CHAPTER VI

SUMMARY OF CONCLUSIONS AND SUGGESTIONS

6.1 Focus of the Study

The study examines developments in the textile industry, in relation to cotton and non-cotton segments for low value added and high value added product groups, in the backdrop of the trends and policies of the overall foreign trade of India in recent years from 1994. The Agreement on Textiles and Clothing (ATC) of the World Trade Organisation (WTO) was in operation from January 1995 to December 2004. It expired at the end of 2004. The implementation of ATC as part of WTO agreements resulted in phasing out of quantitative restrictions (QRs) on imports of textiles and clothing from developing countries to developed countries. The textiles sector has now been integrated with the provisions of General Agreement on Tariffs and Trade (GATT) of WTO. This sector does not have any differential treatment in global trade compared to other sectors from January 2005. There were optimistic projections of growth of textile exports from India to USA, European Union, Canada, and Japan, in particular in the quota free regime. Has Indian textile sector been able to cash on the advantages of the phasing out of QRs offered to developing countries? What has been India’s experience in the textile trade during the ATC period, and in the post-ATC period; more so with China as the major global player in this field, catering to a high percentage of imports of developed countries? What are the experiences of other Asian developing countries in exporting textiles to developed countries? These questions have been studied in the present research work, and directions for the future of textiles foreign trade in the Indian environment have been presented.

6.2 Review of India’s Foreign Trade: Trends and Policies

Chapter I covers the trends in the composition and direction of foreign trade of India during 1995-2010, gives a gist of recent foreign trade policies from 2004, deals with the impact of global financial crisis on India’s foreign trade during
2008-10, lists the measures taken by Government of India and Reserve Bank of India during the period of recession, and reviews the global trends in merchandise trade during 2007-10. India’s efforts at diversification of export and import baskets, and export and import markets are in the desirable directions. Enhancing competitiveness of Indian enterprises for facing competition in the global markets, and also within the country is a pre-requisite for the success of enterprises. It is important that the Government of India in close consultation with industry associations periodically monitors global industrial environment, and takes appropriate measures for safeguarding the Indian industry in the era of greater integration with the global economy.

6.3 Design of the Study

6.3.1 Objectives

(i) to review the trends, composition, and direction of overall foreign trade of India, and the evolution of trade policies in recent years;

(ii) to examine the trends, composition and direction of imports and exports of textiles, with the break–up of cotton and non–cotton textiles, as well as specific product groups such as fibre, yarn, fabrics, readymade garments (RMGs), and made–ups. Position of cotton textiles in each of the components is to be examined in greater depth, along with policies of Government of India, and role of export promotion councils.

(iii) to study the implications of the World Trade Organisation (WTO) Agreements during the period of operation of the Agreement on Textiles and Clothing (ATC) (1995–2004), and in the post–ATC period (2005-2010) with regard to imports and exports of Indian Textiles; and

(iv) to capture the experiences of textiles industry in foreign trade with developed and developing countries in recent years, and suggest strategies for strengthening the competitiveness of Indian textiles in the global market.

6.3.2 Scope of the study

The scope of the study is limited to analysis of overall foreign trade of the country, with special reference to textiles and clothing (T&C) industry, and cotton textiles and clothing in particular, to bring out suggestions on strategies to be pursued by the industry in the global competitive environment. Period covered is mainly 1994 to 2010, with review of broad aspects on trends and policies of earlier years. In the key tables dealing with analysis of T&C exports and imports, period
covered is 1998-2009 (11 years). The study is based on secondary sources of data available from various publications at the national level brought out by the concerned organisations, and consultations with export promotion councils, and other organisations and industrial units in the cotton textiles trade.

6.3.3 Analysis Pattern of T&C Exports and Imports

Exports of textiles and clothing of India has been analysed for a 15-year period (1994-95 to 2008-09). Aggregate picture of exports of the sector has been divided into contribution of cotton textiles and non-cotton textiles. In each of these categories, the contribution of low value added segments (fibre, yarn, and fabrics), and high value added segments (readymade garments, and made-ups) has been examined for time series data, and for four years in particular, 1994-95, 1999-2000, 2004-05, and 2008-09. Along with absolute values of exports of these components in Rs. billion, percentage change over the previous year, and percentage share have been calculated. These are supplemented by compound annual growth rate (CAGR) in percentage for four periods: 1994-2000, 1999-2005, 1994-2005, and 2004-09. January 1995 – December 2004 is the period of operation of ATC. Period from January 2005 refers to post-ATC regime. Similar analysis has also been carried out for T&C imports of India for 1998-2009.

Using the method of least squares to find a regression line, trend lines of various parameters have been drawn based on the time series data for 11 years (1998-1999 to 2008-09). Trend lines are drawn based on derived trend values of exports, and imports. They present annual average increase of each parameter during the specified period. India’s position in the imports of textiles and clothing into the major textile markets of USA and European Union (EU) has also been analysed using the data of recent years to highlight the competitive environment in textiles among developing and developed countries. Utilising the data available from the *Compendium of International Textile Statistics 2009* of the Union Ministry of Textiles, region-wise and country-wise analysis of the globe along with global trends for T&C exports and imports, and the role of developing countries, with focus on Asian region has also been attempted for 2000 to 2009, to
highlight the contrast between cost efficient developing countries and high cost developed economies. These details are given in chapter IV.

6.3.4 Hypotheses

In Chapter III covering cotton production, and foreign trade of Indian Textiles Industry, the following hypotheses (H) dealing with various components of the Textiles and Clothing Sector based on recent years’ data of 1994-2009 have been tested. Results of analysis are presented in Chapter III. Conclusions are recalled here.

**H-1.** Removal of quantitative restrictions on exports of textiles and clothing to developed countries from 2005 has had a positive impact on the exports of the sector. This is due to increase in both cotton and non-cotton products. This has been proved right.

**H-2.** Percentage share of exports of high value added products, namely, readymade garments (RMGs) and made-ups to total textiles exports has been steadily increasing. This has been proved right.

**H-3.** Regardless of the growth rate of exports of combined textiles and clothing sector (cotton, non-cotton, and others), cotton textiles and clothing exports has been consistently growing at a faster pace. This has been disproved.

**H-4** Percentage share of imports of low value added products, namely, fibre, yarn, and fabrics to total textiles imports has been steadily increasing. This has been disproved.

**H-5** Percentage share of imports of non-cotton textiles and clothing imports in relation to combined textiles and clothing imports has been steadily increasing. This has been proved right.

6.4 Status of Indian Textile and Clothing Industry

The Indian textile and clothing (T&C) industry is estimated at US $55 billion in 2010, 64 per cent of which services domestic demand and the rest is for the export market. The industry accounts for 14 per cent of industrial production, four per cent of Gross Domestic Product (GDP), and 12.5 per cent of the country’s export earnings in 2009-10. Exports was US $22.15 billion in 2007-08 (15.6% growth), US $20.98 billion (-5.3% growth), and US $22.38 billion in 2009-10 (6.7% growth). Out of total textile exports, export of readymade garments (RMGs)/Clothing/Apparel is around 51 per cent. Percentage of textile exports to the country’s overall exports ranged from 21 to 29 during 1991-2004, and has come down to 12.5 in 2009-10. The decline is largely due to the faster growth of
overall exports in US $ terms of 20 to 30 per cent in recent years. The sector directly employs over 35 million people. Compound Annual Growth Rate (CAGR) of textile exports in US $ terms was 10.5 per cent during 2004-09 (post-ATC period) as against 6.4% during 1994-2005 (period of operation of ATC – Agreement on Textiles and Clothing). In first phase of ATC operation (1994-2000), it was 6.9%, and during the second phase (1999-2005) 6%. The corresponding percentages of CAGR for overall exports of the country are 22.0 for 2004-09, 12.2 for 1994-2005, 6.9 for 1994-2000, and 17.8 for 1999-2005. Textile imports constitute US $ 3.4 billion as against textile exports of US $ 22.38 billion in 2009-10 (1.2 per cent of the country’s overall imports). CAGR for textile imports in US $ terms for 2004-09 has been higher (12.1%) compared to 9.6% for 1994-2005. Corresponding figures for overall imports of the country are 28.5% and 14.6%. Growth rate in the second phase of ATC period (1999-2005) has been higher for textile imports as well as for overall imports compared to the first phase (1994-2000).

As indicated by the Working Group on Textile and Jute Industry for Eleventh Five Year Plan (2007-12), the projected market size of textile industry by 2011-12 is as follows: the market size is expected to increase to US $115 billion, with US $55 billion for exports and US $60 billion for the domestic market. The present picture in 2009-10 is US $55 billion total market size, with US $22.4 billion as exports, and US $32.6 billion towards domestic market size. The Indian apparel market has grown by more than 20% annually in recent years, and is estimated at US $26 billion. A recent study of Technopak Advisors, a leading a management consultancy firm has projected the perspectives of textile industry by 2020 as follows. – total market size US $220 billion from US $55 billion in 2009-10, domestic market size US $140 billion, and exports size US $80 billion. The apparel retail market worth US $33 billion in 2009 is expected to touch US $100 billion by 2020. India has the potential to increase its textile exports share in world textile exports from the current 4.5% to 8% to reach US $80 billion by 2020.
India is the largest producer of cotton in the world, next to China, and has the largest cultivated area with China as the second, and USA as the third; and accounts for 20% of global production of cotton. However, in yield, India lags far behind a number of other countries. The acreage under cotton cultivation has increased considerably in recent years from 8.8 million hectares in 2004-05 to 10.33 million hectares in 2009-10 (9.8% growth over the previous year). CAGR of acreage during 1999-2009 works out to 1.7%, and for production 6.6%. During 2009-10, cotton production is 5.02 million tonnes (equivalent to 29.5 million bales of 170 kgs each). By 2011-12, production is projected to increase to 6.6 million tonnes (39 million bales) from 31.5 million bales in 2007-08. Technology Mission on Cotton has played an important role in improving the yield of cotton, and increasing production, apart from modernisation of the industry value chain. As projected by the National Fibre policy 2010, production, consumption and surplus availability of cotton in the country in million bales is as follows:

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<tr>
<td>Production</td>
<td>31.9</td>
<td>38.4</td>
<td>48.3</td>
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<tr>
<td>Consumption</td>
<td>26.7</td>
<td>32.3</td>
<td>41.3</td>
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<tr>
<td>Surplus</td>
<td>5.2</td>
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The Indian textile industry consumes a diverse range of fibres and yarn. The industry is multi-fibre based, using cotton, jute, wool, silk, man-made, and synthetic fibres. Cotton is the major raw material used in India, in view of the rich cotton crop grown prominently in nine states of the country. The fibre-mix of the industry in India is skewed towards cotton, with 60% of yarn as cotton-based, and the remaining 40 per cent being non-cotton based, using other fibres. Internationally, the fibre-mix is skewed towards man-made fibres (MMB) with 60% input of the category, and the remaining 40 per cent as cotton-based. Man-made fibres / speciality fibres and technical textiles are gaining prominence in India. India is the largest producer of jute fibre, second largest producer of cotton yarn and silk fibre in the world. Under the man-made fibre category also, India is one of the major producers in the world, second largest producer of cellulose fibre / filament yarn, third largest producer of viscose staple fibre, and polyester
filament yarn, fourth largest producer of polyester staple fibre, and seventh largest producer of acrylic staple fibre.

India is ranked first in the weaving sector with a large number of shuttle looms and handlooms. However, India ranks only fourth position in the world in terms of capacity of shuttleless looms; as a result, India lags behind China in terms of production. India is also ranked first in production of jute. However, in case of raw wool and synthetic fibre, it is positioned 7th and 5th rank, respectively. Production of cloth in the country in 2008-09 is as follows: total quantity 54 billion square metres, with proportions in percentage terms segment-wise: organised mill sector 3.3, handlooms 12.3, powerlooms 62.1, and hosiery sector 22.3. Decentralised powerloom sector has been maintaining steady growth annually of around 5 to 7 per cent, and hosiery sector with around 10 to 15 per cent in some years. Mill sector and handlooms have been showing declining trend. Prominence of powerlooms sub-sector is likely to increase; and the mill sector is not able to withstand competition from powerlooms. The powerloom sector is likely to remain competitive vis-à-vis other sectors. In fact, the handloom sector is finding it extremely difficult to survive, and is competitive only in a few artisanal products. The share of mill sector is unlikely to grow rapidly in future as well. The clothing sector is fragmented, and is predominantly in the small and medium enterprise (SME) sector.

6.5 National Fibre Policy

The National Fibre Policy has been designed with a decadal perspective of 2010-20, and seeks to place India firmly on the World Fibre map by strengthening the existing policy framework, and providing institutional and technological support for rapid Fibre growth in the country in the coming decade. The projected growth trajectories envisaged under the National Fibre Policy are ambitious, and would benefit all stakeholders in the Textile Industry value chain. The National Fibre Policy seeks to build a strong and vibrant textile industry competent of producing quality cloth at acceptable price, increasingly contributing to enhanced employment provision, and competing for an increased share of global market.
The Fibre neutral policy seeks to balance the existing disparities within the complete range of fibres by providing additional fiscal and non-fiscal incentives for sustainable growth of all fibres, and be competitive in the international market.

### 6.6 Foreign Trade of Indian Cotton Textile Industry

Having a highly fragmented structure, the Indian Textile and Apparel value chain consists of four stages: ginning and spinning, weaving and knitting, processing, and clothing manufacturing. India produces good quality yarn, but integration of the industry is weak as is the capacity to deliver quality products on a timely and flexible schedule. India’s competitiveness in global markets is confined to grey / unprocessed products such as grey yarn and grey fabric. Dyeing and processing segment of the Indian textile industry is not so technologically well advanced due to restrictive policy regime in the past. This is reflected in the relatively inferior quality of domestic dyed and processed yarn and fabric.

Quota free regime of international trade from January 2005 has made a positive impact on the Indian textile and clothing (T&C) exports, as well as on the overall exports of the country. Share of cotton T&C exports in total T&C exports has increased to around 63% in recent years, and has been steadily increasing, while that of non-cotton T&C exports has come down to around 37%. The trade has been shifting towards higher value added products, namely, readymade garments and made-ups from the earlier stage of exporting raw materials and intermediate products. Non-cotton textile imports accounted for 75 to 83 per cent in the recent years, and cotton textile imports remained around 17 to 20 per cent. Non-cotton imports is, thus, dominant. The imports largely consist of extra long staple cotton. In case of all textile imports, China continues to be the leading source country. This is followed distantly by USA and Australia. The share of China and other developing countries has increased, and of developed countries declined over years. In case of raw cotton, USA continues to be the leading source country, followed by Egypt and Burkina Faso.
6.7 Implications of WTO on Indian Textile Industry

The Agreement on Textiles and Clothing (T&C) is an integral part of the WTO Agreements, and is, thus, applicable to all WTO members, unlike its predecessor Multi-fibre Arrangement (MFA) applicable to the signatory members of the Agreement. The ATC which was in operation for a ten-year period (January 1995 - December 2004) is designed to facilitate the integration of the T&C sector into GATT. With the dismantling of Quantitative Restrictions in a phased manner by importing countries, complete integration of T&C trade into GATT has taken place on January 1, 2005. Of the 153 members of WTO in early 2010, almost two-thirds are developing countries. The WTO agreements make special provisions for developing countries and least developed countries to enable them to get adjusted to the new pattern of international trade regime.

Although quotas have now ended, tariffs established within the ornate system of bilateral apparel and textile agreements between countries continue to shape the map of global textile trade. On account of full or partial relief from their partners’ standard tariff rates, the trading partners enjoy a substantial competitive advantage over competitors excluded from such agreements, including India. While the developed countries enjoy a more liberalised trading regime, the growing non-tariff barriers (NTBs) have been severely affecting the exports of developing countries. Ironically, the developed countries are increasing protectionism while the developing countries are liberalising their trade.

The trend of global T&C exports is as follows. During the first three years of post-quota period (2005-2007), global T&C trade recorded an accelerated growth as compared to the quota period, indicating that liberalisation of T&C trade has helped global textile industry. In 2008, the trade in T&C has slowed down largely because of recession in developed countries, resulting in lower demand. In recent years, clothing as per cent of T&C exports accounts for more than 60%, and also recorded higher CAGR compared to textile exports (7.9% and 5.1%, respectively). T&C production is continuing its shift towards low cost producing
developing countries such as China; and India, Bangladesh, Pakistan, and Sri Lanka in South Asia.

India has been a beneficiary of liberalisation in global textile trade in the post-ATC era, increasing its share in global T&C trade from 2.2% in 1990 to 3.36% in 2000, and 3.58% in 2006. In 2009, it is estimated to have reached 4.5%; and is targeted to reach 8% by 2020. China has increased its share from 8% in 1990 to 14.6% in 2000, and 27.2% in 2006. Five Asian suppliers emerged in the list of top ten suppliers indicating the dominance of Asia in the world T&C exports. The share of USA in world T&C exports has declined. During the post-quota period, a few developing countries which were not significant in T&C exports earlier, have emerged stronger.

Highlights of the analysis of direction of Indian T&C exports are as follows. USA continues to be the leading market with a share of 20.4% in 2008-09 followed by UK and German Federal Republic with 7.9% and 7.6%, respectively. EU accounted for 36.6% of India exports, and US for 20.4%. The combined share of EU and USA is 57%. The Middle East countries – UAE and Saudi Arabia -, and Bangladesh have become preferred destination in the post-quota period. The emergence of Middle East countries as preferred destination has given a new dimension to the Indian T&C export trends. Performance of T&C exports was better in the post-quota era in UAE, Bangladesh, China, Sri Lanka, Pakistan, and Afghanistan compared to earlier years, against a decreased market share in USA, Canada, Japan, etc.

The direction of RMG exports reveals that USA is the leading market with a share of 24.8% followed by UK and German Federal Republic with 11.8% and 10.3%, respectively in 2008-09. Canada, UAE, and Saudi Arabia are in the top 10 countries, apart from a few countries of EU. The competition is fierce in clothing sector compared to textiles. India’s performance in Middle East countries has increased in recent years for clothing exports. In respect of textiles other than RMG, major countries of imports from India are EU and USA (combined share 47%), followed by UAE, Bangladesh, Sri Lanka, Pakistan, Saudi Arabia, Korea
Republic, etc., In the post-quota period, specialisation and addition in value chain has become important for T&C exporters.

### 6.8.1 Problems and Challenges Facing Textile Industry

In the external market, Indian textiles industry will continue to face two major challenges. First, competition from other developing countries which have taken to outward orientation much before India, and have thereby enhanced their international competitiveness. Second, from non-tariff barriers in industrial countries in the guise of environmental, health, safety, and technical standards. Competition can be expected from the whole spectrum of goods from the lowest quality to the highest quality. Indian Government is already taking a number of measures to protect and develop the Indian cotton textiles trade. However, our efforts are not sufficient to meet the global required standards because small countries like Vietnam have been showing better results in cotton textiles exports growth.

Two promising directions in the field of textiles which need greater attention are: **Development of Organic Cotton, and focus on Technical Textiles.** Organic cotton production not only refers to the absence of inorganic synthetic fertilisers and pesticides but it involves very careful planning of the whole farming system. Demand for cloth using organic cotton has very high potential, as consumers in developed and developing countries are more environment conscious for improving health and safety. Technical Textiles (TT) is recognised as a dynamic and promising area for the future. It offers new ways, means and opportunities to the Indian Textiles Industry to sustain the present growth, and add a new dimension for the advancement of the industry. It is a potential area where the Indian textiles industry can excel. The National Mission on Technical Textiles aims at reaching a market size of US $12-15 billion by 2012 in technical textiles. Four promising sub-sectors are Medi-tech, Geo-tech, Agro-tech and Pro-tech. These could be considered as niche growth areas in view of the increasing competition in clothing segment (from Bangladesh, Sri Lanka, and Vietnam), and
home textiles segment (from Turkey and Pakistan). Market in USA and EU is growing substantially.

The focus and priority in future years has to be on increasing production, and exports of high value added products, and bringing about technological upgradation and modernisation, and diversification of product range in the entire value chain of textiles. India will have better prospects to contribute to the major share of global cotton textiles trade, in view of its highest acreage advantage in the world, and availability of human resources, if we improve our technological skills in all aspects at a faster pace, and facilitate integrated value chain in the industry. Only then Indian cotton textiles industry can compete and operate efficiently. The Indian textile and clothing exports have the resilience and strength to face challenges and grow in its own way. The policy measures adopted by Indian Government facilitate establishing Indian exports within the global market. However, India must pursue the path of rationalised inclusive trade policy to grow in the export market as well as retain a huge coveted domestic market, which is already the target of international retail chains.

6.9 Suggestions

For strengthening the competitiveness of Indian textile industry including the cotton sub-sector, a number of suggestions were made in Chapter V. These are briefly listed here, along with a few other suggestions.

1. **Technology Upgradation, and Horizontal and Vertical Integration in the Textile Sector:** Technology Upgradation Fund Scheme (TUFS) has been in operation from April 1999. The analysis of the utilisation of the Fund reveals that spinning and composite mill categories still constitute the largest beneficiaries of the scheme. Focus in future years has to be directed to segments which have not received the benefit so far. Special mention may be made of segments such as garment manufacturing, weaving, knitting, made-up manufacturing, processing of fibres, yarn, fabrics, technical textiles, etc. which need further encouragement for modernisation. Man-made fibre textiles is another group which is to be covered under the scheme. Horizontal and vertical integration in the industry will also be
facilitated through modernisation and expansion of capacities, and establishment of new enterprises engaged particularly in high value added processes. There is need for integrating operations in the industry from spinning to garment making to facilitate obtaining large orders from developed countries through large retail firms. Cooperatives and industry associations can facilitate the process through linkages among existing units, and also by promoting large sized new enterprises having multi-stage operations.

2. **Bridging the Skill Gap in T&C Industry, and Focus on Emerging Areas in Textiles**: For an export-led strategy in T&C, the industry needs to complement their cluster of expertise in manufacturing by developing expertise in the higher value added service segments of the supply chain such as design, sourcing and retail distribution. To pursue these avenues, national suppliers need to place greater emphasis on education and training of services related skills, and to encourage establishment of joint ventures where domestic suppliers can share market knowledge, and offer more integrated solutions to prospective buyers.

The industry is undergoing a major re-orientation towards non-clothing applications of textiles such as technical textiles, which are growing roughly at twice the rate of textiles for clothing applications, and now account for more than half of textile production. The processes involved in producing technical textiles require expensive equipments and skilled workers, and are for the moment concentrated in developed countries. Nature and scale of skill gap vary across different segments of the industry. Skill gap is far more severe in garment and technical textiles sectors. The gap is also found in terms of efficient management systems, for instance, indigenous CAD/CAM skills and efficient enterprise management, including ERP systems. These are capabilities that serve as a key to move up the value chain. Lot more remains to be done to upgrade the capabilities of personnel working in the industry at various levels.

3. **Brand Promotion and Eco-labelling**: Brand Promotion is an important step for market penetration. Acquisition of brands by Indian companies is another strategy for promoting exports. Ecolabelling is emerging as one of the requirements for global competitiveness of T&C industry. Through such third
party accreditation or certification, companies adhere to comply with the environmental standards, quality standards, and social standards. Indian T&C industry requires government support to move in this direction.

4. **Encouraging Foreign Direct Investment (FDI):** FDI facilitates technological advancement and capacity expansion, and brings in the latest technical know how, latest manufacturing practices and processes, managerial expertise, latest marketing techniques, latest fashion designs and styles, etc. FDI inflow to this sector so far is very low. Special efforts need to be made to improve the situation. Special Economic Zones and Integrated Textile Parks are important programmes inviting FDI for technological advancement and development of integrated processes.

5. **Regional Trade Agreements, and Comprehensive Economic Cooperation, and Partnership Agreements:** India has been pursuing in recent years regional trade agreements, and Comprehensive Economic Cooperation and Partnership Agreements with regional groupings as well as individual countries in different continents, covering developing and developed countries.

These are supplementing the multilateral trade agreements covered by WTO. These will serve as a link between developing and developed countries, and will result in country to country cooperation in many directions, including trade in goods and services, investment, flow of advanced technologies, and technology transfers. Trade between countries will receive boost in many sectors. While India needs to maintain consistency in negative lists with regard to agreements with different countries to effectively protect its domestic industry, It is also crucial to address the issue of non-tariff barriers especially while engaging in agreements with developed countries.

6.10 **Scope for Further Research on Indian Foreign Trade with Focus on Cotton Textiles**

Review of literature and bibliography as presented in this study reveal the wide variety of areas and dimensions in which research has been carried out on foreign trade of India in different parts of the country. After examining various aspects of coverage, the present study focused on **Foreign Trade of Cotton**
**Textiles**, as the scope of the present study, and preferred to study in-depth developments in the textile industry with limited scope, in relation to cotton and non-cotton segments for low value added and high value added product groups, in the backdrop of the trends and policies of the overall foreign trade of India in recent years from 1994. The period selected for the study was linked with the implementation of the Agreement on Textiles and Clothing (ATC) of WTO, which was in operation during January 1995 to December 2004. ATC period and post-ATC period are the major landmarks for analysis. ATC period has also been divided into first phase and second phase of five years each. Markets covered for analysis are largely developed countries and developing countries relevant for Indian textile exports and imports. The study is based on data and literature available from secondary sources. Scope for further research is suggested along the following lines that can be pursued at the national level. Studies can also be done at regional and industry group level, and in clusters of industries in select regions with specific foci. They can rely largely on secondary data, and can also be based largely on primary data from industrial enterprises. Studies based on secondary data can be carried out for recent periods from mid-1990s. Primary data based studies can cover at least a five-year period, namely, post-ATC period.

1. Cotton and non-cotton textiles trade in specific regions of the globe on the basis of regional groupings such as SAARC, ASEAN, EU, North America, Middle East, GCC countries, CIS countries, Latin America, etc. or can even be country-specific.

2. Studies can be on specific product groups such as RMG, textiles other than RMG, fibre, yarn, fabric, or cotton component of these product groups. Similarly other natural fibres can also be covered for different product groups.

3. Cluster studies in RMGs, technical textiles, man-made fibres, organic cotton linked industries are gaining importance in view of the high potential for their development in the emerging scenario.

4. Studies in public sector or private sector enterprises, large enterprises, micro, small and medium enterprises, and in decentralised industries in the textile value chain.
5. Studies can also be based on specific functional areas of management in clusters of different product groups. The areas covered can be finance, marketing, human resource development, entrepreneurship development, etc. Inter-firm comparison and competitiveness of the product group in relation to other Asian developing countries, etc. can be pursued based on secondary data.

6. Entrepreneurship in international business and for retailing are also emerging areas for fruitful investigation.