

LOK SABHA
UNSTARRED QUESTION NO. 607
TO BE ANSWERED ON 13/12/2018

“SHARE OF STATES IN DEVELOPMENT OF TEXTILE INDUSTRY.”

607. SHRI RAMSINH RATHWA:

Will the Minister of Textiles वस्त्र मंत्री

be pleased to state:

- (a) whether the Union Government has evaluated the share of various States including Gujarat in development of textiles industry/sector in the country;
- (b) if so, the details thereof;
- (c) the measures taken/to be taken by the Union Government to boost textiles sector in the country and to compete it with foreign countries along with cooperation sought from international countries' players in this regard;
- (d) whether the Union Government proposes to restructure its textile policies to achieve growth target rate set for the sector in coming years; and
- (e) if so, the details thereof and the steps taken in this regard?

उत्तर

ANSWER

वस्त्र राज्य मंत्री (श्री अजय टम्टा)

MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a) & (b) The share of various states including Gujarat in Textile Industry/Sector in the country is being maintained by the respective States Government. The Union Government provides / ensure conducive policy environment on Pan-India basis, facilitating in creating enabling conditions for the industry and private entrepreneurs to set up units through its various policy initiatives and schemes.

(c) to (e) In order to achieve growth, boost textiles sector in the country and compete it with foreign countries, 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. **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.
- ii. **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.

- iii. **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.
- iv. **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.
- v. **National Handloom Development Programme and National Handicrafts Development Programme :** 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.
- vi. **'India Handloom Brand'** Scheme has been launched by the Government in 2015 to enhance the quality in weaving, designing and defect free handloom products for safeguarding the interest of the buyers in the domestic and international markets. It will promote production of niche handloom products with high quality, authentic traditional designs with zero defect and zero effect on environment.
- vii. **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.
- viii. **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.
- ix. **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.
- x. **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.
- xi. **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.

- xii. **Jute (ICARE):** 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.
- xiii. **JUTE - SMART :** The Office of the Jute Commissioner has developed an end-to-end web-based platform for procurement, inspection and dispatch of jute bags which is transparent, rule based, simple to use and real time.
- xiv. **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.
- xv. **Enhancement of rates under Merchandise Exports from India Scheme (MEIS):** To further boost exports of apparel & made-up sectors, interest rates under Merchandise Exports from India Scheme (MEIS) has been enhanced from 2% to 4% for apparel, 5% to 7% for made-ups, handloom and handicrafts w.e.f. 1st November, 2017.
- xvi. **Interest rate subvention:** Credit interest rate subvention for pre and post shipment was restored in 2015 for three years. The Government has enhanced interest equalization rate for pre and post shipment credit for the textile sector from 3% to 5 % w.e.f. 02.11.2018.
- xvii. **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
- xviii. **Textiles 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 Gujarat. 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.

The above initiatives/ schemes are also aimed at setting up of new units as well as expansion of the existing units which have potential for generating large employment opportunities.
