

LOK SABHA
UNSTARRED QUESTION NO. 3308
TO BE ANSWERED ON 13.03.2020

CONTRIBUTION TO GDP BY TEXTILE INDUSTRY

3308. SHRI MANOJ KOTAK:
SHRI CHANDRA SEKHAR BELLANA:

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

- (a) whether the Government is aware that the textile industry contributes over 13 per cent of the industrial output and 2 per cent to the GDP of India;
- (b) if so, the details thereof;
- (c) whether the textile industries are experiencing pressure on exports in the past few years resulting in a fall in exports; and
- (d) if so, the details thereof and the steps taken by the Government to boost the textile industries in India?

उत्तर
ANSWER
वस्त्र मंत्री (श्रीमती स्मृति ज़ूबिन इरानी)
MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): Share of Textiles Sector to India's GDP and GDP of Manufacturing Sector (at Basic prices) are 2.2% and 12.22% respectively during 2017-18 as per the National Accounts Statistics, 2018.

(c) & (d): Textile industry is facing some pressures and problems in the past few years like technological obsolescence, high input cost (power & capital), poor credit access, fragmented units, absence of fibre neutrality etc.

In order to address pressures/problems faced by textiles sector, Government has taken number of steps to boost the textile industry's export and production which inter-alia includes the following:-

- 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 benefits for Single Brand Product Retail Trading and for Multi Brand Retail Trading
- **Export Promotion Councils** are promoted to participate and organize fairs/exhibitions and standalone shows in India & overseas markets to enhance exports and access new markets.
- **Special Package for Textile and Apparel** sector for 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.

- **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 to enhance India's export competitiveness.
- **Market Access Initiative (MAI)** is formulated on product focused country approach to evolve specific market and specific product through market studies/survey.
- **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.
- **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.
- **'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.
- **National Handloom Development Programme and National Handicrafts Development Programme:-** These programmes aim at holistic development of handloom and handicrafts clusters through integrated approach and provide 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.
- **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.
- **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.

- To promote domestic textile clusters by engaging proactively with the retailer and brand chains to enhance local sourcing to boost productivity in garment hubs, **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.
- Government launched **Amended Technology Up-gradation Fund Scheme** on January 2016 with an outlay of Rs 17,822 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.
- **Technical Textile** - Government announced for creation of a National Technical Textile Mission at a cost of Rs. 1480 Crore with a four year implementation period from FY 2020-21 to 2023-24 with a view to position the country as a global leader in Technical Textiles. The Mission will have four components namely a). Research, Innovation and Development, b). Promotion and Marketing Development, c). Export Promotion and Education, Training and Skill Development.
- Apart from the aforesaid programmes, Government has been implementing various schemes for boosting exports in the textile sector. These include Integrated Processing Development Scheme (IPDS), North Eastern Region Textile Promotion Scheme (NERTPS), etc.
