

LOK SABHA
UNSTARRED QUESTION NO. 17
TO BE ANSWERED ON 21.06.2019

DEMAND MADE BY TEXTILE INDUSTRY

17. SHRI KODIKUNNIL SURESH:

Will the Minister of TEXTILES वस्त्र मंत्री

be pleased to state:

(a) whether the Government is aware of the demand made by textile industry to western retailers and Indian brands and retail chains to promote sourcing of materials from within India so as to help and support Indian textile clusters and to further enhance employment in the sector, if so, the details thereof;

(b) whether the Government is likely to consider promoting domestic textile clusters by engaging proactively with the retailer and brand chains to enhance local sourcing to boost productivity in garment hubs of the country;

(c) if so, the details thereof; and

(d) whether the Government has received any representation from garment sector and allied industry representatives in this regard, if so, the details thereof?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) To promote sourcing of materials from within Indian Textile Clusters by western retailers and retail chains, the Consolidated FDI Policy (Effective from August 28, 2017) provides following benefits:

- For Single Brand Product Retail Trading:- “In respect of proposals involving foreign investment beyond 51%, sourcing of 30% of the value of goods purchased, will be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors.”
- For Multi Brand Retail Trading:- “At least 30% of the value of procurement of manufactured/ processed products purchased shall be sourced from Indian micro, small and medium industries, which have a total investment in plant & machinery not exceeding US \$ 2.00 million.”

Further, to support Indian textile clusters and to further enhance employment in the Textile sector, 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. 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.
- iv. 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.
- 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.

- viii. **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.
- ix. **'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.
- x. **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.
- xi. India Australia collaborative project signed between Ministry of Textiles, Govt. of India and Department of Foreign Affairs, Govt. of Australia, with an aim to showcase garments, developed by Australian designers made out of handloom fabrics viz. Varanasi Banaras brocades, Ikat design, indigo handloom etc., on runway shows both in India and Australia in order to widen international market for Indian Handlooms. The activities defined in the MoU had since been completed.
- xii. **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 organizations, 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.
- xiii. **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.
- xiv. The Government has been organizing participation of Apex societies/clusters/IHB registered holders participation in International fairs /Reverse Buyer Seller Meets/ Buyer Seller Meets etc.

(b) to (d): To promote domestic textile clusters by engaging proactively with the retailer and brand chains to enhance local sourcing to boost productivity in garment hubs, an Memorandum of Understandings (MoUs) were signed between O/o D C Handlooms, Ministry of Textiles(GoI) and with the following Textiles Companies at Elephanta Caves, Mumbai on 28th January, 2019:

1. M/s Welspun India Limited
2. M/s Arvind True Blue Limited
3. M/s Raymond Limited
4. M/s Reliance Retail Limited
5. M/s Titan Company Limited

These MoUs envisage that the companies would be facilitated to develop interface with handloom clusters/pockets for sourcing their fabric requirements through facilitation by Weavers Service Centres and other organizations working in the Ministry of Textiles.

A Comprehensive Powerloom Cluster Development Scheme is in operation which aimed to create world-class infrastructure to integrate the production chain, to fulfil the business needs of the local Small and Medium Enterprises (SMEs) and to boost production and export with the objective of development of Clusters and improving the brownfield clusters.

In order to promote ease of doing business in the country, achieve the vision of generating employment and promoting exports through "Make in India" with "Zero effect and Zero defect" in manufacturing and promoting domestic textile clusters, the Government has also launched Amended Technology Up-gradation Fund Scheme on January 2016 with an outlay of Rs 17822 Crores to adopt innovative new technology in all the sub-sectors of textiles industry for technology up-gradation of the machinery by way of one time Capital Investment Subsidy for eligible benchmarked machinery for a period of seven years from 2015-16 to 2021-22. 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.

Every eligible individual entity (not the unit) is entitled for reimbursement of Capital Investment Subsidy on various Textiles segment viz. Garmenting, Technical Textiles, Weaving for brand new Shuttle-less Looms, etc.

Further, an additional subsidy of 10% is provided to the made-ups units enhancing the cap to Rs. 50 crore on the lines of SPELSGU under ATUFS subject to the achievement of the projected production and employment. The additional subsidy is disbursed after a period of three years. This is based on a verification mechanism linked to production volume, employment and turnover.
