

## **National Manufacturing Competitiveness Council**

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**GOVERNMENT OF INDIA  
NATIONAL MANUFACTURING COMPETITIVENESS COUNCIL (NMCC)  
(MINISTRY OF COMMERCE & INDUSTRY)  
Vigyan Bhavan Annexe, New Delhi- 110011.**

**Notice Inviting Expression of Interest (EoI)/proposals for  
Undertaking a Study to Evolve Comprehensive Fibre Policy for India.**

The National Manufacturing Competitiveness Council (NMCC), an apex autonomous body set up by the Government of India to provide inputs for policy making as well as to suggest and help and implement measures for enhancing the competitiveness of the Indian Manufacturing Industry, invites Expression of Interest (EoI)/proposals from reputed consultancy organizations/research institutions having experience in undertaking similar studies in the area of Textiles and Garments to conduct a Study to Evolve Comprehensive Fibre Policy for the Textiles and Garments sector of India.

Interested parties may send their EoI/Proposal with Technical and Financial bids separately in two sealed envelopes to be placed in another sealed cover along with the prescribed earnest money and as per other details required for the study proposal given at the NMCC's website: [www.nmcc.nic.in](http://www.nmcc.nic.in) addressed to Shri. V. Anil Kumar, Joint Chief (Deputy Secretary), NMCC, Room No.235, Vigyan Bhavan Annexe, New Delhi, with in 20 days from the release of this advt.

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File No. 3(3)/2007-NMCC  
Government of India  
National Manufacturing Competitiveness Council  
(Ministry of Commerce & Industry)

Vigyan Bhawan Annexe, New Delhi-110011.  
Dated: The 11th September, 2008.

**Subject: Inviting Expression of Interest(EOI)/Proposals for conducting a Study to evolve a Comprehensive Fibre Policy for the Textiles and Garments sector of India.**

The National Manufacturing Competitiveness Council (NMCC), an Apex Autonomous Body set up under the Ministry of Commerce & Industry to provide a continuing forum for policy dialogue to energize and sustain the growth of manufacturing industries in India and to suggest various ways and means for enhancing the competitiveness of manufacturing sector including identification of manufacturing sectors which have potential for global competitiveness; current strengths and constraints of identified sectors, and recommend National level industry/sector specific policy initiatives as may be required for augmenting the growth of manufacturing sector intends to engage nationally/internationally reputed consultancy organizations and research institutions to conduct surveys/studies in the following subject as per subject/sector specific Terms of reference (ToR) given in the Annexure. The NMCC invites expression of Interest (EOI) from reputed consultancy organizations and research institutions to entrust a Study to evolve a Comprehensive Fibre Policy for India. The details of the study are as given below;

**(a) Study Background:**

The Indian Textiles and Garments (T&G) sector has envisioned a long-term growth plan to attain a market size of US\$ 115 bn, an export target of US\$ 60 billion so that it can achieve a global market share of 9% (from the present share of 4 %) in 2011-12 by attaining an annual growth rate of 16%. But, the average annual growth rate recorded for Textiles sector as per the IIP (total textiles) data during the period 2004-05 to 2007-08 is only 8.35%. However, the growth rates for import and export of yarns during 2006-07 have recorded 15.2% and 55.7% respectively as compared to the previous year, while the average growth rates in imports and exports of yarn for the period 2003-04 to 2006-07 were 10.8% and 29.13% respectively, indicating heterogeneous trends in the fibre scenario of the country. But, as per estimates, the projected additional requirement of fibre during 2011-12 is about 4,194 Million Kg. as compared to 2006-07. Thus, it is evident that there are intrinsic issues to be resolved in the fibre front for augmenting the production performance of the value added segments of the textiles value chain.

The man-made fibre sector of India requires special attention, as at present the fibre consumption is 60:40 between cotton and man-made fibres in contrast to the 40:60 ratios prevailing worldwide. To reverse this scenario concerted interventions may be required both from the industry in terms of augmenting investment and from the Government side in terms of support mechanism both fiscal and non-fiscal to attain the areas. This would result in facilitating the required fibre availability so that the ambitious growth target for the T&G sector can be achieved. Hence, it is imperative to

have a long-term vision and a structured approach to the fibre sector so that the envisioned production of textile items across the textiles value chain can be attained. Accordingly, the third HLCM had suggested to formulate a Comprehensive Fibre Policy (natural and man-made) with an objective to provide a sustained growth of both the fibre producing as well as the fibre consuming segments of the T&G sector. This, it was expected that could provide the impetus for the growing T&G sector of the country.

**(b) Purpose of the Study:**

Thus, it is proposed to be submitted that to arrive at a Comprehensive Fibre Policy a detailed study needs to be undertaken to examine the issues involved in devising the policy by looking into the various issues of inter-play in the sector including the fibre situation in the competing countries. The purpose of the study is primarily to come up with the necessary ingredients which would facilitate to evolve a Comprehensive Fibre Policy so that the above mentioned goals for the T&G sector can be attained without hindrances and delay. Further, to have a broader perspective to formulate the scope, approach and methodology to be adopted for a study, consultations have been held with the industry stakeholders and the Ministry of Textiles. Thus, a detailed Terms of Reference (ToR) has been formulated and the proposed study is to be undertaken as per the detailed ToR as given in the Annexure.

**(c) Approach & Methodology:**

The approach of the study should be broad based to have detailed interaction with key players in the industry and the decision makers to gather the necessary information by interacting with all the stakeholders concerned with the T&G sector which would help to evolve a Comprehensive Fibre Policy (CFP) and also formulate a roadmap for facilitating the growth of the Technical Textiles sector, an emerging potential segment. To meet this objective the study should proceed by examining the inter-play between the demand and supply mechanisms in terms of industry parameters like imports, domestic production, price, tariff and incentive issues, and factors determining the flow of investments for production of adequate fibre in the natural based as well as from the man-made segments, both in the immediate future and also with a long-term view. The detailed methodology to be adopted is given in the ToR.

**(d) Recommendations of the Study:**

The study is being undertaken with the sole purpose to provide the necessary input to formulate a comprehensive fibre policy. Thus the recommendations of the study would be formulated such a way that it would help to arrive at a medium to long-term policy instruments which could facilitate to strengthen various mechanisms to ensure the availability of the raw materials like cotton, man-made fibre etc. at affordable price, and ascertain the investment and other instruments for meeting the required growth rates in various segments of the textiles value chain in the medium to long-term.

**II. Submission of Bids**

Bids(EOI)/proposals are invited from reputed consultancy organizations and research institutions. The bids are to be submitted in two parts under:

*i. Technical bid consisting of all the technical details along with commercial terms and conditions covering the following specifications:*

(A). The technical bid should be submitted with the details of the approach and methodology for undertaking the study and the task-wise activities to be involved as per the terms of reference (TOR) for the study as given in the Annexure.

**(B). Criteria for evaluation of the firms:**

1. The consultants shall be short listed inter-alia based on their past experience of handling similar type of studies, strength of their manpower and financial strength of the consultancy firms. They will be evaluated/assessed broadly on the following criteria:

- i. General Criteria
- ii. Organisational structure and constitution;
- iii. Core business and duration of business;
- iv. Technical and managerial capability of the firm;
- v. Performance record of the last five years;
- vi. Methodology and work programme for the proposed assignments;
- vii. Experience in the field of assignment and qualification of key team members to be deployed in the work (full time & part time separately);
- viii. Likely time period indicated to complete and submit the report for each sector/subject.

2. The consultancy firms technical proposal (TP) will be evaluated (by the evaluation committee, CEC) by taking into account (i) the consultant's relevant experience for the assignment, (ii) the quality of the methodology proposed, (iii) the qualifications of the key staff proposed and (iv) capability for transfer of knowledge with the firm in the subject. The TP will be evaluated for the above criteria by awarding marks as per the requirement of the study.

3. The NMCC will not reimburse any of the expenses incurred by the Agency towards preparation of the EOI document, traveling cost, boarding and lodging incurred for attending any pre-bid/bid meeting or visiting the Council's Office for making the presentation. The NMCC shall, in no case, be responsible or liable for any such costs whatsoever, regardless of the outcome of the Expression of Interest (EOI) process.

4. The NMCC reserves the sole right to accept or reject any or all bids without assigning any reason therefore. NMCC at its discretion may invite any or all the bidders for discussion with a view to sort out any minor inconsistencies and seek clarification on both technical and financial aspects of the bids. Names and short CVs of the full time & part time researchers, including field of specialization of each of the proposed key personal to be deployed on the assignment (the CVs would need to be backed written commitment of the person of availability of his service). The CVs must be accurate, complete and signed by an authorized official of the consultant/consulting firm and the individual proposed. Methodology - A detailed plan indicating how it proposes to carry out each study in the specific sector/subject/area. The Plan shall include the rationale behind the intended methodology.

### (C). Time Schedule

1. The final report of the study is to be completed within 3 to 5 months time from the award of work (extendable by the NMCC at its discretion depending upon the requirements/justification). The following schedule needs to be adhered:

- (i) By the end of one month the party shall make a presentation of the inception report of the study to the NMCC.
- (ii) The first draft report of the study shall be submitted to the NMCC within two months from the date of award of the study after taking note of the points raised during the presentation.
- (iii) The final report shall be submitted within one month after receiving the comments from the NMCC on the Draft Report.

#### *ii. Financial bid indicating task-wise price for the tasks mentioned in the technical bid with full details/instructions.*

1. The technical bid and the financial bid should be sealed by the bidder in separate covers duly superscribed and both these sealed covers to be put in a bigger cover which should also be sealed and duly super scribed. The sealed bids should be submitted to Shri V. Anil kumar, Joint Chief (Deputy Secretary), NMCC, Room No. 235, Vigyan Bhavan Annexe, New Delhi - 110011 by 1700 hrs. by 6<sup>th</sup> Oct. 2008 along with refundable earnest money of Rs. 20,000 (Rupees Twenty Thousand Only) by way of demand draft drawn in favour of DDO, NMCC, New Delhi payable at New Delhi.

2. The financial bids of those only those firms will be opened who have scored a certain level of marks in the evaluation/presentation of the respective technical bids are found as per specifications stipulated by the technical valuation committee(TEC).

### III. Period of validity of Bids

Bid shall remain valid for a period of not less than three months after the deadline date for bid submission. A bid valid for a shorter period shall be rejected by the Council as non-responsive. The Council may request the bidder to extend the period of validity for a specified additional period in exceptional circumstances. During this time/period the Bidders will maintain without change, the personnel proposed for the assignment and the proposed price.

### IV. Earnest Money Deposit

The Earnest Money Deposit (EMD) of Rs. 20,000/- as indicated in the Notice Inviting Tender should accompany the technical bid by Demand Draft drawn in favour of DDO, NMCC, New Delhi and payable at New Delhi. The EMD would be forfeited if the bidder withdraws his bid during the validity period.

The details about the mandate/outreach of the NMCC, National Manufacturing Strategy Paper prepared and sectors covered for analysis/study by the Council are available at its website: <http://www.nmcc.nic.in>

(V. Anil Kumar)  
Joint Chief(NMCC)  
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**Terms of Reference (ToR)**  
**Study to evolve a Comprehensive Fibre Policy for India**

**1. Objective of the Study**

The objective of the study is to gather and arrive at the necessary ingredients so that a Comprehensive Fibre Policy for India can be evolved as the final outcome.

**2. Scope and coverage of the study**

The Study should cover the economic issues related to the main fibre raw materials like Cotton and Man-made fibres such as polyester staple fibre, polyester filaments, viscose staple fibre, viscose filaments, acrylic staple fibre and acrylic filaments and like silk, wool, jute and nylon and analyze the inter-play of various issues intrinsic to the sector.

The study should specifically examine;

- **Demand** and Consumption pattern of various Fibres in the major textile consuming countries like USA, EU Members, China(PR), India, Pakistan, Japan, Turkey, etc in the past(5 years) and in future(in different phases say next 5 year & 10 year period).
- **Supply side issues** related to various Fibre/raw material in international market such as;
  - (a) Issues on acreage, yield, and substitution by competing crops, prices, impact of bio-technological varieties of seeds on acreage / production w.r.t Cotton.
  - (b) Petrofed allocation - production, sustainability, technological and price related issues in the case of MMF / MMFY.
  - (c) Issues related bio-products like viscose & jute.
  - (d) Issues related to environmental impacts.
- Changes required/mechanism to be evolved to align Indian Production vis-a-vis Consumption patterns of various Fibres with the demand trends projected for the next 10 years in terms of;
  - Fiscal & Non-Fiscal Policy issues
  - Exim Policy & FTA, RTA related issues
  - WTO related policy issues
  - Synchronization with other policies and missions viz. Technology Mission on Cotton, Technical Textiles and Industrial Policy, Trade Policy, Technology Policy & Innovation Policy.
  - Incentives.
- Projection of future production trends of various type of fibre used in Technical textiles etc. in India as well as select competing countries e.g. China, India, Pakistan, South Korea, Indonesia, Thailand during the next 10 years.

- Fibre application/consumption for Technical Textiles and its projected growth.
- Estimation of additional production of fibres and the Investment required meeting the same in the domestic textile industry during the next 10 years.
- Issues and problems specifically relating to the fibre producing units and consuming patterns in India with reference to a select major producers and consumers of various fibres in the domestic market.
- Documentation and analysis of the Fibre policy instruments prevalent in major textile producing countries like US, China, India, Bangladesh, Pakistan, Vietnam, Indonesia, Sri Lanka, Turkey.
- Innovation and R&D position in Fibre and Fibre related areas in select Competing countries.

### 3. Approach & Methodology:

The study would gather the necessary information inputs from the various stakeholders of the T&G Sector and derive the mechanism to evolve a Comprehensive Fibre Policy (CFP) and formulate a roadmap for facilitating the growth of the Technical Textiles sector. The study would examine the inter-play between the demand and supply mechanisms in terms of industry parameters like imports, domestic production, and flow of investments for production of adequate fibre in the natural based as well as from the man-made segments, both in the immediate future and also with a long-term view.

The study would also look into in detail the following aspects;

- Customs duty pattern on all fibres.
- Excise duty pattern on all manmade fibres and their intermediaries.
- Issues on Production, export, and use of all fibres
- Availability of the required quantity of fibre at competitive price for the domestic sector.
- Encouraging augmentation of the use of man made fibre, fibres for technical textiles etc. in value added textile products for the export market.
- Fibre Quality and Prices:
- The cotton exports policy.
- The cost of production issues of the manmade fibre.
- The issues involved in the availability/installed capacity of the key raw materials in the domestic as well as in the competing countries in the T&G sector viz. (i)Cotton, (ii)Man-made polyester staple fibre, (iii)Man-made polyester filament, (iv)Viscose staple fibre & Viscose filament, (v)Acrylic staple fibre and Acrylic filaments, (vi) Silk, (vii)Jute and (viii)Nylon and (ix) wool.
- A critical review and analysis of the fiscal (Exim) policy, the trade policy and incentive mechanisms to be put in place from time to time(in a dynamic outlook) so that it will facilitate for the fibre availability on a medium to long time basis considering the fiscal regime in the Asian region.

#### 4. Deliverables:

##### (i) Presentation

The short listed applicants would be required to make a presentation of the technical proposal detailing their credentials and the proposal before the technical evaluation Committee of Officers constituted by the Council. The financial bids of those only those firms will be opened who have scored a certain level of marks in the evaluation/presentation of the respective technical bids are found as per specifications stipulated by the technical valuation committee(TEC) The exact date, time and venue of the presentation will be intimated separately to the firms. The selected firm will have to enter into an MOU/agreement with the NMCC as per the prescribed format for undertaking the study.

##### (ii) Inception report

An inception report presentation detailing the plan of action, parameters to be tracked and list of organizations and other stakeholders planned for primary survey contact is to be made within one month of the award of the study.

##### (iii). Draft Report

The study will provide a report to arrive a comprehensive fibre policy. Its recommendations should specify the initiatives and action to be taken in various segments of the textiles and garments sector so that a comprehensive Fibre Policy can be evolved. It should also help to arrive at a medium to long-term policy instruments which would facilitate to strengthen various mechanisms to ensure the availability of the raw material at affordable price, and ascertain the investment and other instruments for meeting the required growth rates in various segments of the textiles value chain.

#### 5. The payment schedule of the study will be as follows:

- 10% of the total cost of the study on signing up (startup cost)
- 40% after submission of inception report and its approval by the NMCC.
- 20% on submission of drat report
- 30% on submission of final report.

#### 6. Penal Clause:

The penal clause for the delay in submission of the Draft Report will be applicable. For any delay in submission of the Draft Report a penalty @2% per month of the total cost of will be applicable.