

LOK SABHA
UNSTARRED QUESTION NO. 3748
TO BE ANSWERED ON 09/08/2018

“INDIAN TEXTILES”

3748. SHRI ANOOP MISHRA:

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

- (a) the details of the steps taken to boost the production of indigenous Indian textiles in the country;
- (b) whether the Government has taken steps to boost promotion and sales of indigenous Indian textiles abroad; and
- (c) if so, the details thereof?

उत्तर

ANSWER

वस्त्र राज्य मंत्री (श्री अजय टम्टा)
MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a) to (c): In order to boost the production of Indian textiles in the country and to promote the sales of Indian textiles abroad, the Government has taken a large number of initiatives. Some of the major policy measures and schemes implemented by the Government are given below:-

- i. **Enhanced Customs Duty to boost domestic manufacturing:** To boost indigenous production and Make in India, Government has increased Basic Customs Duty from 10% to 20% on 501 textile products under notifications dated 16th July 2018 and 7th August 2018.
- ii. **Amended Technology Up-gradation Fund Scheme (ATUFS):** The amended Scheme was launched in January 2016 with an outlay of Rs 17822 Crores for technology upgradation of textiles industry with one time capital subsidy for eligible machinery. The scheme has been designed to mobilize new investment of about Rs 95 000 cr and employment for 35 lakh persons by the year 2022.
- iii. **PowerTex India:** A comprehensive scheme for powerloom sector was launched in April, 2017 with an outlay of Rs. 487 crores for three years. This scheme has components relating to powerloom upgradation; infrastructure creation, concessional access to credit, etc. The scheme has been designed to attract investment of Rs. 1000 crores and employment to 10000 persons in the powerloom sector and will also result in higher returns to powerloom units.

- iv. **National Handloom Development Programme (NHDP) and National Handicrafts Development Programme (NHDP):** These programmes aim at holistic development of handloom and handicrafts clusters through integrated approach. The strategic interventions under the programme include financial assistance for new upgraded looms and accessories, design innovation, product and infrastructure development, skill upgradation, training, setting up of Mega clusters for increasing manufacturing and exports, easy access to working capital through customized Mudra loans for weavers and artisans and direct marketing support to weavers and artisans.
- v. **SAMARTH- The Scheme for Capacity Building in Textile Sector (SCBTS):** A new scheme with an outlay of Rs 1300 crores has been approved recently in December, 2017 for providing employment oriented training to 10 lakh people in various segments in textiles including one lakh in traditional sectors, by March, 2020.
- vi. **Silk Samagra:** Government of India has been implementing a Central Sector Scheme “Silk Samagra” for development of sericulture in the country with components such as Research & Development, Training, Transfer of Technology and I.T Initiatives, support to seed organisations, coordination and market development and, quality certification Systems (QCS)/ Export Brand Promotion and Technology Upgradation. R&D efforts have also been initiated to evolve new products by blending silk with other fibres such as wool, coir, cotton etc., which have demand in international markets.
- vii. **Scheme for Integrated Textile Park (SITP):** This scheme is implemented in Public Private Partnership mode to attract private investments in developing new clusters of textiles manufacturing. Government of India provides financial assistance up to 40% of the project within a ceiling of Rs 40 crores. 19 new projects were sanctioned from 2014 onwards.
- viii. **North East Region Textile Promotion Scheme (NERTPS):** This scheme promotes textiles industry in the North Eastern Region by providing infrastructure, capacity building and marketing support to all segments of textile industry. The scheme has an outlay of Rs. 500 crores during 2017-18 to 2019-20. Under Sericulture, 24 projects have been approved covering Mulberry, Eri and Muga sectors in all North Eastern States. The total cost of these projects is Rs. 819.19 crores with a Government of India share of Rs. 690.01 crores for implementation from 2014-15 to 2018-19. Further, eight Apparel & Garment Centres have also been set up in the North East. Under this Project plug and play Centres (factories), fully equipped with industrial garmenting machineries have been set up in each of the NE States and Sikkim. Each Centre is designed to generate employment for 1200 persons.
- ix. **Integrated Wool Development Programme (IWDP):** Government of India has recently approved IWDP for implementation during 2017-18 to 2019-20 after integrating and rationalization of various schemes for holistic growth of wool sector by providing

support to entire chain of wool sector from wool rearer to end consumer to increase the wool production as well as its quality.

- x. **Jute Sector:** A project Jute ICARE (Improved Cultivation and Advanced Retting Exercise) was introduced in 2015 for improving productivity and quality of raw jute through carefully designed interventions. The project has benefitted more than 1.33 lakhs farmers in various states in the country. Under, Jute Packaging Material (JPM) Act, 1987; norms of 90 % reservation for packing of food grains and 20% for packing of sugar in the Jute bags have been prescribed. Further, under the Incentive Scheme for Acquisition of Plants and Machinery (ISAPM) support is provided for modernization of Jute Industry and Jute Diversified Products Manufacturing Units.

Support for Sales of Indian Textiles abroad:-

- i. **The Export Promotion Councils (EPCs)** work in close co-operation with various organizations of the Government to promote the growth and export of their respective sectors viz. readymade garments, cotton, silk, jute, powerloom, handloom, handicrafts and carpets, in global markets. EPCs participate and organize fairs and exhibitions and standalone shows in India & overseas markets to enhance exports and access new markets.
- ii. **Special Package for Textile and Apparel sector:** Rs 6000 crores package was launched in June 2016 to boost employment and export potential in the apparel and made up segments. This package consists of Remission of State Levies for garmenting and made-ups; additional production and employment linked subsidy of 10% under ATUFS for garmenting; assistance for the entire 12% employers' contribution towards EPF; fixed term employment in garmenting, increasing overtime caps; and income tax concessions under section 80JJAA for the garmenting sector.
- iii. **Merchandise Export for India Scheme (MEIS):** This scheme was introduced under Foreign Trade Policy 2015-2020 to offset infrastructural inefficiencies and associated costs involved in export of goods/products, which are produced/manufactured in India, especially those having high export intensity, employment potential and to enhance India's export competitiveness.

The percentage of rewards varies from product to product and is in the range of 2-5% for most items. The Government has doubled rates for incentives under MEIS from 2% to 4% of value of exports for two subsectors of textiles industry- readymade garments and made-ups with from 01.11.2017 till 30.06.2018.
- iv. **Interest rate subvention:** Credit interest rate subvention for pre and post shipment was restored in 2015 for three years. The objective of this step is to provide financial assistance to the exporters against interest rates on loans from banks for the purposes like purchase of raw materials, their processing and converting into finished goods and packaging them.

The rate of interest equalization is 3% per annum on pre shipment rupee export credit and post shipment rupee export credit. The scheme is available to all exports of MSME and 416 tariff lines (for 4 digit HS codes) including 94 textile and apparel lines.

v. Market Access Initiative (MAI): The objective of scheme is to promote India's exports on a sustained basis. The scheme is formulated on product-focus country approach to evolve specific market and specific product through market studies/survey. The following activities are eligible for financial assistance under the scheme:

- Marketing Projects Abroad
- Capacity Building
- Support for Statutory Compliances
- Studies
- Project Development
- Developing Foreign Trade Facilitation web Portal
- To support Cottage and handicrafts units

vi. Textile India 2017:

The Ministry of Textiles organized a 3 day mega textile exhibition namely, Textiles India 2017 from 30th June to 2nd July 2017 at Mahatma Mandir, Gandhi Nagar, Gujarat. This event was inaugurated by the Hon'ble Prime Minister on 30th June 2017. The Principal objective of organizing the said mega event was to bring all segments of the Textiles sector under one umbrella trade event and showcase the strength of the Indian Textiles sector to the world. This event witnessed participation of buyers from 105 countries, international delegates and representatives and artisans and weavers.
