

LOK SABHA
UNSTARRED QUESTION NO.1181
TO BE ANSWERED ON 09.02.2017

PACKAGE FOR TEXTILE SECTOR

1181. SHRI JAYADEV GALLA:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state:

- (a) whether the Union Government has cleared Rs. 6000 crore package to textile sector;
- (b) if so, the details of the package and the extent to which the handloom weavers are likely to be benefited with particular reference to Andhra Pradesh and Telangana;
- (c) the details of the employment opportunities likely to be generated by the above package, State-wise;
- (d) whether some apparel manufacturing units have shifted to other countries such as China and if so, the details thereof and the reasons therefor; and
- (e) the steps taken by the Government to counter the same?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): Yes Madam. The details of package are given in Annexure I. The package was intended to boost employment generation, investment and to enhance textile exports in apparel sector. Apart from the package, Rs.612 crore has been allocated in the Financial Year 2016-17 to implement following schemes in the country including the states of Andhra Pradesh and Telangana for development and promotion of handloom sector:-

- (i) Yarn supply scheme/Mill Gate Price Scheme
- (ii) National Handloom Development Programme
- (iii) Trade Facilitation Centre and Craft Museum
- (iv) Handloom weavers Comprehensive Welfare Scheme
- (v) Comprehensive Handloom Cluster Development Scheme

(c): In textiles, every one crore rupees of investment generates an average of 30 jobs whereas in the apparel and made-ups segments, a minimum of 70 jobs are generated. The likely employment that may be generated through implementation of the package is estimated to be about 1 crore over the next 3 years. However, this is contingent on other factors i.e. overall economic growth, demand situations and competitiveness of the industry. State-wise estimates cannot be quantified.

(d): Some of the major apparel manufacturers have invested abroad; however, no report has been received from the industry indicating that apparel manufacturing units have shifted to other countries including China.

(e): Does not arise.

Annexure I

The Government has announced a special package of Rs 6,000 crores for apparel sector in June 2016 and for made-up sector in December 2016 for boosting the employment generation and export potential of Apparel and made-up Sector. Salient features of the package are:-

1. Labour Law Reforms

- a) Government to bear 3.67% of employer's Employee Provident Fund (EPF) contribution for new workmen in addition to existing reimbursement of 8.33% employer contribution under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) for 3 years for apparel and made-ups sectors.
- b) Pradhan Mantri Paridhan Rojgar Protsahan Yojana (PMRPY) guidelines formulated and circulated on 12.8.2016 for apparel. Office of Textile Commissioner has opened a web portal inviting applications for apparel units who are willing to avail this benefit. An amount of Rs. 30 crores for FY 2016-17 has been allotted to Ministry of Labour and Employment which has started disbursement for PMRPY for apparel.
- c) EPF is to be made optional for employees in apparel and made-ups sectors earning less than Rs. 15,000 per month.
- d) Overtime cap is to be raised from 50 hours per quarter to 100 hours per quarter leading to increased earnings of workers for apparel and made-ups sectors.
- e) Considering the seasonal nature of the industry, fixed term employment has been introduced for the apparel sector and notified on 7.10.2016. A fixed term workman will be considered at par with permanent workman in terms of working hours, wages, allowances and other statutory dues.

2. Additional incentives under ATUFS

- Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS was rolled out on 25.7.2016 for apparel sector and has now been extended to made-ups sector on 10.1.2017.
- The subsidy provided to apparel and made-ups units, under Amended-TUFS, is being increased from 15% to 25%, providing a boost to employment generation. The cap has also been raised to Rs. 50 crores.
- Apart from promoting the sector, subsidy is output based and will be disbursed only after the expected jobs are created after a period of 3 years.

3. Rebate of State Levies

- In a first-of-its-kind move, a new scheme called Scheme for Rebate of State Levies (RoSL) on export of garments has been introduced and notified on 12.8.2016 to refund the state levies which were not refunded so far.
- Drawback at All Industries Rate will be given for domestic duty paid inputs even when fabrics are imported under Advance Authorization Scheme for garments.
- Special Advance Authorisation Scheme for garments has been notified on 11.8.2016 for combining Advance Authorisation Scheme with All Industries Rates of drawback.
- The scheme has been approved to be extended to made-ups also.

4. Enhancing scope of Section 80JJAA of Income Tax Act for garment industry

- Looking at the seasonal nature of garment industry, the provision of 240 days under Section 80JJAA of Income Tax Act has been relaxed to 150 days for garment industry vide notification dated 8.9.2016. This provision will take effect from 1.4.2017.
