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Editorial Note

Management as a concept is discussed in all functional areas. The scope is not just restricted to the industries but becomes applicable to almost all the sectors such as agriculture, industries, services and the entire economy. In all these areas the resources being employed by the entrepreneurs are fundamentally scarce. They are not only scarce but can be used for multiple purposes. So there arises the problem of decision making and effective utilization of the resources. Management in particular attempts to provide an answer to this fundamental problem faced in the different sectors. In this process of decision making, the role of leadership gains prominence.

In the present issue, we include the research study conducted on the leadership. The paper highlights the point that the need of the hour is transformational leadership. In other words we require a leader who can think innovatively and give a new direction to the people and resources for being placed on higher growth path. The second article uses statistical techniques to study the level of development . The article develops few hypotheses and employs scientific techniques to verify these hypotheses with respect to development. The third article focuses on the understanding the trends and variations in the exports of India. By using the graphical method the author brings an insight into the export canvas of the country. Consumer behavior issues with regard to the trade practices are examined in the last article. The case study and the book review are the features of the journal that are being continued in the present issue. The articles, case study and the book review would help in giving new direction to researchers in the respective fields.

Dr. T. V. G. Sarma
Editor

Regional Disparities in Human Development of Andhra Pradesh: A Statistical Verification

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Abstract : In this paper the author assesses the regional disparities in human development in Andhra Pradesh and the possibility of convergence of regions in terms of human development during the early 1990's and early years of this decade. To accomplish this task the dummy variable regression model was applied. Estimation results shows that during the early 90 are the regional disparities in terms of human development are not prominent where as during the current decade there is a clear tendency towards widening regional disparities. The convergence of regions in terms of human development is not visible. It was also revealed that the economic reforms period witnessed the widening of regional disparities in terms of human development in the Sate.

Key Words : Human Development, Dummy Variable, Regional Disparities

1.0 Introduction

The traditional notion of economic development as indicated by increase in per capita was severely criticized for its inadequacy as a sole measure of a society's progress. Some economists argued that the concept of development should be more comprehensive and go beyond the mere material dimension of increase in per capita income, complemented by the non-material dimension (like levels of education, status of health and access to basic amenities). Thus it is felt that development, apart from income should relate to general well-being and economic capabilities of the people. It was contended that, human development is more important than growth in per capita GNP. This is the human development approach to economic development. Human development is about putting people at the centre of development. It is about people realizing their potential, increasing their choices and enjoying the freedom to lead lives they value.

2.0 The Research Problem

The Human Development Index (HDI) has been used since 1990 by the United Nations Development Program to rank countries by level of "human development". The HDI attempts to assess levels of human development in a country by using three major indicators: life expectancy, educational attainment, and per capita GDP. The Planning Commission of India prepared and published the first HDR of India in 2001 in which all the Indian states are ranked in the order of their achievement in terms of HDI that reflect their human development. Thereafter the Planning Commission has also been encouraging state governments to produce their own Human Development Reports. The Andhra Pradesh Human Development Report, 2007 is one of these state level human development reports. This report has constructed district level human development

indices for the early 1990s and the early years of this decade in the state. Against this background, the present paper aims at assessing the inter regional disparities in human development of Andhra Pradesh as captured by the human development index values of various districts in the four geographical regions of the state and also to observe whether there is any convergence across regions of the state in human development.

3.0 Review of Literature:

There are a number of studies on regional disparities in development both at national and state level. Rao,C.H.H(2006) discussed at length the causes and consequences of growing disparities in India in the post economic reforms period. The paper by Subrmanyam(2003) analyses the causes and remedies for regional disparities in Andhra Pradesh during the period 1980-2000. The Paper by Prathap Bharthal, Harvinder Singh and Shiv Kumar (2009) investigates the process of convergence and catching-up among major Indian states during 1980/81–2004/05. N.J. Kurien (2001) makes a comparative analysis of the emerging trends in fifteen major States in respect of a few key parameters which have an intrinsic bearing on social and economic development. The paper of Bhattacharya and Shakthivel (2008) analysed the growth and disparity among the major states of the country in the post and pre economic reforms period. Using of ANOVA model for verifying statistics of regional variations in human development is not done in earlier studies, therefore an attempt is made by the author in this direction in the present study

4.0 Research Methodology

To analyse the regional variations in human development levels of A.P, the state was divided into four geographical regions, namely, North Coastal Andhra, South Coastal Andhra, Rayalaseema and Telengana and then the Dummy Variable Regression Model or ANOVA was employed to find out whether there is a statistically significant difference in the average human development levels among the four geographical regions of the state. The levels of human development are proxied by the human development Index. To distinguish the four geographical regions only three dummy variables D_1, D_2 and D_3 were used so that dummy variable trap is avoided. As it is well known, the region for which no dummy variable is assigned will be the reference or benchmark which in the present case is the South Coastal region. The intercept of the dummy variable regression model represents the average level of human development in the benchmark region and all variations in average human development levels across regions are assessed in relation to this. The dummy variable regression model can thus be written as:

$$Y_i = \alpha + \beta_1 D_{1i} + \beta_2 D_{2i} + \beta_3 D_{3i} + \epsilon_i \quad \text{——(1)}$$

Where Y_i = Human development Index of district i

D_{1i} = 1 if the district is in the Rayalaseema region

= 0 otherwise.

D_{2i} = 1, if the district is in Telengana region

= 0, otherwise.

D_{3i} = 1, if the district is in North Coastal Andhra

= 0, otherwise, ϵ_i = error term

The dummy variable regression model (1) is estimated for Period I (early 1990's) and Period II (early 2000's) separately so as to ascertain whether there is any significant difference in the improvement of human development across regions over time and the possibility of convergence among regions in terms of human development. The OLS procedure with robust standard errors was applied to take care of the hetroschedasticity problem The processing of data is done with the help of econometrics software package, **GRETL**.

5.0 Data Sources

The data on Human Development Indices for the various districts of Andhra Pradesh for both the periods under consideration was obtained form the Human Development Report 2007, Andhra Pradesh, prepared for Government of AP by Centre for Economic and Social Studies(CESS), Hyderabad.

6.0 Estimation Results:

Period I (early 1990s)

$$Y_i = 0.45333 - 0.061333\,D_{1i} - 0.053533\,D_{2i} - 0.157333\,D_{3i}$$

se =	(0.0167)	(0.0366)	(0.0337)	(0.0433)
t =	(27.06)	(-1.67)	(-1.58)	(-3.62)
P-value =	(0.000)***	(0.111)	(0.129)	(0.001)***

$R^2 = 0.422$

Period II (early 2000s)

$$Y_i = 0.58533 - 0.07908\,D_{1i} - 0.04603\,D_{2i} - 0.116\,D_{3i}$$

se =	(0.0133)	(0.0266)	(0.0313)	(0.042)
t =	(43.70)	(-2.97)	(-1.468)	(-2.76)
P-value =	(0.000)***	(0.007)***	(0.158)	(0.014)***

$R^2 = 0.458$

*** indicates significant at 1 percent level.

7.0 Analysis of Results

The regression results for period I shows that the average human development index for the South Coastal region is about 0.4533, for Rayalaseema region it was (0.45333 – 0.061333) = 0.392, for Telengana region it was (0.453333 – 0.053533) = 0.399 and for North Coastal region it was (0.453333 – 0.157333) = 0.296. Whether there is any statistically significant difference between the average human development levels of the other three regions from the mean human development level of the reference category (South Coastal region) can be inferred form the statistically significance of each of the slope coefficients. It is clear from the table that the estimated slope coefficients for Rayalaseema and Telangana regions are not statistically significant as their p values are 0.11 and 0.12 respectively. However the estimated slope coefficient of the North coastal Andhra region is statistically significant with a p value of only 0.001. The overall conclusion from these results is that statistically there is no significant difference in the average human development levels in the South Coastal, Telengana and Rayalseema regions of A.P. However the average level of human development in the North Coastal region of A.P is statistically significantly lower by about 0.15. Thus it seems that during the early 90's except for North coastal region the inter-regional variations in terms of human development among the various regions of A.P are no that pronounced. The North Coastal Andhra has achieved the lowest levels of human development among all the regions of the state during this period.

During the Period II, the mean human development index for the reference region, that is, South Coastal Andhra has shown substantial improvement as it moved up from 0.4533 in period I to 0.5853. However mean human development levels of Rayalaseema and North Coastal region during this period are lower at 0.506 and 0.467 respectively as their estimated coefficients are statistically significant. But the estimated slope coefficient for the Telengana region is not statistically significant indicating that there is no significant difference in its average level of human development from the reference region during the period under consideration. The overall conclusion is that during period II the regional variations in terms of human development across the various regions of A.P have increased compared to period I. Thus, the convergence in terms human development levels between regions across the state is not visible even though the Human Development Report of A.P (page 15) claims that there is such convergence across the districts. What is significant is that the period I and period II under consideration broadly corresponds to pre and post economic reforms period and the above results may be interpreted in this context. In that case the economic reforms seem to have accentuated regional differences in terms of human development also as it was the case with the per capita income index

8.0 Conclusion :

In this paper an attempt is made to assess the regional disparities in human development in Andhra Pradesh and the possibility of convergence of regions in terms of human development during the early 1990's and early years of this decade. The regions considered were North Coastal region, South Coastal region, Rayalaseema and Telengana. To accomplish this task the dummy variable regression model was applied. Estimation results shows that during the early 90 are the regional disparities in terms of human development are not prominent where as during the current decade there is a clear tendency towards widening regional disparities. The North Coastal region is the most backward in terms human development in both the periods under consideration. The convergence of regions in terms of human development is not visible. It was also revealed that the economic reforms period witnessed the widening of regional disparities in terms of human development in the Sate.

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Appendix

Human Development Indices of Various Districts of Andhra Pradesh

(Period I: Early 1990s and Period II: Early years of this decade)

Sno	Districts	Period I	Period II	D_1	D_2	D_3
		HDI	HDI			
1	Srikakulam	0.269	0.453	0	0	1
2	Vizayanagarm	0.236	0.402	0	0	1
3	Vishakahapatnam	0.383	0.553	0	0	1
4	East Godavari	0.411	0.586	0	0	0
5	West Godavari	0.448	0.607	0	0	0
6	Krishna	0.51	0.623	0	0	0
7	Guntur	0.49	0.599	0	0	0
8	Prakasam	0.409	0.532	0	0	0
9	Nellore	0.452	0.565	0	0	0
10	Chithoor	0.451	0.558	1	0	0
11	Kadapa	0.447	0.536	1	0	0
12	Ananthapoor	0.343	0.458	1	0	0
13	Kurnool	0.327	0.473	1	0	0
14	Mahaboobnagar	0.249	0.397	0	1	0
15	Ranga Reddy	0.452	0.61	0	1	0
16	Hyderabad	0.591	0.717	0	1	0
17	Medak	0.385	0.55	0	1	0
18	Nizamabad	0.383	0.504	0	1	0
19	Adilabad	0.361	0.488	0	1	0
20	Karimnagar	0.448	0.573	0	1	0
21	Warnagal	0.349	0.514	0	1	0
22	Khammam	0.42	0.559	0	1	0
23	Nalgonda	0.36	0.481	0	1	0

***Source**: Andhra Pradesh Human Development Report, 2007.*

Export Canvas Of Textile Industry

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"The textile industry players still admit that they have internal problem that is why banks consider it a high-risk sector"-Sigit Pramono

Abstract : One of the most primitive industries to come into survival in the country, the sector accounts for 14% of the total Industrial production, conduces to about 30% of the total exports and is the second largest employment creator after agriculture. The Indian Textiles Industry is an export intensive industry and about one third of its total production is exported in some form or the other, through export friendly government policies and positive effort by the exporting community. The 50 percent exports of the entire textile are the readymade garments, most of which is cotton, readymade garments and accessories. This is followed by handicrafts, Silk Products, Woolen Textile, Jute and Coir. The exports of textiles and clothing till 2004-05 have grown at a moderate pace. However there was registered sharp growth in 2005-06. Till 31st December 2004, export were regulated by a Quota an agreement a foreign country would give a quota saying that they would by a particular amount of textile from India On 1st January, 2005 (Post Multi Fiber Agreement) provision of free trade was made. Now all doors are open, opportunities are numerous and the product should be sent to any country that is willing to trade. There was further loss of 15% to 20% due to recession that struck the world in the year 2008. After recession period, textile export increased from in US$ 153018.22 million in 2008-09 to US$ 178751.43 million 2009-10.Endeavours has been made to explore textile industry to paint export canvas of globe. It also highlights export panorama of India and pin points the virus era i.e. recession's brunt on export. The author analyses the future horizons of textile exports with the help of predictions and assumptions made by trade pundits.

Key Words: Global Scene, Indian Scene, Recession Impact, Future Perspective

1.0 Introduction

Textile industry takes up an exceptional and important place in India. It caters to one of the most basic necessities of people and holds importance; maintaining the protracted growth for better quality of life. The biggest industry of modern India is the textile industry. It grabs industrial production over 20 percent and is strongly connected with the agricultural and rural economy. India's textiles and clothing industry is one of the mainstays of the national economy. It is also one of the largest contributing sectors of India's exports worldwide. If employments in allied sectors like ginning, agriculture, pressing, cotton trade, jute, etc. are added then the total employment is estimated at 93 million. The net foreign exchange earnings in this sector are one of the highest and, together with carpet and handicrafts, account for over 37 percent of total export earnings at over US $ 10 billion. The Vision Statement for the Textiles industry for

the 11th Five Year Plan (2007-12), inter-alia, envisages India securing a 7% share in the global textiles trade by 2012. At current prices the Indian textiles industry is bolted at US$ 55 billion, 64% of which services domestic demand. The textiles industry accounts for 14% of industrial production, which is 4% of GDP; employs 38 million people and accounts for nearly 12% share of the country's total exports basket.

1.1 Milestones

Export basket of Indian Textile industry went through roller coaster ride with prominent and appreciable small pebbles which ended into a comprehensive bundle known as milestones which are as follows:

- Exports of textiles and clothing products from India have increased steadily over the last few years, particularly after 2004 when textiles exports quota were discontinued.
- India's Textiles & Clothing (T&C) export registered robust growth of 25% in 2005-06, recording a growth of US$ 3.5 billion over 2004-05 in value terms thereby reaching a level of US$ 17.52 billion and the growth continued in 2006-07 with T&C exports of US$19.15 billion recording a increase of 9.28% over previous year and reached USD22.15 billion in 2007-08 denoting an increase of 15.7% but declined by over 5% in 2008-09 with exports of USD 20.94 billion. During 2009-10, the exports of T&C increased by over 5.60% and reached the level of USD 22.42 billion. Thus exports of T&C have denoted an increase of 60.14% in the last five years (2004-05 to 2009- 10). Indian T&C exports is facing various constraints of infrastructure, high power and transaction cost, incidence of state level and duties, lack of state-of-the-art technology etc.
- Readymade Garments account for almost 45% of the total textiles exports. Apparel and cotton textiles products together contribute nearly 70% of the total textiles exports.
- The exports basket consists of a wide range of items comprising readymade garments, cotton textiles, handloom textiles, man-made fibre textiles, wool and woolen goods, silk, jute and handicrafts including carpets.
- India's textiles products, including handlooms and handicrafts, are exported to more than a hundred countries. However, the USA and the EU, account for about two-third of India's textiles exports. The other major export destinations are Canada, U.A.E., Japan, Saudi Arabia, Republic of Korea, Bangladesh, Turkey, etc.
- The export of textiles and clothing aggregated to US$ 22.42 billion in 2009-10. The Government fixed the target for 2010-11 at US$ 25.48 billion. So far during the period April- September'10, exports of T&C have been achieved at USD 11.26 billion.

2.0 Materials And Method

For the purpose of in depth study the contents have been taken from relevant books and articles from Journals. The approach followed in this paper is purely based on secondary data. The materials used have at times been drawn from the website and analytical descriptive approach was used.

3.0 Results And Discussion

3.1 World Scene-The author collected few pictures of global export scenario in the following manner:

(I) Top Textile Exporters

Table 1: Top Textile Exporters

Data	1995	1998	2001	2004	CAGR
World	152.00	151.00	147.00	194	2.8%
China	13.92	12.82	16.83	33.43	10.2%
Italy	12.79	13.03	12.30	15.80	2.4%
Germany	14.38	13.67	12.20	15.60	0,9%
Hongkong	13.82	13.04	12.21	14.30	0.4%
United States	7.37	9.22	10.49	11.99	5.6%
Korea	12.30	11.28	10.94	10.84	-1.4%
Taiwan	11.88	11.16	9.92	10.04	-1.9%
France	7.46	7.57	6.50	7.70	0.4%
Belgium	7.88	7.50	NA	7.40	-0.7%
Japan	7.17	5.97	6.19	7.14	-0.1%
India	4.35	4.56	5.90	6.85	5.2%
Turkey	2.52	3.55	3.91	6.43	11.0%
Pakistan	4.25	4.30	4.53	6.12	4.1%
United Kingdom	5.16	5.43	4.70	5.90	1.5%
Indonesia	2.71	2.36	3.20	3.15	1.7%
Thailand	1.93	1.76	1.89	2.63	3.5%
Canada	1.38	1.92	2.16	2.43	6.5%
Mexico	1.28	2.03	2.09	2.24	6.4%
Switzerland	2.26	1.81	1.44	1.60	-3.7%%
Romania	0.18	0.20	0.20	0.60	14.5%

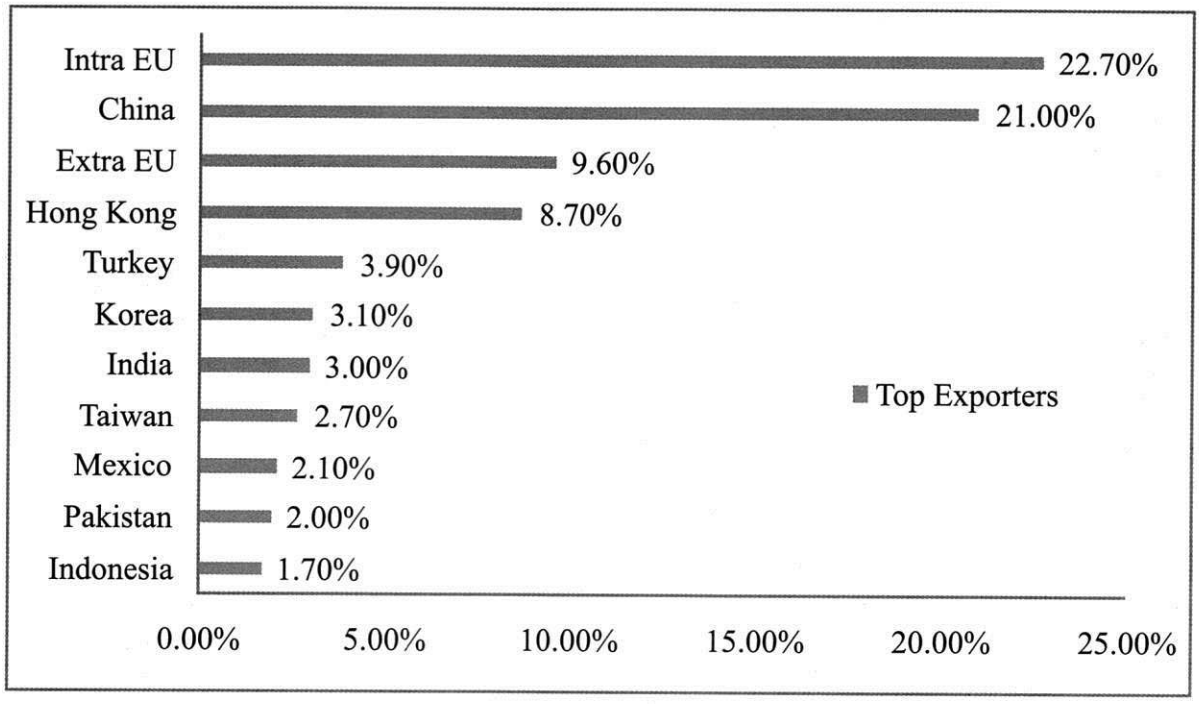
Source: WTO Trade Statistics & Technopak Analysis

Table 1 depicts the textile trade shift occurred mainly towards the Asian countries during the ATC regime. There is rise of Asian countries. If we compare the growth road of the globe of 4 yrs. China continued its growth story growing at 10.2% annually. Conversely, Hong Kong showed tiny growth primarily because a chief portion of Hong Kong exports constituted re-exports from China, with most of domestic Hong Kong manufacturers shifting to China. The other two East Asian biggies, Korea and Taiwan, continued the downhill drift of exports with relocation of its manufacturers to lower cost countries mainly to leverage quota advantages and lower factor costs. During this era the countries that emerged were the South

Asian countries i.e. India and Pakistan with 5.2% and 4.1% CAGR respectively. US, Canada and Mexico traverse on the NAFTA bandwagon with major intra trade helping high CAGR of around 6%. The EU countries like Germany, Italy, France, UK and Belgium sustained their exports with majority exports through Intra EU trade.

(II) Overall Textile and Apparel Exporters' Position

Figure 1: Top Exporters in T&A–Market Share (2004)



Source: WTO Trade Statistics & Technopak Analysis

Figure 1 gives the following output:

High Share Holders-China & US-Overall EU accounted for maximum share of world exports with significant intra-EU exports. Amongst individual countries China was the top exporter of T&A in the world. The competition matrix explained below identifies the major T&A exporters that emerged during the ATC period.

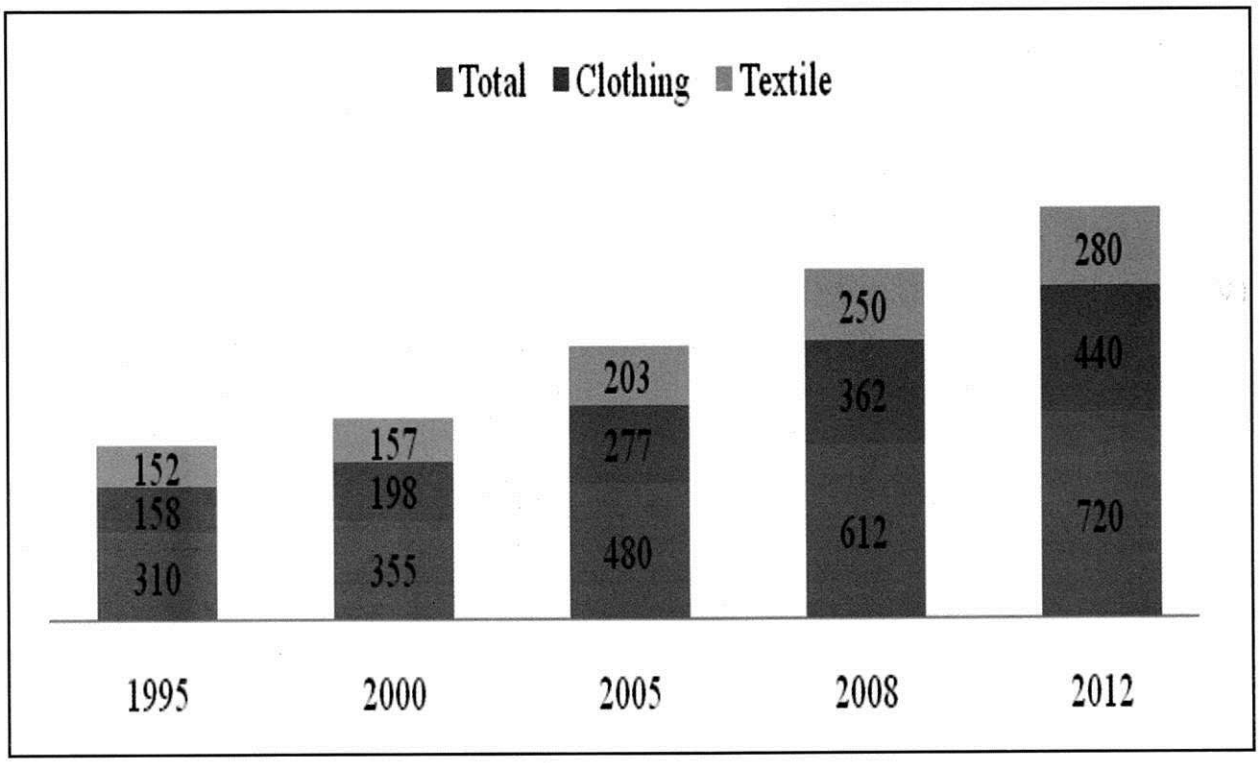
Low Share Holders-Turkey, Mexico, India, Pakistan, Tunisia, Canada & Thailand-China emerged as the single biggest exporter of textiles and apparel. US showed decent growth in textile exports mainly due to numerous FTA's with its neighboring countries, although apparel exports of US declined. EU & Hong Kong sustained their market share albeit with low growth.

Sustainers-EU, Hong Kong, Taiwan & Korea -In textile exports Turkey, Mexico, Tunisia, Thailand and Canada are the countries which showed high annual growth during the ATC regime, while in apparel exports Morocco, Bangladesh, Switzerland, Sri Lanka and Vietnam grew significantly. India and Pakistan showed substantial growth both in textile and apparel exports.

Decliners-Indonesia, Japan, Bangladesh & Switzerland Korea and Taiwan declined significantly both in textiles and apparel exports, While US declined in apparel exports. Also, Switzerland and Bangladesh declined in textile exports while Thailand and Philippines reduced their apparel exports during the ATC period.

(III) Leading to Increase In Global Textile & Apparel Trade

Figure 2 : World Trade in Textiles and Clothing (USD bn)



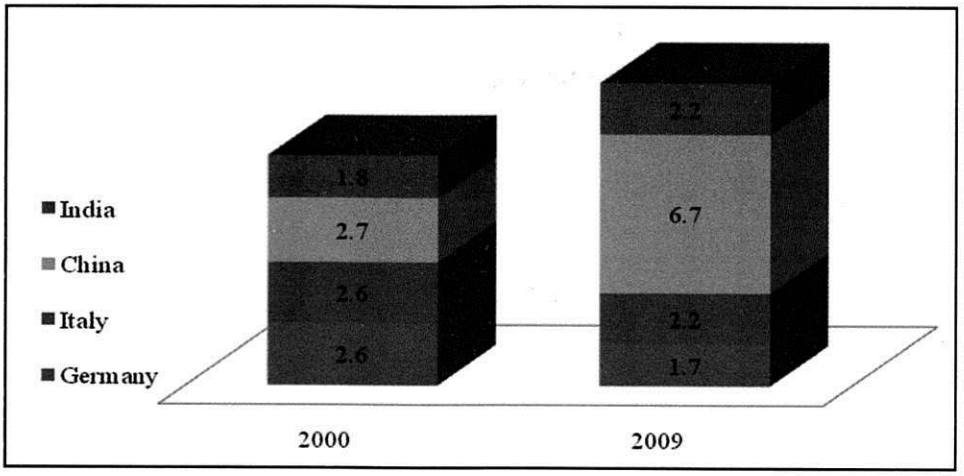
Source: WTO Trade Statistics & Technopak Analysis

Figure 2 shows growing world trade in textile and clothing offers significant opportunities for Indian T&C exports. If we look minutely, clear-cut growth of Textile & Clothing exports from 480 (2005) to 612 (2008) can be seen. The pundits of trade are anticipating its swift will be more progressive and reaching to 720 in the 2012 year.

Figure 3 stated that yarn export of countries like China, Italy, Germany and India, a comparison in two years 2000 & 2009.china has been the clear winner in both years i.e. 2.7(2000) & 6.7(2009).2.6 was the digit for Italy and Germany in the year 2000 which went down side in 2009 for both the countries -2.2 & 1.7 respectively. Coming to desi picture i.e. India, in 2000 the figure was 1.8 which went upward to 2.2 (2009).

(IV) Yarn Export

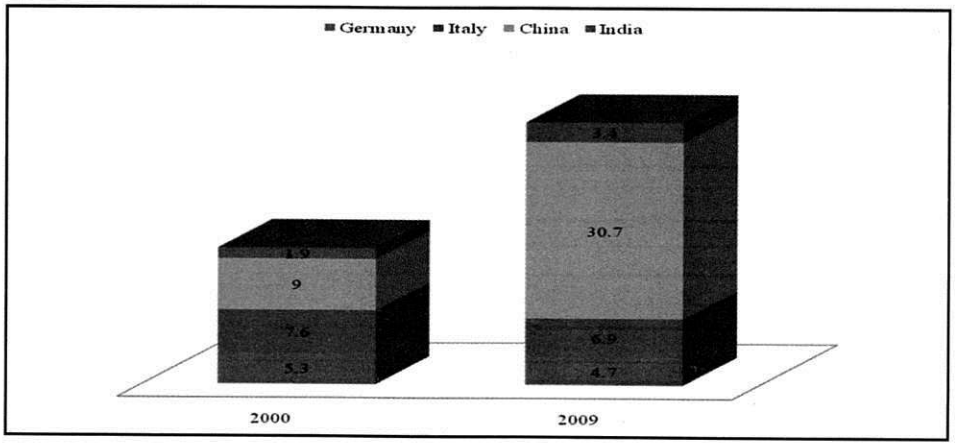
Figure 3: Yarn Exports of Major Countries *(US$ Bn)*



Source: www.ibef.in

(V) Fabric Export

Figure 4: Fabric Export Countries of Major Countries (US$ Bn)



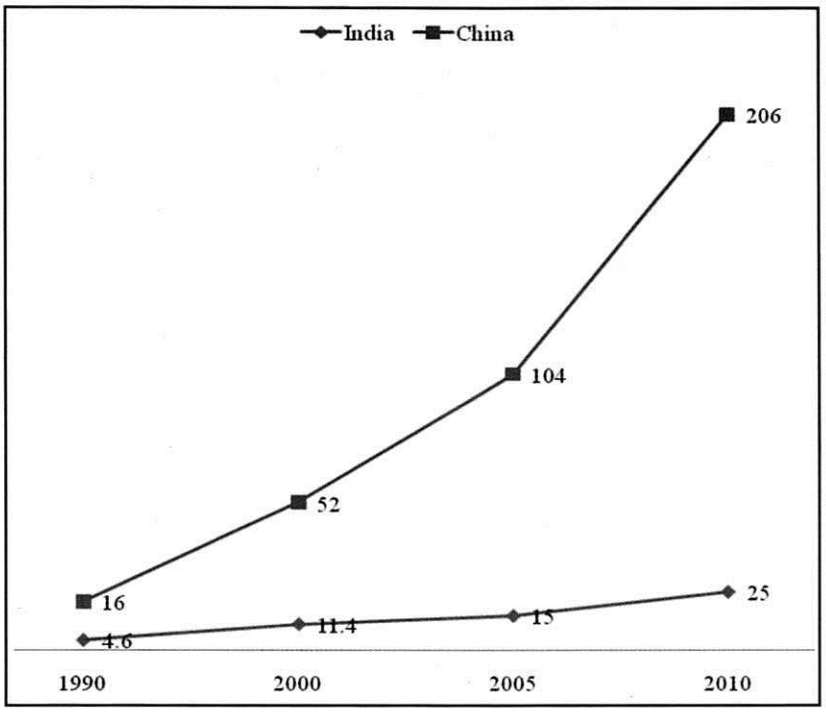
Source: www.ibef.in

Fabric export scene can be observed through figure 4. It explains the domination of China in both the years like 9 (2000) & 30.7 (2009).Figure also depicts that there is an opportunity for developing countries to rise their market. India in 2000 was at 1.9 which shoots up to 3.4 in 2009 which shows an opulent path for developing nations to progress in the coming years.

(VI) Comparison of China and India

China's Export of Textiles & Apparel is 8 times that of India's. Gap has grown wider in last 5 years after phase out of Quotas (Figure 5).It illustrates the journey of China (from 16 to 206) and its domination in comparison to India (from 4.6 to 25).

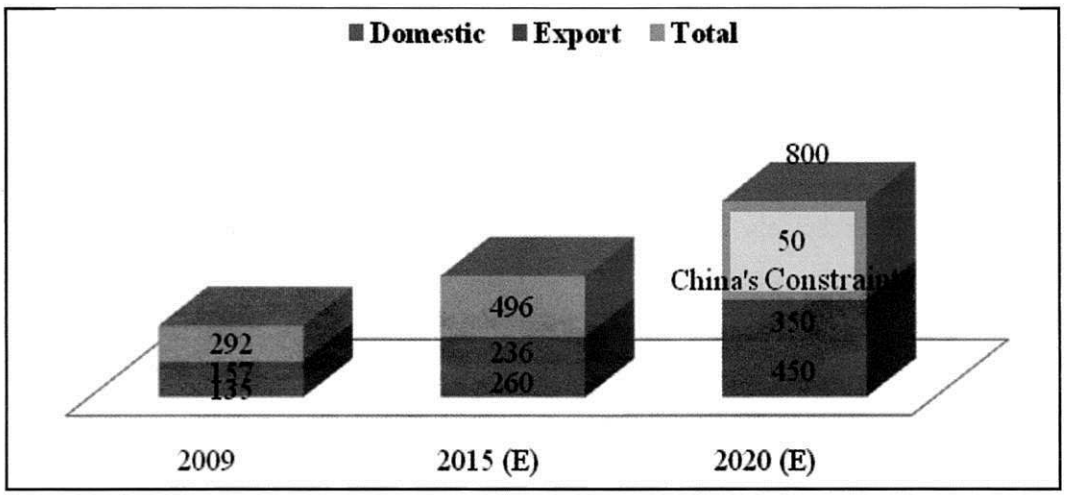
Figure 5: China's domination and comparison with India



Source: UN Comtrade, Technopak Analysis

(VII) Empire of China

Figure 6: China estimated exports



Source: www.ibef.com

Figure 6 depicts China will remain the biggest exporter but with rising costs and rising domestic demand, it may cede some export opportunity. An additional market opportunity of US$ 500 Billion is likely to be created by 2020 for/by China.

3.2 Indian Scene

Indian textile industry is one of the leading in the world. Currently it is estimated to be around US$ 52 billion and is also projected to be around US# 115 billion by the year 2012. The current domestic market of textile in India is expected to be increased to US$ 60 billion by 2012 from the current US$ 34.6 billion. The textile export of the country was around US$ 19.14 billion in 2006-07, which saw a stiff rise to reach US4 22.13 in 2007-08.the share of exports are also expected to increase from 4% to 7% within 2012.Author made an effort to jot down the Indian textile industry's export segment in collage form in the following manner.

(A) Export Scene

Table 2: Export Scenario

Export item	**Export value (2008–09) US$ billion(INR billion)**	**Share in total textiles exports (%)**
Cotton textiles	4.54(218.08)	22.64
Manmade textiles	3.14 (150.88)	15.67
Silk textiles	0.64 (31.06)	3.23
Wool and woollen textiles	0.45(21.99)	2.28
RMG	9.81 (471.1)	48.92
Handicrafts(including carpets)	1.02(49.39)	5.13
Jute	0.28(13.75)	1.43
Coir and coir products	0.14(6.80)	0.71

Source: Ministry of Textiles

From the table 2 it's precisely clear that three areas i.e. Readymade garments (RMG, 48.92%); cotton textiles (22.64%) & manmade textiles (15.67%) were the major share holders in export cabin.

(B) India's Export of major textile items

The above stated table 3 depicts the values of different commodities in 2009-2010 and 2010-2011 from April-July. Coming to grand total of both the years 327411.62 (2009-2010) & 342738.60 (2010-2011) with 4.68 % variation. Having a closer look to the picture, it shows the minus aspects faced by Readymade garments (RMG-13.26) and Handicrafts (-11.58).

(C) Textile Exports Statistics

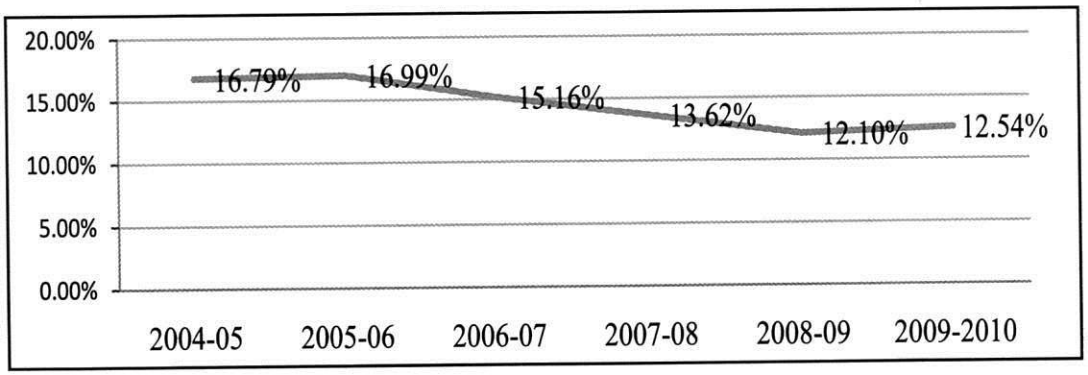
Textile exports statistics can be figured out from the figure 7 which illustrates that the curve going down wards from 16.79% (2004-05) to 12.54% (2009-2010).the lowest digits were in the year of recession i.e. 13.62% & 12.10% in 2007-08 & 2008-09 respectively.

Table 3: India's export of major textile items

COMMODITIES	(APRIL-JULY) VALUE(in MNS)		
	2009-2010	2010-2011	% VA RIATION
Fibre	15576.86	18753.09	20.39
Yarn/Fabric/Made ups	109771.58	139706.82	27.27
RMG	183509.17	159168.32	-13.26
Carpet	9801.18	12926.40	31.89
Jute	3368.16	7070.58	109.92
Coir & Coir manufacturers	2333.27	2415.33	3.52
Handicrafts (Excl. handmade crafts)	3051.40	2698.06	-11.58
Grand Total	327411.62	342738.60	4.68

Source: Foreign Trade Statistics of India (Principal Commodities & Countries), DGCIS, Kolkata

Figure 7: Percentage of textile exports



Source: Department of Commerce NIC & DGCI & S, Kolkata.

(D) Increase in global export share

Table 4 explains the export voyage of Indian Textile Industry from 1990 with 2.1% shares in its kitty with a uniform and smooth growth. Even in the recession it went up with struggling hands from 3.4% (2008) to 4.5% (2009). Assumptions are that with the growing world trade from 1990 to 2020, there is potential and opportunity for India to Reach US$ 80 Billion Exports by 2020.

(E) Good Opportunity for India to Increase Exports

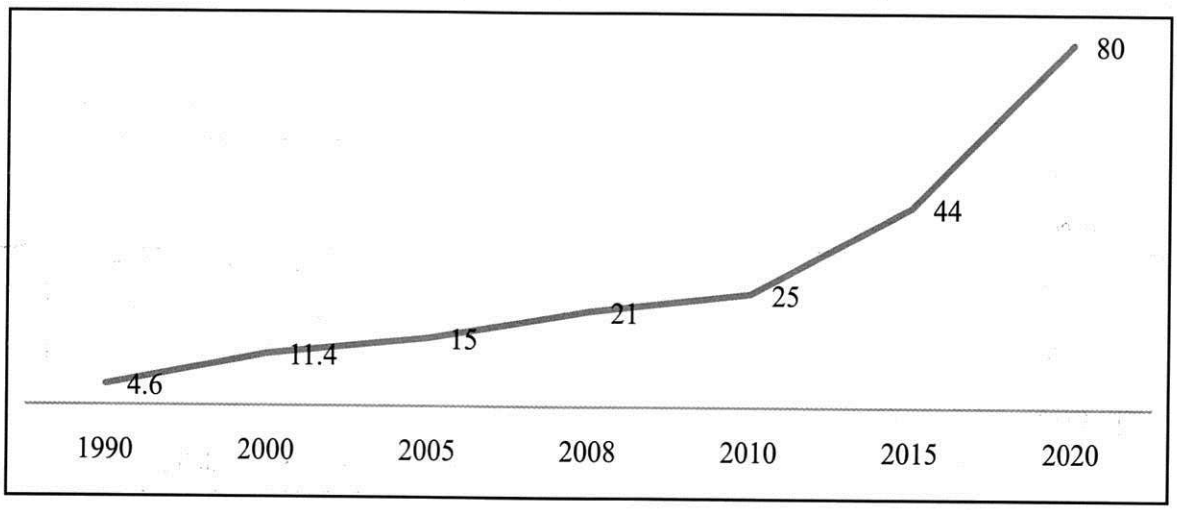
Figure 8 portraying that in spite of few hurdles that are being faced by Indian textile industry, still there is a good scope as well as opportunity for the trade to expand more. As predicted by trade experts India will reach to 44 (2015) & 80 (2020) from 25 in 2010.

Table 4: Increase in global export share

US$ billion	1990	2000	2005	2008	2009	2015	2020
World GDP	23,000	32,000	45,400	61,000	57,000	82,000	111,027
World Trade	4,338	7,902	12,752	19,344	15,341	24,600	33,308
World T&A Trade	213	353	486	612	510	800	1,000
China T&A Exports	16	52	104	175	157	236	350
India T&A Exports	4.6	11.4	15	21	23	45	80
India's Share In Global T&A Trade	2.1%	3.2%	3.1%	3.4%	4.5%	5.6%	8.0%

Source: www.ibef.in

Figure 8 : Good opportunity for India to increase export



Source: Ministry of Textiles, Technopak Analysis

(E) Increase in Indian economy

Table 5 gives a picture of Indian economy outlook is expected to touch 3.1 trillion in the next 10 years. In the last 10 years India has added $ 930 billion to its economy and will add almost double of that (about $ 1700 Billion) in the next 10 years. The Indian economy in 2020 is poised to become bigger than the current size of countries like France UK or Italy.

(E) Indian Cotton Scenario

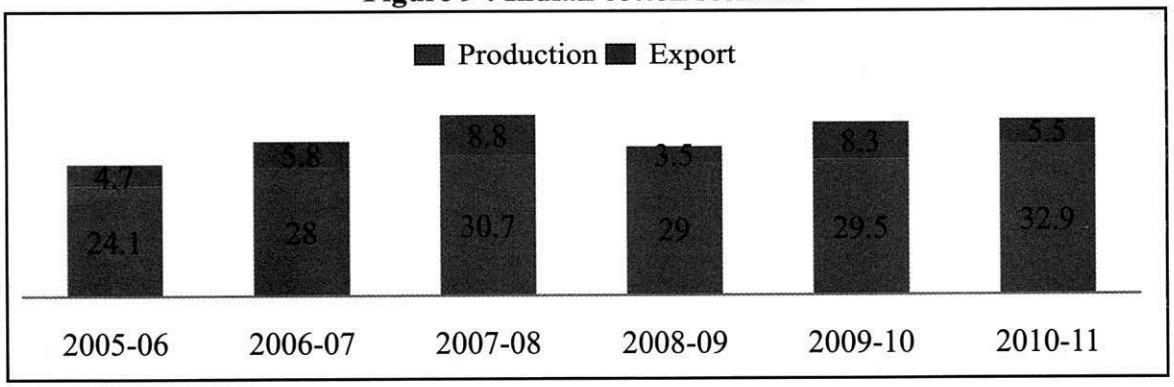
The figure 9 which demonstrates the Indian cotton scenario with microscope .The production in 2005-06 went from 24.1 to 32.9 in 2010-11. Looking at export segment it also shows roller coaster ride from 4.7 (2005-06) to 3.5 (2008-09) and 8.3(2009-10) to 5.5 (2010-11).Yield is volatile and increasing consumption of cotton in domestic mills has to be supported by either increase in cotton imports or calibrated cotton exports.

Table 5: Increase in Indian economy due to textile industry

GDP $ Trillion	2000	2010	2020
USA	10.8	15.7	18.0
China	1.3	5.6	13.2
Japan	5.2	5.5	6.4
Germany	2.1	3.6	4.3
France	1.5	2.9	3.3
UK	1.6	2.4	2.8
Italy	1.2	2.3	2.5
Brazil	0.7	1.9	3.1
India	**0.5**	**1.4**	**3.1**
Russia	0.3	1.7	2.7

Source: www.ibef.in

Figure 9 : Indian cotton scenario



Source: CAB, INDIA

3.3 Recession Time

Recession was the bug which gulps down various deals. It also affected the textile's business in terms of job loss, imports, exports etc. Following are few of the shells outspread to give a picture of the consequences faced by the export department of Indian Textile Industry.

1. Hit on Employment

84% units register fall in export orders and employment as per the survey done by Okhla cluster. The survey did during the month of November 2008 within the 50 units. The findings are as follows-

A. 9084 workers employed

B. 1258 job loss

C. 13.84% extent of layoff

D. 4593582 pcs. Order booked in Nov'07 to Jan'08

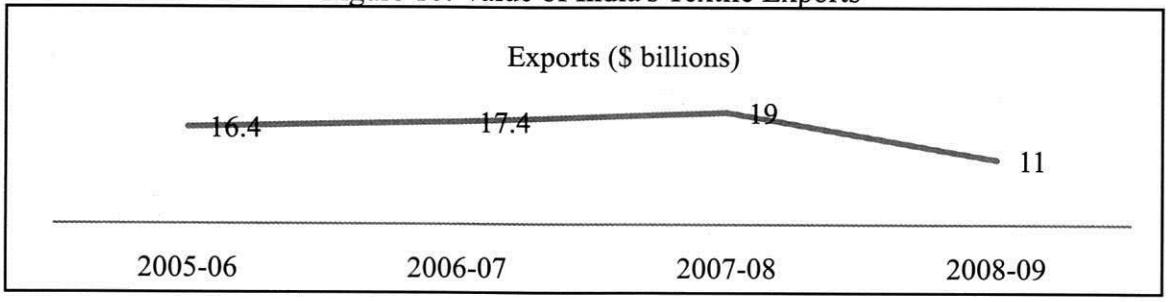
E. 3464812 pcs. Order booked in Nov'08 to Jan'08

F. 25% reduction in order booked during the same period

Some export companies had reduce their working hours, implementing 5 days a week instead of 6 days which resulted in reduced income levels of workers.

2. Value of India's Textile Exports

Figure 10: Value of India's Textile Exports

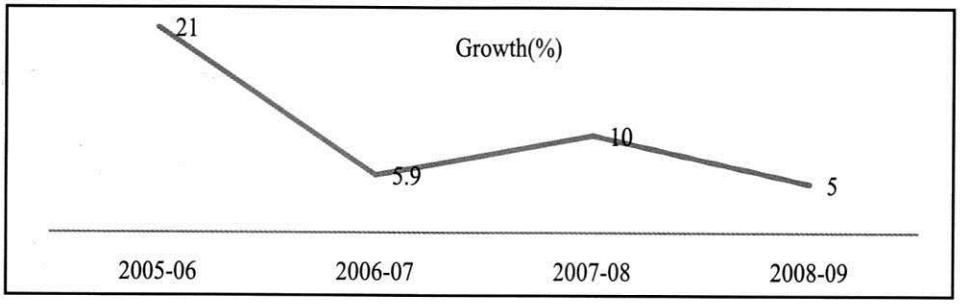


Source: CMIE

A detectable down turn in the figure 10 for the export value at the time of recession i.e. 2008-09.16.4 and 17.4 were the scores made by export unit in the years 2005-06 and 2006-07 respectively which proves the smooth and efficient sailing . Textile exports jumped to 19 in the year 2007-08 and faced an enormous downward fall to 11 in 2008-09.

3. Growth Rate of Indian Textile Exports

Figure 11: Growth Rate of Indian Textile Exports



Source: CMIE

The growth rate of Indian textile exports can be observed through Figure 11 which screens the smooth and simple pouring by export slice of India in textiles. It manifestly exemplifies the recession's hammer which nailed the frequency from 21 to 10 and then finally to its half i.e. 5.

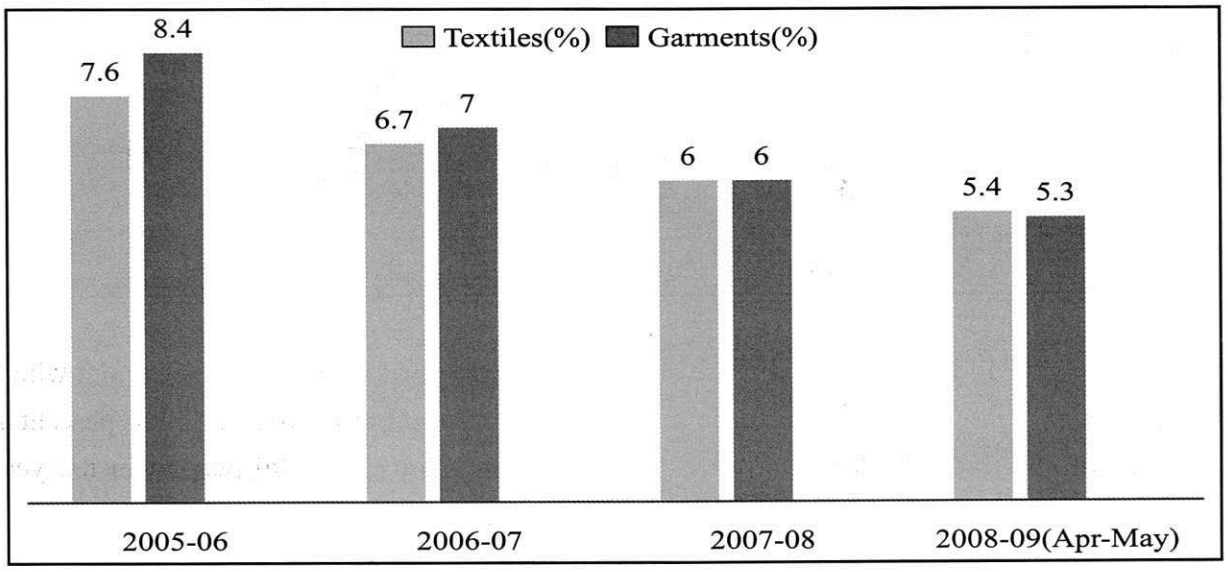
4. Share of Textile Sector in Total Exports in India

From the stated data it is apparent (Figure 12) that there is a snubbed path shown to exports shares in textile sector in the year 2008-09 in the months of April-May.

4.0 Analysis and Future Perspective

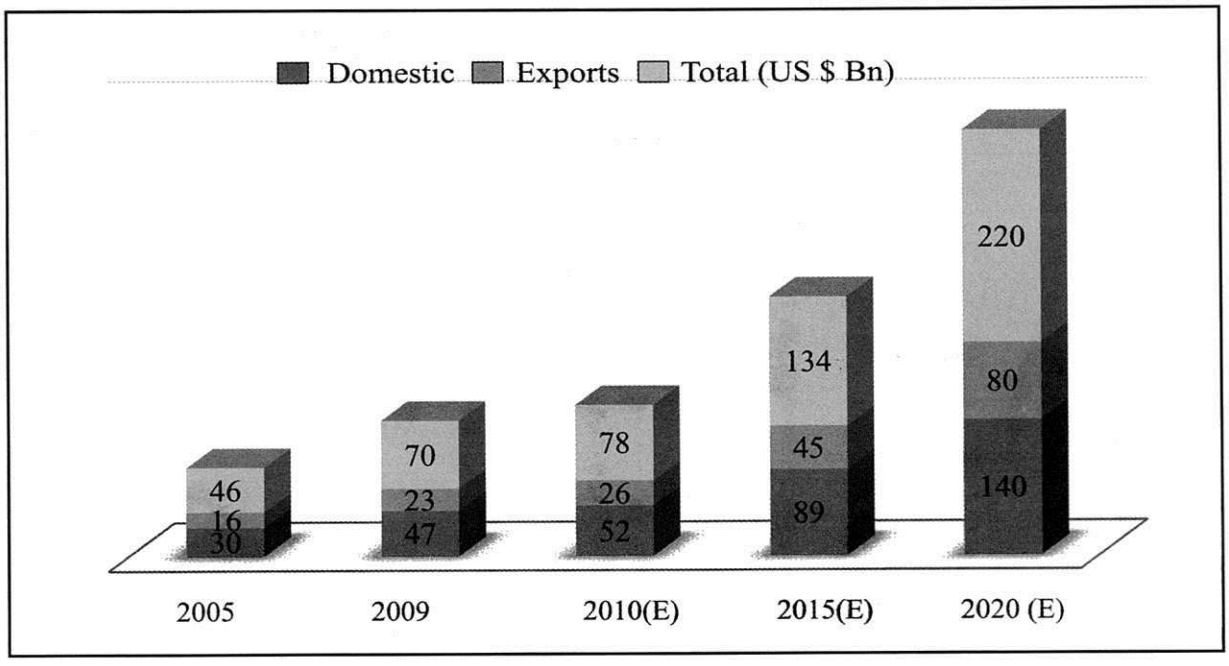
After having roller coaster voyage of export station of textile industry with special attention to India. The author jotted down following analysis by compiling the assumptions, expectations and predictions of trade pundits for futuristic perspective of textile industry.

Figure 12: Share of Textile Sector in Total Exports in India



Source: CMIE

Figure 13: Expected growth of Indian textile and apparel industry

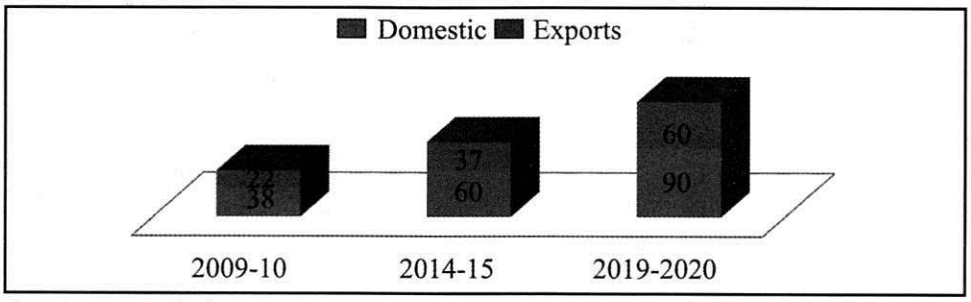


Source: (Vardhman Group (2010))

Figure 13 explain the Textile and Apparel Industry will grow substantially. The 46 digit in the year 2005 of total trade climbed to almost its double in the year 2010.Assumption and estimation given by textile industry gurus conclude- India's US$ 70 Billion Textile and Apparel industry has the potential to grow @ 11% US$ 220 Bn 2020.

- **Projected size of Indian textile industry**

Figure 14: Projected size of Indian Textile Industry (USD Bn)



Source: www.ibef. in

Looking at figure 14 it can be seen that the two shells of fibre consumption in domestic and export areas. Expectations are that domestic shell will hop equivalently. If we go little back in the year 2009-10 it was 38 digits and which tacit to have a leap and reaching at 60 percent in the year 2014-15 and 90 percent in the year 2019-2020.

- **Increase in global export share**

Table 6: Increase in global export share

US$ billion	1990	2000	2005	2008	2009	2015	2020
World GDP	23,000	32,000	45,400	61,000	57,000	82,000	111,027
World Trade	4,338	7,902	12,752	19,344	15,341	24,600	33,308
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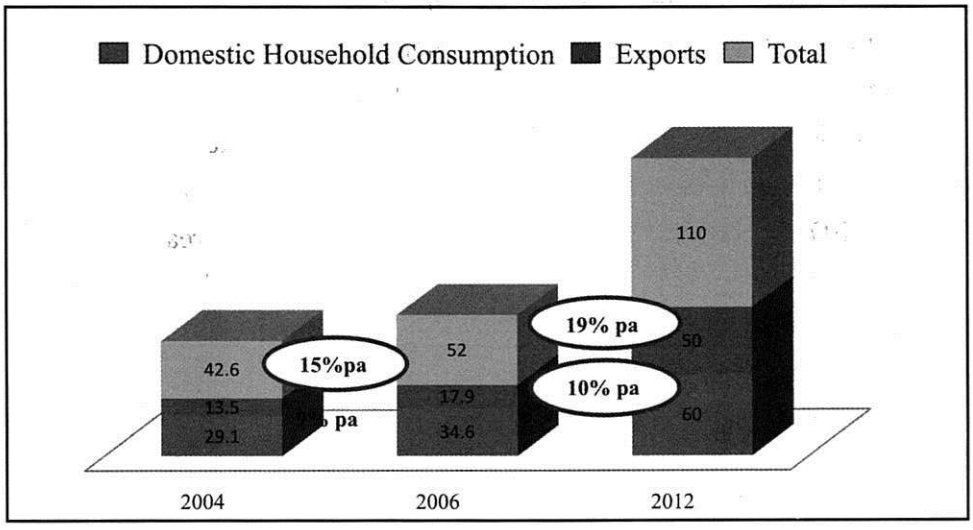
India's Share In Global T&A Trade	2.1%	3.2%	3.1%	3.4%	4.5%	5.6%	8.0%

Source: www.ibef.in

Table 6 enlightens the export passage of Indian Textile Industry from 1990 with 2.1% shares in its fund with an even and smooths growth. Even in the recession it went up with struggling hands from 3.4% (2008) to 4.5% (2009). Assumptions are that with the growing world trade from 1990 to 2020, there is potential and opportunity for India to Reach US$ 80 Billion Exports by 2020.

- **Market size potential for the industry is USD 110 bn by 2012**

Figure 15: Future market size of Indian Textile Industry



Source: CRISIL Estimates and Industry workshops

Figure 15 demonstrates the status of textile industry in three different capsules i.e. domestic household consumption, exports and total. In 2004 total of textile industry was 42.6 with 13.5 goes to export department which climbed to 17.9 and expected to reach at 50 by 2012 year.

- **Key Assumptions for in Indian Textile Industry in the coming future**

Table 7: Key Assumptions

Segments	Low Growth Scenario	Base Case Scenario	High Growth Scenario
Household consumption & export market size	USD 90 bn	US 110 bn	USD 120 bn
VOP of apparel & non -apparel industry	USD 61 bn	USD 76 bn	USD 83 bn
Yarn	7.6 bn kg	9.4 bn kg	10.2 bn kg
Fabric	78.8 bn sq mtrs	97.3 bn sq. mtrs	105 bn sq. mtrs
Garment	17.3 bn pieces	22 bn pieces	25 bn pieces
Total Investment Required	Rs. 1,22,000 cr.	Rs. 1,94,000 cr.	Rs. 2,27,000 cr.
Employment Generation potential	9 million	14 million	18 million

Source: CRISIL Estimates and Industry workshops

- **Low Growth Scenario**

  Export market size of USD 40 bn (6% share of world trade) & household consumption market (retail level) of USD50 bn.

  Growth in domestic apparel market (retail level) at 9% p.a. from USD 14 bn in 2005 to USD 25.2 bn by 2012.

- **Base Case Scenario**

  Export market size of USD 50 bn (7% share of world trade) & household consumption market (retail level) of USD 60 bn.

  Growth in domestic apparel market (retail level) of over 13% p.a. from USD 14 bn in 2005 to USD 33.4 bn by 2012.

- **High Growth Scenario**

  Export market size of USD 55 bn (8% share of world trade) & household consumption market (retail level) of USD 65 bn.

  Growth in domestic apparel market (retail level) of over 16% p.a. from USD 14 bn in 2005 to USD 40 bn by 2012.

5.0 Conclusion

India textile industry is one of the leading in the world and currently it is estimated to be around US$ 52 billion and is also projected to be around US$ 115 billion by the year 2012. India, the world's second largest producer and processor of raw fiber, is a wildcard in the current cotton market. Over the past decade, increased production has allowed India to emerge as the 2nd largest exporter of cotton. However, since April, India's use of various restrictions on cotton exports has greatly added to the volatility and uncertainty in the world cotton market. The share of exports is also expected to increase from 4% to 7% within 2012. By tripling the export of textiles and apparels, we can add more than 5 million direct jobs and 7 million indirect jobs in the allied sector, primarily in the cultivation of cotton. India has 24 percent of the world's share of spindles and is a big exporter of yarn, accounting for 25 percent of the cotton yarn trade globally. With more emphasis on growth in GDP, textile exports and employment opportunities, the Indian government has invested huge amounts in aiding the industry's growth by developing better infrastructure and networking. Impulsive and impeccable efforts are needed in cotton research, technology generation, transfer of technology, modernization and upgrading of ginning and pressing factories and an aggressive marketing strategy.

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