today, within a short time, it has emerged as one of the biggest bulk buyers of cotton in India. A brief insight into the CCI’s various functions can best explain the crucial role it plays in the Indian Cotton market:

FUNCTIONS:

The Cotton Corporation of India performs the following functions:

a). Purchasing cotton (raw/lint) from the cotton growers in various cotton growing states (other than Maharashtra);

b). Acting as a canalising agency for cotton imports, as and when necessary;

c). Acting as a price support agency whenever prices fall below the support price announced by the Government of India;

d). Exporting both staple and non-staple cotton, against the quotas released by Government of India; and

e). Moderating fluctuations in prices of cotton in the country.
Short though its career span has been, the Cotton Corporation of India has a wide network of over 266 centres in various cotton growing States of India.

The CCI being one of the largest bulk buyers of cotton in the country and buying over a million cotton bales every year, has a sizeable stock of all the recognised cotton varieties in India. The CCI has a well-equipped quality control framework. Each lot of its cotton stock is meticulously analysed in modern laboratories, in respect of trash contents, staple length, micronaire, Preasley and spinning value. The results of these tests are speedily available.

The CCI, serves as an agency for purchase, sale and equitable distribution of domestic cotton and cotton staple fibre imported from abroad. It exports staple and Bengla Deshi cotton. One of its functions, namely ensuring adequate availability of cotton at stable prices, which are reasonable from the point of view of the grower as well as the Textile Industry, forms part of the 'TEXTILE POLICY'. The Cotton Corporation of India is expected to play an important role in achieving this end. The CCI has been functioning since July 1970, as a Public Sector Agency.
with the following objectives:

a). to ensure fair prices to the growers and to save them from exploitation by middlemen;

b). to ensure that the cotton prices do not fall below the support price in any regulated market;

c). to make sales of cotton with a view to stabilising cotton prices;

d). to store and distribute cotton in sufficient quality for ensuring its availability throughout the season; and

e). to import cotton, where necessary, to augment domestic supplies and to export cotton of such varieties, where there is surplus of supply over demand.

During the cotton season 1981–82 (September 1981 — August 1982) the Cotton Corporation of India purchased 10.56 lakh bales as against 11.79 lakh bales of cotton purchased in previous season. The corporation does not make any purchase in the State of Maharashtra, where a scheme of monopoly procurement of cotton is in operation under the aegis of the State Government. Taking into consideration the purchase of 10.56 lakh bales during the 1981–82 season and expected crop of 82.00 lakh bales, the Corporation had
a programme for the purchase of 12.50 lakh bales during the 1982-83 season in various cotton growing States, other than Maharashtra. By the end of January 1983, the Corporation had purchased about 4.34 lakh bales of cotton.

During the cotton season 1982-83, the Cotton Corporation of India purchased about 9.71 lakh bales (of 170 Kgs. each) against the programmed purchase of 10.50 lakh bales. Large scale village sales outside the market yards in States like Haryana, Punjab, Gujarat and Tamil Nadu. Non-availability of adequate ginning and pressing factories to the Corporation in some centres in Karnataka and Rajasthan, acute power supply position in some of the States like Haryana and Rajasthan and non-functioning of regulated markets in important cotton growing States like Gujarat, Andhra Pradesh, and Tamil Nadu were the main reasons for the shortfall in covering the programmed purchases during 1982-83 cotton season.

In order to extend the benefit of its services to a large number of cotton growers, the Corporation has been increasing the number of its purchase centres from

3. Ibid.
year to year. As against 202 centres operated during 1981-82 season, it operated 266 centres during the cotton season 1982-83.

The Corporation had finalized a procurement target of 9.00 lakh bales during the cotton season 1983-84. Against this, the Corporation had purchased 2.73 lakh bales as on 24th January, 1984.

EXPORTS:

Today, a major portion of India's total cotton exports come from the CCI. The CCI first began exporting cotton in the year 1971-72. Though it initially exported in small quantities, gradually by 1978-79 its exports started picking up.

The CCI's export achievement in 1980-81 was 3.41 lakh bales, out of total cotton exports of 6.97 lakh bales. The figures given below show the CCI's efforts for cotton exports during the last five years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Bales of 170 Kg, each</th>
<th>Value in million Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1978-79</td>
<td>45,945</td>
<td>160.00</td>
</tr>
<tr>
<td>1979-80</td>
<td>2,98,086</td>
<td>700.00</td>
</tr>
<tr>
<td>1980-81</td>
<td>3,41,309</td>
<td>740.80</td>
</tr>
<tr>
<td>1981-82</td>
<td>54,076</td>
<td>133.60</td>
</tr>
<tr>
<td>1982-83</td>
<td>2,69,478</td>
<td>670.00</td>
</tr>
</tbody>
</table>

*Source: Cotton Corporation of India, Bombay*


The table shows that since 1978-79 to 1980-81, the position of export of cotton bales showed a satisfactory increasing trend. But during 1981-82, partly due to low production of cotton and partly to internal crisis our export of cotton bales was highly poor. However, during 1982-83, the position was not as good as it had been upto 1981-82, but it showed an improving trend.

(A). International Situation:

(i). The year 1982-83 started with a subdued price trend due to very easy cotton supply position in the International market. This trend was further accentuated due to the reports that the People's Republic of China had no intention to enter U.S. Markets for bulk purchases on account of extremely good crop. The recessionary trend in the net cotton importing countries had also affected the International market.

(ii). However, with the introduction of PIK programme by the Government of USA, it was feared that the planning for the plantings for 1983-84 would be lower by about 22% than during 1982-83. Moreover, the cotton crop in
USSR was adversely affected, as a result of which traditional supplies from USSR, to Eastern and Western European countries became difficult. Further the cotton crop in San Jacovin Valley in USA was adversely affected. These three major developments set in a rising trend in the International market and the same continued in the remaining part of the year.

(iii). The rising trend in cotton prices continued during the year 1983-84 primarily on account of affected the overall cotton supply position.

(B). Export Operations of Cotton Corporation of India:

The export performance of the Corporation during the year 1982-83 was extremely satisfactory both in the case of staple cotton as well as Bengali Deshi. The salient features of CCI's exports during the year 1982-83 are as under:

(1). Full Utilization of Export Quota: The Corporation utilized the entire export quota of 2.57 lakh bales of staple cotton released in its favour. During 1982-83 CCI succeeded in strengthening its business relations with neighbouring countries like Bangla Desh, Sri Lanka etc. 19,031 bales of cotton were exported to Bangla Desh and 7,332 bales of cotton were exported to Sri Lanka during this year.
(ii). Realization of Higher Export Prices: As a result of hard bargaining and staggering export contracting, the exports contracted by the Corporation were generally at a price higher than to the other organizations. CCI ensures that all exports of cotton should be at international prices even if the domestic prices are lower, compared to the international prices.

(iii). During the year (1982-83) the CCI was able to improve its exports performance considerably. As a result of its vigorous efforts in various international markets its share of sales in exports was improved to 19.25% from 14.75% in the last year.

(iv). The Government allotted a quota of 5,000 bales of Bangla Deshi cotton to CCI and the Apex State Cooperative Marketing Federation of Punjab, Haryana and Rajasthan for export. It is for the first time that the Corporation was able to utilize the entire quota so allotted and had succeeded in exporting 5,000 bales during the year at good prices.

In the light of its objectives and achievements made so far, the CCI is expected to play an important role in assisting the Cotton Textile Industry and boosting EXPORTS, maintaining the needs of domestic requirements as well as fulfilling export requirements with an effective coordination.

THE HANDICRAFTS & HAMDOOMS EXPORT CORPORATION OF INDIA:

The Handicrafts and Handlooms Export Corporation of India Ltd. was set up as a wholly owned subsidiary of the State Trading Corporation of India Ltd. (STC) under the administrative control of Ministry of Commerce. The HHBC was set up on 20th June, 1962 and was established with twin objective of EXPORT PROMOTION and Trade Development of Handicrafts and Handloom Products. HHBC is an Export House in the field of Handicrafts and Handloom products with ready-made garments etc.

The turn-over of the Corporation during the year 1981-82 was Rs.64.51 crores as against Rs.27.46 crores during the previous year, which included EXPORTS to the extent of Rs.63.08 crores and Rs.26.49 crores respectively.

The turn-over during the year 1982-83 was estimated at Rs.177.50 crores, which included wollen knit wear exports to the extent of Rs.80 crores.

The turn-over of the Corporation during the year 1982-83 was Rs.87.59 crores as against Rs.64.51 crores during 1981-82, which included exports to the extent of Rs.84.94 and Rs.63.08 crores respectively. The turn-over during the financial year 1984-85 was estimated at Rs.123.90 crores. The turn-over during the period January-December 1983 amounted to Rs.122.68 crores as against Rs.80.43 crores during the corresponding period in 1983-84.

EXPORT PROMOTION AND TRADE DEVELOPMENT ACTIVITIES:

The Corporation continued its export promotion activities during this period by developing new samples, promoting them in 'International Markets', by enlisting the assistance of foreign designers and agents and participation in exhibitions and international trade fairs like FRANKFURT FAIR FOR TEXTILES and Carpets, Men's Wear Fashion Week, KOLN, BUYER - SELLERS MEET, MOSCOW, SELFRIDGES LONDON, etc. HESC also organized exhibition-cum-sales in

Gulf countries during the years 1982 and 1983. HHEC also organized Exhibition-cum-Sale of Indian products at JEDDAH (SAUDI ARABIA), the first exhibition of its kind organized by India in Gulf countries for promotion of Indian products including Handlooms etc. During the year 1983, HHEC proposed to participate in a large number of other fairs abroad and organize exhibitions at a number of places in U.S.A., besides participation in traditional exhibitions and fairs it had been participating.

During the year 1984, HHEC, proposed to participate in a number of exhibitions being organized by TRADE FAIR AUTHORITIES and others in addition to participation in important and traditional International Trade Fairs/Fashion Shows like FRANKFURT FAIR etc. H.E.E.C. is also planning to propose to hold another exhibition in the Gulf area for the Indian quality products so that the doors for exports to Middle-East countries are opened.

**HANDLOOM FABRICS**: Handloom fabrics have presented an interesting proposition to designers and textile firms; for each design and colour, the minimum order quantity in Handlooms is 250 m. As the technology is operated by hand,
it is versatile. All kinds of complexity and subtlety can be easily produced by the Handloom. Before the advent of the Powerloom into India, the Handloom Industry was the only source of supply of textiles. Today, the mills are an important part of the national scene. Yet Handlooms play a major role in India's priorities on account of exports and employment possibilities.

South India concentrates on lighter cloth suitable for ready to wear. On the other hand, North India specializes in heavier textiles suitable for furnishings and floor coverings. Eastern India and a part of South India is famous for silk. HEBC has been able to capture the essence of Handlooms in India in a single organization. As a result, the Corporation is the single largest exporter of handlooms from India. The Handloom Organisation of HEBC reaches all corners of this vast subcontinent. HEBC is also known for inspection and quality control standards. Besides procuring woven material, there is arrangement for bulk dyeing and printing. HEBC is capable of handling all sophisticated and difficult designs and colours for the needs of any country of the world.
The Ready-to-Wear revolution came to India in the early seventies. Today, most ready-to-wear Marketing Companies look towards countries like India as a good and cheap source of supply. HHIC entered the ready-to-wear field as this was a natural extension of its strength in Handlooms. Very soon HHIC established two modern fully integrated factories. The first factory in South India at Madras has imported PFAFF MACHINES in a capacity of 340 machines. The second factory in North India is located at New Delhi. It has a capacity of 120 machines. The factories have all facilities like cutting, button hol-ing and stitching, finishing, inspection and packing under one roof.

During the seventies, HHIC built design and production capabilities in the field of manufacturing. Leading designers like D.D. Dominic and Giafranco Ruffini have worked with HHIC. Today HHIC is capable of manufacturing to the most exacting requirements and working on tight schedules.
During the last 25 years of existence, IJHC has crossed the threshold of adulthood. The export turnover stood at Rs. 267.60 million ($32.62 million) during 1980-81. There are more than 400 persons on the rolls of IJHC. From Handicrafts and Handlooms, the range has spread to hand-knotted carpets, ready-to-wear garments and now gold-jewellery. The procurement network of 15 offices reaches all corners of this vast country. While growing into adulthood, the HHBC crossed yet another stage of adding production to other activities. The HHBC is the largest exporter of Handlooms and other Indian products through the world.

HHBC in India has offices in Madras, Bombay, Calcutta, Ludhiana, Bhadohi (Varanasi- U.P.) and Srinagar with offices abroad at New York Sona, Paris-Sona, Nairobi-Sona, Tokyo, Hamburg and Zurich for marketing research activities and boosting its exports to the maximum.

EXPORT PROMOTION AND TRADE DEVELOPMENT BY MARKETING RESEARCH ACTIVITIES:

The Corporation continues to lay stress on export promotion and trade development measures for Handicrafts and Handlooms by way of developing new designs, colour combinations and weaves. The Design Development Cell of the Corporation
with the help of the new designers was able to develop a large number of designs which have been greatly appreciated by the buyers and visitors from abroad and it is hoped that the commercial advantage of this designing effort would be available in the coming years. The foreign offices of the Corporation lay emphasis on booking of orders on Indian offices for direct exports.

(i). Fair and Exhibitions: The Corporation continues to participate in a large number of International Trade Fairs and Exhibitions abroad to promote the Indian Handlooms and Handicrafts and to examine export potential in new areas also. The Corporation has also participated in the exhibitions in Australia, Hong Kong, Seychelles etc. where it had not ventured before.

(ii). Looking Ahead: As a result of the continuing efforts in export promotion and design development and participation in fairs and exhibitions, the Corporation expects significant improvement in exports of all its products especially Handlooms and ready-to-wear in the next few years. The Corporation hopes to achieve a major break-through in exports to Saudi Arabia where an agreement was in its final stage. While the demand for garments should continue to be
high in the USA, the Corporation is also planning diversification into the European market so that quota restrictions do not effect the exports seriously. The outlook for Handloom exports has definitely improved with the significant improvements in exports to JAPAN, and HONG KONG and better outlook for silk exports unlike previous years. The export of knitwear under the canalized scheme is also likely to be better in the coming years. Big orders were placed by the USSR on the Indian exports. The Corporation has been making special efforts to promote these items and has been negotiating better prices apart from having participation in an impressive way in the recent MOSCOW INTERNATIONAL FAIR.

In view of figures of its turn-over, as mentioned above it is very clear that the HHEC is making fantastic progress and fully achieving its objective of Export Promotion and Trade Development of its products.

The Corporation continued its export promotion activities during the period under review by developing new samples and promoting them in International Markets. The HHEC participated in exhibitions and international
trade fairs like the Frankfurt Fair for Textiles, Men's Wear Fashion Week, Koln, Buyer-sellers Meet, Moscow etc. It also organized exhibition-cum-sales in Gulf countries and at Jeddah (S. Arabia) during the year 1982 and 1983, the first exhibition of its kind organized by India for promotion of Indian products.

During 1984 HHBC participated in a number of exhibitions organized by Trade Fair Authorities along with other important and traditional international Trade Fairs and Fashion shows.

Handloom fabrics have presented an interesting proposition to designers and Textile Firms. As the technology is operated by hand, it is versatile. All kinds of complexity and subtlety can be easily produced by the Handloom. HHBC has been able to capture the essence of Handlooms in India in a single organization, with the result the Corporation is the single largest EXPORTERS OF HANDLOOMS from India. HHBC reaches all corners of this vast subcontinent. It is capable of handling all sophisticated and difficult designs and colours for the needs of foreign buyers from any country.
HHBC is involved in the export activities for the last over 25 years. The export turn-over stood at Rs.267.60 million during 1980-81. It has its offices in Metropolitan cities and also abroad at New York, Paris, Nairobi, Tokyo, Hamburg and Zurich for marketing research activities and boosting its exports to the maximum throughout the world.

The Corporation continues to lay stress on export promotion and trade development by way of developing new designs, colour combinations, which have been greatly appreciated by the foreign buyers and visitors. The foreign offices of the HHBC lay emphasis on booking orders after utilizing market research techniques for direct exports.

Handlooms play a major role in India's priorities on account of EXPORTS and employment opportunities. As a result of its vigorous efforts in export promotion and design development and participation in Fairs and Exhibitions, it is playing an important role in achieving its objective. It expects significant improvement in exports of all its products. It is planning diversification into the European
markets to avoid the effect of quota restrictions on its exports. It has made significant exports to Japan and Hong Kong. Big orders were placed by USSR.

An analysis of these achievements shows that the Handicrafts and Handloom Export Corporation of India is completely fulfilling its two objectives of Export Promotion and Trade Development activities and thus playing a significant role in earning a large amount of foreign exchange within the framework of the Textile Industry of India.

**NORTH EASTERN HANDICRAFTS AND HANDLOOM DEVELOPMENT CORPORATION Ltd.:**

The Corporation was registered on the 31st March, 1977 for promotion of Handicrafts and Handlooms of the North-East region. The Corporation has four production centres — three for Handicrafts and one for Handlooms — and one Assembly Centre in Delhi which was established during 1983-84. The Corporation participated in 29 exhibitions in 1982-83 in different parts of the country to popularise the products of the region.
NATIONAL HANDLOOM DEVELOPMENT CORPORATION:

The National Handloom Development Corporation at Lucknow in U.P. was incorporated in July, 1983 and the Board of Directors has been appointed for proper management. The Corporation has taken a policy decision to set up regional offices at Gauhati, Bombay and Coimbatore. The Corporation has been entrusted with the primary function of yarn distribution, which is the major constraint in inputs for Handlooms weavers. It is expected that once the Corporation streamlines its operations, quality yarn at reasonable prices and fast colour will be made available to weavers throughout the country, which will facilitate to increased production and remunerative returns to the weavers, which will have its impact on exports also.

THE CENTRAL COTTAGE INDUSTRIES CORPORATION OF INDIA Ltd.:

The Central Cottage Industries Corporation of India Ltd. which is wholly owned subsidiary of the Handicrafts and Handlooms Export Corporation was established in April 1976, to take over the activities and business of the erstwhile Central Cottage Industries Association. The main objective of the Corporation is to promote sales of products of the Cottage Industries, Handlooms and Handicrafts etc.
THE STATE TRADING CORPORATION OF INDIA Ltd.: The State Trading Corporation of India was registered as a Government Company in May 1956. It is managed by a Board of Directors consisting both official and non-official members. The Board's meetings are presided over by an official of the Ministry of Commerce and Industry. Its routine business is carried on under the control of the Managing Director, appointed by the Government of India.

OBJECTIVES: In the beginning, STC was formed to trade with Communist countries, because such countries would only trade with other countries on a Government level, but later on its objectives were expanded. Its objectives now are as follows:

1. To undertake exports and imports of such commodities as the Corporation may decide from time to time;

2. To develop new markets for Indian goods and to expand and diversify India's trade thus increasing the foreign exchange resources of the Government of India;

3. In order to promote exports and internal productions, the STC procures essential imports of raw materials at internal prices;
4. To undertake price support scheme i.e. to buy from the open market at reasonable prices certain commodities.

**EVALUATION OF THE WORKING OF THE STATE TRADING CORPORATION:**

1. As and when the public sector has grown in size under the successive Five Year Plan, more items have been brought with the purview of the STC and their export and import have been equalized through the Corporation. The result has been tremendous increase in the total volume of trade handled by the Corporation. The total volume of trade has been constantly raising appreciably.

2. Its direct dealing cover more than 108 items. Direct dealings are the commodities which the STC imports and exports directly.

3. Exports handled by the Corporation have been increasing continuously.

4. The Corporation has been trying to fill up the many gaps in India's trade and to find new markets for traditional and non-traditional and non-traditional export items of India.

5. The STC has developed new lines of exports like Shoes, Razor Blades, Cigarettes, Fruits Juice, Tobacco, Engineering Tools, Salt, Lemon-grass, and **COTTON TEXTILES, Fabrics and Handicrafts etc.**

6. It has diversified India's foreign trade by finding out new markets for non-traditional items of different nature.
The main function is to broaden and enlarge the scope of Indian exports and to arrange for essential imports on an economical basis. For this purpose S.T.C. has 17 offices abroad and 15 in India.

**READY-MADE GARMENTS AND TEXTILE/FABRICS:**

Exports increased by 14.5% in 1983-84 to Rs. 57.33 crores from Rs. 50.20 crores in the preceding year. The Corporation is developing the non-quota markets especially JAPAN and AUSTRALIA for export of fashion garments. Orders worth Rs. 114 lakhs were procured from Japan. Under an agreement reached between STC and a foreign party, six lakh pieces of shirts were manufactured in India with imported fabrics/accessories for export to the USA. During the year, under reference, the Corporation's TEXTILE DESIGN CENTRES started functioning and created several new styles and fashions. The samples created were displayed at several centres abroad and the result is encouraging. A contract for sewing/embroidery/knitting threads was concluded with ALGERIA which is also being developed as a regular market for threads.


10. Ibid.
MEASURES TO PROMOTE EXPORTS:

The Corporation is conscious of the role it is expected to play in increasing the exports from the country. In its continuous scanning of the world markets to seize every opportunity available for exports, the Corporation has succeeded in introducing several new items and developing new markets. In order to create a reliable and quality supply base for exports, the STC continues to provide a package of assistance to its associates in the form of technical know-how, quality control, packaging needs, financial supports etc.

Impressed by the competence of the Corporation in the export of FASHION GARMENTS, NOVOfABORT, the USSR's buying organization for fashion garments has asked the STC to be focal point for their further purchases of fashion garments from India.

The Corporation is keeping itself abreast of the changing patterns in the OVERSEAS MARKETING and is exploring the possibilities of entering into link deals using its import power as a level to promote EXPORTS and third country trading. STC has already made headway by
reaching an understanding with POLAND for exports.

Recently the Government of India has nominated STC as its nodal agency to monitor deals with Yugoslavia. Several items have been identified and some contracts are expected to be finalized soon. The deals will give a boost to Indian exports to the dealing trade turnover between these two countries.

STC undertakes exports and imports of such commodities which are necessary for the country from time to time. It is making vigorous efforts to develop new markets for Indian goods and to expand and diversify India's export trade thus increasing foreign resources of the Government of India.

STC has developed new lines of export for different commodities, including COTTON TEXTILES FABRICS and Handicrafts etc. Its exports increased by 14% in 1983-84 to Rs.57.33 crores from Rs.50.20 crores in the year 1982-83. The Corporation is developing non-quota markets especially JAPAN and AUSTRALIA for export of fashion garments, and order worth Rs.114 lakhs were procured from Japan. Corporation's Textile Design Centres
have created several new styles and fashions which are in big demand in foreign markets.

The STC is fully conscious of its role and is playing a significant role in increasing the exports of textiles in the foreign markets. Impressed by the competence of the Corporation in the export of FASHION GARMENTS, "NOVOEXPORT", the USSR's buying organization for fashion garments had asked the STC to organize their purchases from India. The Corporation is keeping itself abreast of the changing patterns in the overseas marketing and is exploring all possibilities to promote textile exports. It had already made headway by reaching an understanding with Poland and Yougoslavia towards promotion of textile exports.

**EXPORT CREDIT and GUARANTEE CORPORATION LTD.**

The function of the Export Credit and Guarantee Corporation Ltd. (ECGC) is to promote the growth of India's export Trade by providing insurance facilities to Indian exporters, covering certain commercial and political risks involved in exports including textiles on credit terms and furnishing guarantees to banks enabling the exporters to get advances from the banks on liberal terms.
And now the "Role of Research Associations in the Export Promotion" will be discussed as follows:

**ROLE OF RESEARCH ASSOCIATIONS IN THE EXPORT PROMOTION OF TEXTILES**

The Cooperative Research Associations in the TEXTILE SECTOR constitute an important segment of activities related to Research and Development in the Textile Industry. Upto the end of March, 1978 the following Research Associations were under the administrative control of the Council of Scientific and Industrial Research (CSIR):

- Ahmadabad Textile Industries Research Association: (ATIRA).
- Bombay Textile Research Association: (BTRA).
- South India Textile Research Association: (SITRA).

The above mentioned Research Associations, were transferred to the Department of Textile with effect from 11th April 1st, 1978 in order to provide a closer and more purposeful relationship between the user Industry and the

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Research Associations, so that the determination of priorities for Research Programme reflects the needs and view of the users and the research product is more cost effective and result oriented. Subsequent to the transfer of these Research Associations, two more Research Associations have been formed viz:

1. Northern India Textile Research Association, Ghaziabad. (U.P)

All the above Research Associations are now under the administrative control of the Department of Textiles. A Co-ordination Council for Textile Research Associations exists under the Chairmanship of Secretary (Textiles) with the following functions:

a). to identify programmes of priority keeping in view of the overall needs of the Industry including the decentralized sector;

b). to assess the on-going programmes of the Research Associations;

c). to conduct periodical evaluation of the work, carried out in the Co-operative Research Associations;

d). to ensure appropriate coordination amongst different Research Associations;
e). to consider systemising Research Programmes and funding arrangements, so that funding is relatable closely to programmes confirming to plan priorities; and

f). to consider all other matters, connected with the effective functions of these Research Associations.

According to the present pattern of funding, 50 percent of the funds for recurring expenditures are provided by the Government and the balance 50 percent is raised by the Associations from the Industry through membership subscriptions etc. In respect of capital expenditure, the Government's contribution is normally 33-1/3 percent of such expenditure.

During 1981-82 a decision was taken in the Coordination Council to identify projects of national importance for 100 percent funding by Government. The following areas had been identified as priority areas for research:

a). energy conservation measures in the Textile Industry,

b). improvements in quality for purpose of export production;
c). cheaper and more durable fabrics for internal consumption;
d). research on textile machinery;
e). research relating to improvements in Handloom Sector.

In accordance with the decision of the Council, SCREENING COMMITTEE comprising of representatives of the Department of Textiles, including Finance Division, Scientific and Technology, Planning Commission, CSIR and the Directors of Associations concerned have been set up to:

a). monitor the progress of on-going schemes;
b). according approval for the programme of work including new projects;
c). identify projects of national importance.

The functioning of these screening committees helps in expediting decisions on sanctioning of projects recommended by the Research Associations and subsequent release of funds.

COTTON TEXTILE RESEARCH ASSOCIATIONS:
Ahmadabad Textile Industry's Research Association: (ATIRA)

For several centuries, India has been renowned for its Textiles which were in great demand in Western
countries. Spinning, Weaving, Dyeing and Block Printing flourished as Handicrafts in ancient India.

Samples of exquisite textile dating back to ca. 3000 B.C. have been found in excavations at HARAPPA AND MOHENJODARO. As an industry, however, textile manufacture was established in India only in 1850s. The Ahmadabad Textile Industry's Research Association (ATIRA) was established in the year 1949. The industry grew rapidly inspite of heavy odds and by 1950, had 11 million spindles and 1,95,000 looms producing a wide range of fabrics.

Despite its successful growth, the industry was still characterized by empirical thinking and methods; objective measurements and systematic control of operations were rare. An atmosphere of secrecy enveloped the manufacturing operations recipes and processing details were jealously guarded and visitors from other mills were not generally permitted.

In 1947, soon after independence, the Government of India announced an official policy of encouraging systematic application of SCIENCE AND TECHNOLOGY to industry in order to accelerate economic growth. It also offered tax
incentives and direct financial assistance to industries to secure and encourage the establishment of RESEARCH LABORATORIES. Co-operative Research Associations on the British Model were considered to be the most suitable form of industry-Government collaboration for promotion Industrial Research.

The enlightened Textile Industrialists of Ahmadabad under the leadership of KASTURBHAI LALBHAI & VIKRAM SARABHAI were quick to perceive the value of the support that the Government had extended. They found a champion of their cause in SHANTI SWARUP BHTNAGAR, the then Director-General of Council of Scientific and Industrial Research (CSIR).

The successful establishment of Ahmadabad Textile Industry's Research Association (ATIRA) on a solid foundation was due in no small measure to the unique combination of the personal qualities that this triumvirate of Kasturbhai, Sarabhai and Bhatnagar contributed. The Ahmadabad Textile Industry's Research Association (ATIRA) was registered as a Society in December, 1947 with the support of all the mills in Ahmadabad who contributed
Rs.5.1 million towards the initial capital expenditure. Government's financial assistance was initially through the COTTON TEXTILE FUNDS COMMITTEE and, from 1962 onwards, through the Council of Scientific and Industrial Research. Management of ATIRA was through a Council of Administration, consisting of elected members from industry, nominees of Government and co-opted scientists. Dr. Vikram A. Sarabhai was appointed the Honorary Director. His main tasks were to establish the necessary physical facilities, to appoint staff of the right calibre, to create the appropriate working environment for research and to win the industry's confidence in the research function.

The foundation stone of ATIRA was laid on 1st. November, 1950 by Sardar Vallabhbhai Patel, the then Deputy Prime Minister of India. Construction of Laboratory building started soon thereafter. The Pilot Mill shed was constructed first by February 1952. ATIRA, which had then grown to a staff of 69, shifted into temporary laboratories built in the Pilot Mill Shed. The building was completed in early 1954 and was formally inaugurated on 10th. April, 1954 by Pandit Jawaharlal Nehru, the then Prime Minister of India.
## TOTAL BENEFITS TO THE INDUSTRY THROUGH ATIRA's RECOMMENDATIONS DEVELOPMENTS

<table>
<thead>
<tr>
<th>Recommendations/Development</th>
<th>Saving to the Industry Rs. million</th>
<th>Credit Assigned to ATIRA %</th>
<th>Rs. million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction in Comber Waste</td>
<td>32</td>
<td>100</td>
<td>32</td>
</tr>
<tr>
<td>Reduction in Card Waste</td>
<td>110</td>
<td>50</td>
<td>58</td>
</tr>
<tr>
<td>Fuel Economy</td>
<td>72</td>
<td>100</td>
<td>72</td>
</tr>
<tr>
<td>Intermediate Drying in Dyeing</td>
<td>10</td>
<td>100</td>
<td>10</td>
</tr>
<tr>
<td>Short Process in Bleaching</td>
<td>6</td>
<td>100</td>
<td>6</td>
</tr>
<tr>
<td>Partial Substitution of Hydrosulphite in Vat Dyeing</td>
<td>8</td>
<td>100</td>
<td>8</td>
</tr>
<tr>
<td>New Instruments/Products</td>
<td>6</td>
<td>100</td>
<td>7</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>193</strong></td>
<td></td>
<td><strong>193</strong></td>
</tr>
</tbody>
</table>

(Table - 5.4)

The Ahmadabad Textile Industry's Research Association (ATIRA) is the oldest amongst the C.T.R. Associations. The Government of India announced an official Policy of encouraging systematic application of Science and Technology to TEXTILE INDUSTRY in order to accelerate economic growth. Government also offered tax incentives and direct financial assistance to industries to encourage the establishment of RESEARCH LABORATORIES. As such ATIRA's role in conducting various researches for the
textile industry is highly commendable and its contribution to the progress of Cotton Textile Industry of India is highly praise worthy.

**BOMBAY TEXTILE RESEARCH ASSOCIATION:**
**(BTRA)**

The Bombay Textile Research Association (BTRA) was established in the year 1954. BTRA has succeeded in a large measure in making significant progress in result-oriented R & D Projects. The strategy adopted comprised:

1). pruning of a number of comparatively low priority projects, accelerating work on vital ones related to energy and cost saving in the industry;

2). undertaking more sponsored projects;

3). rapid licensing of know-how wherever feasible and infra-structural re-adjustments for serial production of other BTRA developments required by the Textile Industry;

4). intensification of multi-disciplinary activities on energy front, and

5). stringent economy in day-to-day working. The increasing demand for liaison and consultancy services from out station mills and currently from local mills was also fully met.
The world breakthrough in FOAM PRINTING TECHNOLOGY achieved at BTRA is now well-established in the Textile Industry. The special chemicals and Foam Generator are available through BTRA licences and the mills, process houses, hand processors and the country as a whole are receiving the benefits through savings in cost and energy, particularly kerosene used in conventional pigment printing. On Independence Day 1983-84, Dr. B.N. Bandopadhyay, the scientist behind NRDC was given an award for being an individual scientist and technologist. On the same count, he also received the prestigious Indian Merchants' Chamber Diamond Jubilee Endowment Award during the same year. Another R & D achievement is the serial fabrication of commercial units of BTRA Digital Autospan. The first unit installed at CENTURY MILLS, BOMBAY, in June 1983 is reported to be functioning most satisfactorily. The Digital Autospan is an advanced electronic instrument for rapid measurement of cotton length on accepted international scale and is very significant contribution in TEXTILE INSTRUMENTATION aimed at self-reliance, import substitution and cost reduction.

In recent years, energy conservation has been given very high priority. The multi-disciplinary Energy and Engineering Maintenance Audit Group has made further headway adding 7 more outstation mills under the programme. Apart
from Norms for steam consumption for various process machines the concept of what is called "FUEL UTILIZATION EFFICIENCY FACTOR" (FUE) has been evolved. Members have immensely benefitted by participating in this programme. R & D work under various disciplines has recorded all round progress.

The Association also undertook a project sponsored by the Tata Energy Research Institute for energy saving in "TEXTILE WET PROCESSING BY PROCESS MODIFICATION AND RE-USED OF HEAT ENERGY". Other areas, which received attention, were reduction in oil stained damages in TEXTILES by the technique of solvent securing and development of durable flame-retrardant finishes for cotton and cotton polyester blended fabrics. Consultancy and technical services continued to be another form of assistance to the member mills and Textile Industry.

SOUTH INDIA TEXTILE RESEARCH ASSOCIATION: (SITRA).

The South India Textile Research Association (SITRA) was established under the Indian Agricultural Research Institute and does research on the 'PLANT BREEDING ASPECT OF COTTON.'
The foundation stone of SITRA was laid by the then Prime Minister Hon'ble Jawaharlal Nehru in December, 1955, the institution was only a vague concept in the minds of those pioneers who helped to establish it. At that time, the objective of SITRA was defined as follows:

"It will be our endeavour to build up a group of workers well versed in the application of scientific knowledge to the problems of textile manufacture. By the use of the scientific method, we hope to bring about fusion of the various points of view in industry and thus help to produce better textiles at lower costs and at the same time attend the wellbeing of all who work in the Textile Industry".

The South Indian Textile Research Association a link in the chain of National Laboratories in the country, sponsored by the Textile Industry and supported by the Ministry of Commerce, Government of India. SITRA is governed by a Council of Administration consisting of 25 members including representatives of Industry, Government and Scientists.

OBJECTIVES OF SITRA:

1. To undertake fundamental, applied and operational research on problems of particular interest to the Textile Industry.
2. To transfer results of research to both organized and decentralized sectors of the Textile Industry in order to improve quality, reduce cost and develop new products, and

3. To undertake consultation on various aspects of running Textile Mills.

This has been based on the philosophy that a Research institution serving the needs of a particular industry should not only fulfil the long-terms needs for the development of that industry but also meet its short-term requirements. Consistent with the objectives, SITRA's efforts have been directed to carrying out research on various problems relating to the Textile Industry with a view to reducing cost, improving quality and ensuring optimum utilisation of materials, machines and man-power in the Country. This is sought to be achieved by:

i). long-term basic research,

ii). applied research for process and product development,

iii). development of machinery and instruments,

iv). consultation,

v). training,

vi). transfer of technology to the decentralized sector.
The research activities of SITRA during 1983-84 have resulted in filling two patents for developments. The first relates to the development of 'Modified Spindle Drive for Ring Spinning and Doubling Frames'. The second patent relates to the 'Development of an Electronic Device for Measuring Stiffness of Flat Specimens'.

SITRA has also been the recipient of an award by NRDC for the development of a "PROCESS AND EQUIPMENT FOR THE MANUFACTURE OF SILICONISED SILK SUTURE THREADS". These non-absorbable sutures are used in SURGERY and are now being manufactured commercially in India, thus saving a lot of foreign exchange for the country.

The spectacular increase in membership extending all over India and from abroad reflects the usefulness of SITRA’s services to the whole Textile Industry in respect of its growth, development, more production and exports on a most scientific method for the economic prosperity of the country.

In a true perspective, SITRA is fulfilling its objectives from its inception and rendering very useful services to the Textile Industry for the last 30 years. It is also offering a method of converting large quantities
of silk waste, now being exported, into fabrics and thereby enlarging the employment potential and increasing the export earnings which are ultimately good for the economic prosperity of the country.

THE NORTHERN INDIA TEXTILE RESEARCH ASSOCIATION:
(NITRA).

The North India Textile Research Association (NITRA) was established in 1974. Of the four Cotton Textile Research Associations, the North India Textile Research Association with its headquarters at Ghaziabad (U.P) is the youngest. The first phase of construction of the Institute Building at Ghaziabad has been completed. During the year 1983-84, NITRA continued to provide to its member mills Technical Services relating to solving their ad-hoc problems on 'Productivity', 'Quality Cleaning Efficiency' and 'Waste Control' etc.

Studies were undertaken in some member mills with a view to suggesting and means for improving 'Thermal Efficiency' for their thermopac and boilers. These studies were quite rewarding as the control of CO₂ in the fuel gases in the case of thermopac and the use of economiser with the existing boiler could result in fuel saving to the tune of Rs.1.42 lacs and Rs.1.44 lacs per annum respectively.
NITRA continues to carry out experiments on "Cotton Cultivation" with emphasis on developing new strains of cotton varieties suitable for the Northern States. These experiments are being conducted in collaboration with the scientists of the Indian Agricultural Research Institute, Pusa, New Delhi and Indian Cotton Mills' Federation, Bombay.

Studies were also initiated by NITRA for collecting information on inter-firm comparisons of electrical energy consumed in different sections of the spinning mills by sending a suitably designed questionnaire. This study is under progress. Studies were also undertaken on cleaning efficiency and trash extraction at Blow Room and Cards in certain member mills. Studies were also undertaken by NITRA on the "Possibilities of Spinning Cotton Yarns on Ring Frames having Long Cradles" suitable for synthetics.

In order to meet the needs of the manpower development, NITRA also initiated work in organizing training programmes for trainers in spinning. Experiments were also continued by NITRA in its 30 acres of farm on cotton cultivation with a view to developing providing extension work on new 'Strains of Cotton' varieties suitable for the tract.
BACKGROUND AND ESTABLISHMENT:

Cotton research work in India has been oriented from time to time for increasing the production. The erstwhile Indian Central Cotton Committee had been sponsoring research on cotton through a number of adhoc schemes until it was taken over by the Indian Council of Agricultural Research in 1966. An All India Coordinated Cotton Improvement Project was sponsored by the Council in 1967 and many of the important schemes of cotton research were merged with this project and the research programme on cotton was intensified. With this research orientation, significant achievements have been made in cotton production both in quantity and quality.

To carry out basic and fundamental research at national level on various aspects of cotton with special reference to rainfed cotton, the Central Institute for Cotton Research at Nagpur was established by the Indian Council of Agricultural Research in September, 1975. This Institute started functioning from April, 1976. The Regional Station of Indian Agricultural Research Institute established in 1960 at Coimbatore was transferred to the control of this Institute. It is to work as its Regional Station for the Southern Region.
The Handloom Export Promotion Council was constituted in 1965 by the Government of India as the nodal agency for export promotion efforts pertaining to the 'Handloom Textile Sector'. From a mere Rs. 11 crores worth of exports in 1966-67, the Handloom Sector has registered a phenomenal growth largely due to the efforts of the Handloom Export Promotion Council and its member exporters.

During 1981-82 Handloom Exports from India reached a new high of Rs. 375 crores. The Handloom Export Promotion Council provides to all its
members a wide range of services:

1. Dissemination of trade information and intelligence,

2. Publicity abroad for Indian Handloom products,

3. Organization of business missions/buyer-sellers meets and participation in trade fairs abroad,

4. Consultancy and guidance services for Handloom Exports,

5. Liaison with the Government of India on all procedural and policy matters relevant to the Handloom Export trade,

6. Dealing with trade complaints pertaining to Handloom Exports,

7. Liaison with import promotion and commercial agencies abroad for the benefit of Handloom Exports.

At present the Handloom Export Promotion Council has a total membership of about 1650 members (upto April, 1985) who are availing of its services.

Review of Exports of Handloom Goods and Future Trends:

In the pre-Second World Years, Indian Handloom Goods had a wide and dependable market base in Africa, Middle East and South East Asia. These have been important traditional markets from ancient times. About 30 million yards, mainly lungies, RMHKs and Sarees were
exported annually during pre-war years. However, India's Handloom Exports suffered badly during the Second World War and exports did not recover sufficiently in the post-war decades. Exports were almost entirely dependent on traditional markets and very little diversification took place until the sixties. In the beginning of the sixties, Western countries began to show increased interest in Indian Handlooms. The vigorous export promotion efforts launched by the Government of India through the Handloom Export Promotion Council led to a spurt in Handloom Exports as may be seen clearly from the figures given below, which shows an increasing trend of export since 1966-67:

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of Exports in (Lakhs of Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1966-67</td>
<td>1143-00</td>
</tr>
<tr>
<td>1968-69</td>
<td>1579-00</td>
</tr>
<tr>
<td>1970-71</td>
<td>2613-00</td>
</tr>
<tr>
<td>1972-73</td>
<td>4846-00</td>
</tr>
<tr>
<td>1974-75</td>
<td>1,2095-00</td>
</tr>
<tr>
<td>1976-77</td>
<td>2,7215-00</td>
</tr>
<tr>
<td>1978-79</td>
<td>3,0291-00</td>
</tr>
<tr>
<td>1980-81</td>
<td>3,2633-00</td>
</tr>
<tr>
<td>1981-82</td>
<td>3,7402-00</td>
</tr>
<tr>
<td>1982-83</td>
<td>3,3088-00</td>
</tr>
<tr>
<td>1983-84</td>
<td>3,0930-00</td>
</tr>
</tbody>
</table>

Source: The Handloom Export Promotion Council, Madras.

(Table - 5.3)
Today more than 120 countries in the world are buying Indian Handlooms. Indian Handloom cottons have made successful inroads into such far away markets like TASMANIA in the Southern hemisphere and ICELAND in the North. The leading importers of Handloom products at present are USA, EEC, Japan, East Europe, West Africa and Australia. The Handloom Export Promotion Council believes that there is scope for further increase in Indian exports to these regions and a greater need for exploiting the potential markets for Indian Handloom goods in South America, Africa, Middle East and the Far East. However, the export market for textile goods has become highly competitive and greater marketing and export promotion efforts would be required in order to sustain and further develop Indian exports in this sector. Greater attention is needed in quality control, keeping up of delivery schedules, products diversification and adaptation, publicity and export promotion abroad. The Handloom Export Promotion Council is constantly striving to help its members to achieve the export targets set for the Handloom sector by the Government of India.

It is relevant to mention here that the scope for increase in exports of traditional Handloom products such as sarees, lungies, Real Madras Handkerchiefs etc.
is limited. Greater attention will have to be paid to non-traditional items such as furnishings, fabrics, upholstery material, table/kitchen/bed/bath linens, floor coverings and other household textiles for which a virtually unlimited market exists in most countries. Timely intelligence on fashions trends abroad is a must for increasing Indian fabric and garments exports to the highly sophisticated consumer markets in the developed countries. The Handloom Export Promotion Council is convinced and doing its best to see that its exports members would receive adequate support from the Government of India to achieve the increased exports targets set for the industry. In fact the role of the Handloom Export Promotion Council is praiseworthy and it is making all of its efforts and investing energies to boost up the country's Handloom products to the whole world.

**APPAREL EXPORT PROMOTION COUNCIL**

*(AEPC)*

The Apparel Export Promotion Council (AEPC) came into existence in February, 1978. Sponsored by the then Ministry of Commerce, Government of India, its primary objective is to stimulate growth of readymade garments exports from India. It is a Principal Organization of the Garment Export Community in India. 8,500 exporters from all over the country look on it for support and
guidance in the conduct of overseas trade in ready-made garments. It is the only forum to bring together exporters and overseas buyers, in the interest of Export Promotion of Readymade Garments from India.

In a short span of 9 years or so, it has established itself as a key organization in the garment industry, fulfilling numerous objectives and tasks aimed at export promotion. Since 1978, when this council was incorporated, it has spared no efforts to expand and strengthen the export of Indian Garments around the world. In a course of 6-7 years of its existence, India's overseas Trade in readymade garments has almost doubled to Rs.8,500 millions in 1983-84. Today AEPC's efforts are recognized in the Industry.

OBJECTIVES:

The AEPC initiates and organizes various projects to achieve its objectives to accelerate growth of exports:

- to explore fresh markets,
- to diversify into new product lines - to monitor and counteract adverse international trends in order to safeguard Indian exports.

During the years the Council has been functioning the annual increase has been a healthy 18 percent. But while the AEPC's main objective is promoting the garment
export industry and it has put its shoulder behind this task — it is performing a number of other functions too. Its activities include a wide range of administrative work. As soon as a garment exporter is registered with them, the exporter has access to the comprehensive range of services of the Council. The services being rendered by the Council are:

- In depth surveys and latest market intelligence on standard items.
- Identification of new markets and potential export products.
- Contacts with prospective buyers.
- Advice and support in international marketing and publicity.
- Co-ordination with statutory bodies and international trade fair authorities.
- Participation and sponsorship of special projects, delegations, seminars and exhibitions.
- Resolution of bottlenecks in product development, shipping and transport.

The AMFO also bears the crucial responsibility of advising the Government of India on its Foreign Trade Policy with respect to garments. In turn, the Government have appointed the Council to handle the distribution of country-wise export entitlements to members of the Council.
As a part of their promotional policy, they render certain services to overseas buyers as well.

The AEPC is also responsible to:

:: Locate Indian suppliers who can deliver the goods.

:: Provide information on the supplier's technical competence and credibility.

:: Organize import-export meets and arrange alliances between suitable buyers and sellers.

:: Foster better understanding and communication through their sponsored programmes in India and abroad.

AEPC's CURRENT PROMOTIONAL PROJECTS:

:: Subsidised brand publicity abroad for export firms.

:: Sponsorship of sales-cum-study teams to select countries.

:: Dissemination of up-to-date trade information through a news magazine and sales brochures in foreign languages.

:: Publication of an exhaustive Directory of Exporters.

:: Production of short films on Indian fabrics and garments for overseas exhibitions.

:: Market studies on packaging, market orientation tours and exhibitions.
The basic thrust of all these activities is to develop and maintain an 'Aggressive Form of Marketing' so that their 8,500 members get the best opportunities to attract buyers and augment their trade with reputed international firms all over the world.

It allocates and monitors export entitlements for readymade garments for countries under the MULTI FIBRE AGREEMENT. In fact all garments except those made of leather, jute or hemp and all hosiery items except those made of wool come under the purview. Then its acts as an advisor not only to exports and buyers involved with the trade but also to the Government of India.

METHODS OF ORGANIZATION:

The AEPC has its Head Office in New Delhi and six Regional Offices in Bombay, Madras, Bangalore, Calcutta, Jaipur and Tirupur. They are within easy reach of exporters anywhere in India. Their 34 members of the Executive Committee meet regularly to govern the operations of the Council. Special Sub-Committees look after important matters such as policy programmes and finances of the Council as a whole.

It also arbitrates in numerous issues and helps to resolve matters, sorting out problems wherever they may arise. Its role, therefore, similar to that of a CATALYST.
AEPC is also playing an important role in earning huge amount of foreign exchange for the country as well as for the Textile Industry of India as a whole.

**THE TEXTILE COMMITTEE:**

(CTFC)

The Cotton Textile Fund Committee (CTFC) established by an ordinance in 1944. The objectives of the Committee were to provide funds for 'Textile Research', to undertake inspection of all Textiles for export and to conduct 'Market Research' into the consumption of textiles. A cotton cess fund of about 3 crores of rupees was placed at the disposal of the Committee for this purpose. While private citizens interested in and with a knowledge of Textile Commissioner was the ex-officio Vice-Chairman. The first activity of the Committee was the 'Promotion of Research'. While ATIRA (Ahmadabad Textile Industries Research Association) has already come into existence, SITRA (South India Textile Research Association) and BTRA (Bombay Textile Research Association) were established under the auspices of the above Committee. However, in the year 1961, the textile laboratories were transferred to the CSIR and research ceased to be one of the responsibilities of the Committee.
As its work of inspection and 'Market Research' began to increase, the original funds were no longer sufficient and the Government of India imposed a levy on the entire Textile Industry to provide funds for the Committee for its activities. Since it was going to undertake inspection of all textile the word 'Cotton' was dropped and it came to be known as the Textile Committee. It was also converted into a statutory body. The work of its inspection and market research divisions has since expanded considerably.

While the activity of the market research division has been acknowledged as being highly useful in providing basic information on the consumption of textiles, there has been a lot of criticism of the inspection division. This is due to a number of reasons. There has also been a difference of opinion within the Indian Standards Institute (ISI) and the Committee felt the need for adopting different markets, the ISI wanted uniform standards for all countries. There have been occasions when the products of reputed mills were held up for want of a certificate of quality from the Textile Committee. But given goodwill and understanding, the Committee can be made into an instrument for the promotion of quality.
Finally in this assessment of about the functions of the Textile Committees one can say it is performing very important functions in the growth of Textile Industry and boosting the exports by providing funds for textile research, conducting market research and makes several constant efforts for promotion of research in Textiles.

The Textile Committee is fully successful in achieving its objectives and performing all activities highly essential for promotion and growth of Textiles. It also arranges textile research along with inspection at various levels and serving the Textile Industry in a true national perspective.

At this stage we can review our entire discussion on this Chapter - "Role of the Public Agencies in Promoting Exports of Textiles" - as we have completed an extensive discussion about the object, functions, performance and achievements of 22 organizations along with the policy and role of the Government of India. These organizations are working in different parts of the country according to the suitability of the place and assisting the Cotton Textile Industry in various respects. It is now easy to establish the fact that these organizations are working as an integral part of the Textile Industry.
The National Textile Corporation is managing the affairs of sick textile units fully and making steady progress as far as production of NTC mills is concerned. The Cotton Corporation of India controls, regulates and makes necessary arrangements for the regular supply of the cotton to the Textile Industry throughout the year. As such it is an important feeder to the industry and performs indispensable services for the industry.

The Handloom Handicrafts Export Promotion Council is alert on the export promotion and trade development fronts and is making fantastic progress in achieving its objects and earning a huge amount of foreign exchange through the medium of exports.

The State Trading Corporation of India has developed new lines of exports for the cotton textile fabrics and Handicrafts. Its exports have shown considerable increase and it is developing markets like JAPAN and AUSTRALIA for fashion Garments and have secured orders even from USSR.

The Ahmedabad Textile Industry Research Association is the oldest amongst the Cotton Textile Research Associations. Its contribution to the Textile Industry is
highly praiseworthy in respect of original and innovative textile research. It has contributed significantly towards Man-made Fibres and Filaments. It tries to maintain a live communication with the Textile Industry in a variety of ways in the larger national interest and provides all such benefits derived from researches to the Textile Industry of the country.

The Bombay Textile Research Association is involved in Research and Development activities relating to the progress of textile industry. The world break through in 'Foam Printing Technology' achieved by BTRA is now well established and recognised in the whole textile industry, for which credit goes to Dr. B.N. Bandopadhyay, the Scientist behind the achievement of this technique. Another achievement by BTRA is the 'Digital Autospan', which is an advanced electronic instruments for rapid measurement of Cotton Length on Accepted International Scale and is a highly significant contribution in Textile Instrumentation aimed at self-reliance, import substitution and cost reduction.

The South India Textile Research Association undertakes research work on upgrading of Indian cotton which has enabled the spinning industry to produce super-fine yarns
suitable for Handlooms and has helped to overcome the shortage of long-staple cotton besides conserving foreign exchange. The knowledge gained by SITRA has been fully utilized in the industry for the solution of technological problems. The fundamental work done on properties such as friction and fine structure of fibres has given a new insight into their behaviour during processing, and has won International Recognition for SITRA. Because of the expertise and knowledge that has been built up, SITRA is rendering highly useful research services to the whole Textile Industry on most modern methods.

The Central Institute for Cotton Research is carrying out basic and fundamental research at national level on various aspects of cotton with special reference to rainfed cotton. After achieving significant and scientific results, a number of varieties of cotton have been released. These varieties are equivalent to the imported varieties - MENOUFI AND GIZA from Egypt. The development of these varieties has made the country self-sufficient in extra-long staple cotton and import of cotton of this variety is now not required.

The Handloom Export Promotion Council is the nodal agency for export promotion pertaining to the Handloom Textile Sector. Through timely intelligence on trends of fashions abroad and to increase Indian Fabric and Garments exports to
the highly sophisticated market in the developed countries, the HEPC is constantly striving to help its members to achieve the export requirements. The role of the HEPC is highly effective and praiseworthy, as it is utilizing its full efforts and energies to boost the country's Handloom products to the whole world. It is wholly successful in achieving its targets, earning foreign exchange and competing with other nations on the international fronts and exploring all possibilities for export promotion which are required and ultimately good for the progress of the industry.

The Apparel Export Promotion Council is a principal organization of the Garment Export Community in India, protecting the interest of 8,500 exporters from all over the country. Its sole objective and interest is to increase the promotion of readymade garments from India. During the course of 6-8 years, AEPC's efforts have doubled the overseas garment trade to Rs.8,500 million in 1983-84. AEPC also disseminates up-to-date trade information through a news magazines and sales brochures in foreign languages. It is also playing an important role in earning huge amounts of foreign exchange for the country and doing very good services to the Textile Industry of India as a whole.
The Textile Committee is also performing very important functions in the growth of Textile Industry and boosting the exports by providing funds for Textile Research, Conducting market Research and making various other efforts for promotion of research in Textiles. The Committee is fully achieving its objectives and performing all the activities necessary for the growth of Textiles, arranging Textile Research along with inspection work for the prosperity of Textile Industry of India as a whole.

It is now fully established that the plans and policies formulated by the Government of India relating to the Textile Industry and as communicated from time to time with necessary incentives, concessions and liberalizing rules and regulations are highly congenial for the growth of the Cotton Textile Industry. Apart from the role of the Government, all the organizations in public sector and institutions, as discussed in this Chapter, are fully involved in achieving their objects and performing their role in making new researches and conducting innovative methods and thereby passing the results to the Textile Industry for full utilization either in the form of raw material, machines, methods, techniques or ways and means of exploring possibilities for boosting of exports.
In connection with the research within the framework of the Textile Industry, it is worth mentioning here that even before independence the Indian Central Cotton Committee had set up a 'technological laboratory' to study the processing behaviour of Indian cottons and how to upgrade them. While it had done some useful work in the early days, its principal objective was to help the breeder to evolve better varieties and to study the problems of ginning rather than provide technical help and guidance to the mills. Its greatest contribution from the industry's point of view was in introducing the research methodology in textiles. There was also a laboratory for jute in Calcutta — established by the Jute Industry — which later became IJIRA. But as far as the cotton and allied industries were concerned, no technical help was available until the fifties.

Since the Textile Industry has the largest number of co-operative research associations — seven in number — it might be worthwhile to consider the advantages and limitations of co-operative research as distinct from other types of industrial research such as by National Laboratories or research by individual companies into their own products and processes.
On the whole co-operative research has been extremely useful to the textile industry. It has succeeded in bringing about substantial improvements in quality and productivity, developed a number of new processes and products, brought to the notice of the industry and Government a number of problems which need greater attention and also provide the basic framework for future research. If the industry has a large number of problems today, it is because that they are beyond the scope of the research organizations and have to be tackled at the socio-economic and political levels. The fact that most of them have increased their membership over the years, that their income from consultancy as well as royalties have steadily increased and that one or two of them have received consultancy assignments as well as enrolled members from other countries are all indicative of their good services to the Textile Industry. And ultimately, these laboratories are going to be judged, not by the number of patents they have taken out, but by the extent of improvement they are able to bring about in the respective industries they serve, and some of them are aware of this fundamental fact.

In the light of this detailed discussion in respect of each organization or research institution, it is now amply proved that all the organisations and institutions
mentioned in this Chapter are working on extremely important objects making tremendous performance in view of their original targets, trying to achieve their goals and passing on their joint efforts to the Textile Industry to be utilized fully. The Textile Industry is utilizing these results in production, patents, design, technical knowhow, Research and Development methods according to international standard.

Each of these institutions have in fact contributed either some knowledge, idea, technology, innovative method, research, findings or a specific nature of exploration which is good for the industry in one way or the other, as stated in the preceding paragraph.

In this respect the role of the Government of India is totally positive, but still there is need to establish more research institutions in public sector in different parts of the country, keeping in view the large area and vast scope in the Textile Industry and allocation of enough funds for conducting research activities.

The performance of the existing organizations and their contribution is undoubtedly indispensable and fully result-oriented in the promotion of exports in the Textile Industry of India. It must be constantly continued on a
better footing as an integral base and these technical organizations must work to establish a new and outgoing technology for the betterment of the Industry.