

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**STARRED QUESTION NO. 337.
TO BE ANSWERED ON MONDAY, THE 19TH MARCH, 2018.**

USE OF LABOUR INTENSIVE TECHNOLOGY

***337. SHRI RAM KUMAR SHARMA:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether till now only such industries have been developed and expanded in the country in which capital intensive technology has been used;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the industries which give priority to use of labour intensive technology where opportunities of maximum new employment are created, are needed to be developed and expanded in the country; and
- (d) if so, the details thereof along with the reaction of the Government thereto?

ANSWER

**वाणिज्य एवं उद्योग मंत्री (श्री सुरेश प्रभु)
THE MINISTER OF COMMERCE & INDUSTRY
(SHRI SURESH PRABHU)**

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 337 FOR ANSWER ON MONDAY, THE 19TH MARCH, 2018.

(a): No, Madam.

(b): Does not arise.

(c): Yes, Madam.

(d): Government has taken several initiatives to promote labour intensive industries in the country. Some of the initiatives are given below:

(i) Textile Sector

- Government has announced a booster package of Rs 6000 crores for the textile sector.
- Scheme for Rebate of State Levies (RoSL) to rebate the incidence of state levies on export of garments and made-ups to make exports more competitive in the global market.
- Additionally, interest subvention @ 3% per annum for pre and post shipment credit to exporters of garments and made ups.
- Enhancement of rates from 2% to 4% under the Merchandise Exports from India Scheme (MEIS) and Market Access Initiative (MAI) Scheme.
- Scheme for Capacity Building in Textile Sector (SCBTS) for skill development in the entire textile value chain.
- Amended Technology Upgradation Funds Scheme (ATUFS) for technology upgradation and Scheme for Integrated Textiles Park (SITP) for development of infrastructure.
- Scheme for development of Handloom sector such as National Handloom Development Programme (NHDP), Yarn Supply Scheme (YSS), Handloom Comprehensive Weavers Welfare Scheme (HCWWS) and Comprehensive Handloom Cluster Development Scheme (CHCDS)

(ii) Leather Sector

- Special package of Rs. 2600 Crore over the three financial years from 2017-18 to 2019-20 for implementation of Central Sector Scheme "Indian Footwear, Leather & Accessories Development Programme" for placement Linked Skill Development Training to unemployed persons; incentives for investment for new plant and machinery; modernization of existing plant and machinery; support for up-gradation/installation of Common Effluent

Treatment Plants (CETPs); brand promotion; and providing employer's contribution to Employees Provident Fund etc.

(iii) Food Processing

- Allocation of Rs.6,000 Crore for the period 2016-20 under "Pradhan Mantri Kisan Sampada Yojana" (PMKSY) for Mega Food Parks, Integrated Cold Chain and Value Addition Infrastructure, Creation / Expansion of Food Processing & Preservation Capacities, Infrastructure for Agro-processing Clusters, Creation of Backward and Forward Linkages, Food Safety and Quality Assurance Infrastructure and Human Resources and Institutions.

(iv) Gems & Jewellery

- With a view to promote the Gems and Jewellery sector, Government has taken steps such as setting up of Common Facility Centres for gems and jewellery sector; amendment of wastage and value addition norms for gems and jewellery items; and providing financial assistance for participation in international fairs, organizing buyer-seller meets, creation of export related infrastructure, etc. under various schemes of the Department of Commerce.
- The gems and jewellery sector have already set up world class modern and technology driven jewellery manufacturing and diamond processing factories in Santacruz Electronics Export Processing Zone (SEEPZ), Mumbai and Surat respectively. Gems and jewellery sector has also been effectively covered under Export Promotion Capital Goods (EPCG) scheme.

(v) Micro, Small and Medium Enterprises (MSME)

- Credit Linked Capital Subsidy Scheme (CLCSS) for Technology Up-gradation of Micro and Small Enterprises with an objective to facilitate technology up-gradation in Micro and Small Enterprises (MSEs) by providing capital subsidy of 15 % (limited to maximum of Rs.15.00 lakhs) on institutional finance availed by them for induction of well-established and improved technology in the specified 51 sub-sectors/products approved under the scheme. Maximum limit of eligible loan for calculation of subsidy under the Scheme is Rs.100.00 lakhs.

(vi) The Government has also taken following steps to promote employment generation:

- (a) A new scheme **Pradhan Mantri Rojgar Protsahan Yojna** has been launched in the year 2016-17 for incentivizing industry for promoting employment generation where the Government will pay the employer's contribution of 8.33% under Employee Provident Scheme (EPS) made for the new employees. The Government has further announced in the General Budget 2018-19, that it will

contribute 12 per cent of the wages of the new employees in the EPF for all the sectors for next three years.

- (b) In order to promote skill development, Government has started **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**. The Ministry of Skill Development & Entrepreneurship (MSDE) has trained more than one crore in 2017, out of 2.5 crores candidates under National Skills Qualification Framework (NSQF).
- (c) Government has also implemented **the National Career Service Project** providing a package of employment related services inter-alia consisting of a portal (www.ncs.gov.in) for online registration and posting of jobs for job-seekers.
- (d) **Pradhan Mantri Mudra Yojana (PMMY)**, a scheme to finance income generating small business enterprises was launched on 08 April 2015. The scheme has huge potential to generate self employment. Under the scheme, over 11.39 crore loans have been extended for an amount of over Rs 5.09 lakh crore till 02.03.2018 since inception of the scheme.
- (e) **“Start-up India”** is intended to build a strong eco-system for nurturing innovation and Start-ups in the country. Startup India Action Plan was launched on January, 2016 to accelerate spreading awareness of the Startup movement. Since the launch of the initiative, significant progress has been made. A Fund of Funds of Rs. 10,000 cr, has been to set up to support venture funding in India.
