India Textiles: Growth Drivers

- The textile sector contributes 20% to industrial production, 2% to India’s GDP and 12% of the country’s exports earnings. With over 4.5 million people employed directly, the industry is one of the largest sources of employment generation in the country.
- India’s Textile Industry accounts for about 20% of the world’s spindle capacity and 30% of the global rotor capacity. India has the highest loom capacity (including handlooms) with 39% of the world’s market share.
- The domestic textile and apparel industry in India is estimated to reach US $100 billion by 2016-17 from US $67 billion in 2013-14. Exports in textile and apparel from India are expected to increase to US $65 billion by 2016-17 from US $38 billion (provisional) during 2014-15.
- A strong production base of a wide range of fibres and yarn from natural fibres like cotton, jute, silk and wool to synthetic man-made fibres like polyester viscose, nylon and acrylic.
- India enjoys a comparative advantage in terms of skilled manpower and cost of production over major textile producers. Abundant availability of raw materials such as cotton, wool, silk and jute and increasing demand for exports are likely to boost fibre production.
- Increased penetration of organised retail, rising per capita income, favourable demographics and a shift in preferences for branded products are expected to boost domestic demand increase and apparel production.

Initiatives to Boost Making Textiles in India

Infrastructure Scheme for Textile Industry

The Scheme for Integrated Textile Park (SITP) addresses infrastructural constraint of the Textile Sector and cluster-based. 100% provide assistance up to 40% of the project cost subject to a ceiling of Rs. 40 cr for common infrastructure and common facilities in new manufacturing clusters proposed by apex bodies set up by entrepreneurs.

22 new parks have been sanctioned in 2014-15 and 15-16. To promote industrialization in backward States, priority has been given to the proposals from less industrialized textile states in the selection process.
Technology Upgradation Fund Scheme (TUFS)

With a view to supporting the ‘Make in India’ initiative and promote employment, production and exports, the union government has launched the “Technology Upgradation Fund Scheme (TUFS)”. Under the scheme, Ministry provides capital subsidy at the rate of 50% subject to a cap of Rs. 30 crores.

- Investments in Garmenting and Technical Textiles will be eligible for Capital Subsidy at the rate of 50% subject to a cap of Rs. 30 crores.
- Segments of Yarn sourcing from new Shuttle less looms (including weaving, preparatory and knitting) processing, dyeing, silk and handlooms will get subsidy at the rate of 10% subject to a cap of Rs. 20 crores.

A budget provision of Rs. 17,022 crore has been approved for seven years from 2015-16 to 2021-22 to meet the committals liabilities of Rs. 12,571 crore and Rs. 3,951 crore for new cases under TUFS. It is expected that this scheme will attract an investment of Rs. 1,60,000 crore and generate employment of 30,521 lakh.

Skilling in Textile Sector

To bridge the gap of the skilled workforce in Textile sector the Ministry is implementing Integrated Skill Development Scheme (ISDS). Target is to provide 50 lakh additional skilled workers in the textile sector by 2022.

The scheme has been revamped with major emphasis on employment. Minimum 70% placement has been made mandatory under the scheme. During the last two years, about 2,69,000 persons have been provided employment in textile industry under ISDS. Training programmes have been interfaced with an online platform for easy implementation and monitoring.

The thrust of the implementation strategy is to partner with Industry in the skilling programme which ensures assured placement. A maximum subsidy of Rs. 30,000 per trainee is provided to the training partners under the scheme.

Technical Textiles

Focus Incubation Centers (FICs):

In order to help the potential investors to enter into technical textiles, Ministry of Textiles is setting up Focus Incubation Centers (FICs) in Centers of Excellence (CoEs) established under the Technology Mission on Technical Textiles (TMITT) scheme on a plug and play model. An amount of Rs. 17.45 crores has been released to six CoEs namely ATVRA, DECC, NIFRA, PSG College of Technology, SASTRA and STTAR for setting up of FICs. The FICs are entrusted with the following objectives and responsibilities:

- Industrial sheds with basic infrastructure/basic machinery may be made available to the prospective entrepreneurs for setting up their units for production on commercial scale.
- FICs may provide to new entrepreneurs “Plug and Play” model with mentoring by the concerned CoE for taking up the innovation on commercial scale. Once they get established they shall shift to their own facilities and the center will be made available to new entrepreneurs.
- CoEs have to establish the FICs in their areas within a time period of six months. There will be separate line of equipment for each entrepreneur. FICs would be run by entrepreneurs and not the CoEs.
- The CoEs will do the handholding of new entrepreneurs and extend the necessary support and guidance.

Integrated Processing Development Scheme (IPDS)

Textile processing clusters, dominated by SMJIs and Job Work units were facing closure under survey NIT order for environmental pollution issues. Ministry of Textiles, under the Integrated Processing Development Scheme, provides assistance to the industry cluster up to 50% of the project cost subject to a ceiling of Rs. 75 crores for Common Effluent Treatment Plants with Zero Liquid Discharge technology.

Vestibules is to support with the govt. or affected states and promoting formation of groups to seek assistance under the scheme. Five projects are sanctioned in 2015-16, providing relief to about 800 SMJIs and promoting zero defect in textiles processing. Ministry has taken initiative to document the best available proprietary options for effluent treatment and promoting R&D for cleaner processing, to find out commercially viable and environmentally sustainable technologies for the processing sector.
Handlooms

India Handloom Brand: With the view to promote handloom industry on a sustained basis, “India Handloom” Brand was launched by Hon’ble Prime Minister on 27th August, 2013, the first National Handloom Day to enhance the quality of handloom products in terms of raw material, processing, embroidery, weaving, design and other parameters besides social and environmental compliance. The main objective of launching the brand is to promote the production of quality products with new designs for winning the trust and confidence of customers by giving particular attention to the defect free, hand-woven, authentic niche products with zero defect and zero improvised environment.

Block Level Cluster Approach: A new block level cluster approach for supporting the handloom weavers was initiated on 2 blocks of the Varanasi-Uttar Pradesh-Cotton Benares cluster. A common facility centre (CFC) has been set up for training weaving, embroidery, handloom and weavers training, etc. It is supported by a full-time technically qualified staff. Design support is provided by the Weavers Service Centre, Varanasi and also, through a reputed private designer. This model has now been incorporated in programme guidelines of National Handloom Development Programme, and Mega Cluster Programme. 10K block level clusters have been sanctioned and an amount of Rs. 90 crore has been released under revised guidelines in year 2016.

Making of Jute Products

In order to promote manufacturing of jute products, Ministry of Textiles and the National Jute Board have taken several initiatives including the statutory support on mandatory jute packing, incentive scheme for acquisition of Plant and Machinery, Setting up of Common Facility Centres for manufacturing of Jute Diversified Products (JDPs) through Women Self Help Groups (WSHGs), Market Development Assistance, Setting up of a Jute Design Cell at National Institute of Design, Ahmedabad. Supply Chain support for JDP clusters, etc. The details of the support given to jute sector can be accessed at www.jute.com.

Making of Woollen Textiles

Ministry of Textiles and the Central Wool Development Board (CWDB) have initiated several programmes and schemes for the development and promotion of wool sector. These include the Partnership promotion programme implemented in the Ladakh region through Ladakh Autonomous Hill Development Council for improving the productivity and commercial value through training and R&D, high productivity pro ject, wool processing training for weavers and providing common facility centres including labs for wool testing, etc. CWDB is also implementing schemes such as development of indigenous shearing machines (through a project with JI, Delhi) for improving quality processing of wool, marketing of raw wool etc. The details can be accessed on woolboardnic.in.
Handicrafts

Under the “Linking Textiles with Tourism” programme, major tourist places are being linked with Handicraft Clusters and Infrastructure Support combined with soft interventions is provided to create awareness, value proposition for handicraft items and also create demand in domestic market. Government of India implements seven central sector schemes—Baba Ramdev Abheda Hastaksha Vikas Yojana, Design and Technology Upgradation Scheme, Marketing Support and Services Scheme, Research and Development Scheme, Human and Resource Development Scheme, Handicrafts Artisans Comprehensive Welfare Scheme and the Infrastructure & Technology Development Scheme—for holistic growth and development of handicrafts sector in the country. The details of the schemes are available at www.handicraftsin.nic.in.

Under “Linking Textiles with tourism” programme, Nagaon in Uttrakhand has been taken up for overall development with a sanctioned amount of Rs. 10.00 Crores with release of 3.00 crores under this programme during 2014-15. Other initiatives during the current year include sanction of Urban Haat at Chennai, Eluru (Andhra Pradesh) and support to 19000 artisans in Tamilnadu, 22800 artisans in Jharkhand and 22600 artisans in Uttar Pradesh.

Promotion of Textiles in the North Eastern Region

Under the North East Region Textile Promotion Scheme (NERTPS), the Apparel and garment making centers in North Eastern States are the first efforts of the government to bring modern garment industry in NE. The project was launched by the Hon'ble Prime Minister on 1st December 2014 at Nagaland.

Under the project, one such Apparel & garment making centers consisting three units of 100 automatic stitching and other garmenting machines have been sanctioned to each of the eight NE States with a total cost of Rs. 145.44 crores and Rs. 1.8 crores per center. The facility will be made available to entrepreneurs/apprentice having background in tailoring/fashion to run their units in a ‘plug and play’ mode. Each center is estimated to generate 1200 direct employment.

Initiatives in the Silk Sector

Several new initiatives have been launched in the Silk sector including promotion of import substitutes in the silk production, focussing quality silk worm,emand production through development of improved breeds of silkworm, promotion of best export technology innovations and promotion of varanasi silk as an eco-friendly organic silk to boost silk sector. Government of India is implementing an ambitious scheme viz., Integrated Scheme for Development of Silk culture with the following components through Central Silk Board for the development of Silk culture in the country: Research & Development, Training & IT Infrastructure, Silk Organisations, Silk Marketing & Midling, Documentation, Quality Certification System, Export/Brand Promotion and Technology upgradation. The details of the schemes are available at www.csb.gov.in.
Promotion of Exports

There are 11 Textile Export Promotion Councils representing all segments of the textile and the clothing sector, including rayon, polyester yarns, cotton, silk, jute, powerloom, handloom, khadi and carpets. These Councils work to promote the growth of their respective segments in the global export market. Textile sector exporters are also supported through export promotion schemes available for Textile Sector Firms in India, such as Merchandise Export from India Scheme (MEIS) under which duty drawback on eligible textile and apparel categories are provided to the extent of 3.0% of FOB value; Interest Equalisation Scheme, the Duty Draw Back Scheme; Market Access Initiative Scheme (MAIS) and the Market Development Assistance Scheme. The details of these schemes are available on the Ministry of Textiles’ website at textile.gov.in.

Ease of doing Business

In order to Speed up Market/Transit times and document process Ministry of Textiles has taken following steps for “Ease of doing business”:

- Officers have been nominated by the Textile Committee for establishment under Ministry of Textiles to ensure the quality of textiles and textile machinery both for internal consumption and export purposes in the Custom Clearance Facilitation Committee (CCFC) as requested by customs.
- DGFT has issued a fresh notification No.19/2015-2020 dated 04.03.2015 by which testing for a number of countries where azo dyes are banned has been done away with and mandatory testing for countries where azo dyes have not been banned has been brought down to 25% from 100%.
- Risk Management System: The feasibility of integrating the EDI software of customs with the Textile Committee system is being examined so that online test reports can be generated and communicated to the stakeholders.
- Standard Operating System (SOP) has been communicated to the Department of Revenue reducing the time for test samples from 4 days to 7 days online.
- A proposal for setting up a new Textile Laboratory of Textile Committee at Cochin Port has been approved. At a first stage, Rs. 97.20 lakhs have been sanctioned to Textile Committee.
- Setting up of a new Textile Lab of Textile Committee at NPSI has been sanctioned.

Impetus to Powerloom sector

In Situ Upgradation of Hand Powerlooms: This scheme has been designed for upgradation of existing handloom with certain add-on attachments and to enable powerloom weavers to face the competition in domestic and international markets. Initial assistance is provided to the extent of 40% of the cost of the upgradation attachments/bits/cloths and parts subject to maximum subsidy of Rs.15,000/- per powerloom limited to eight powerloom per unit. The overall outlay for implementation of the scheme on pilot basis is Rs. 1.24 crore. A total of 72 clusters have been approved for implementation under this scheme. During the financial year 2013-14 (upto 31st March 2014), 34,122 looms have been upgraded and Rs.34.18 crore has been released. The details of the support provided to powerloom sector under the above schemes as well as other schemes may be obtained at www.txtindia.gov.in.

For more information on the schemes:
Please visit the Website: www.ministryoftextiles.gov.in
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