



Scheme for Integrated Textile Parks

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Why in News

Recently, the **Union Minister of Textiles** provided information on implementation of **Scheme for Integrated Textile Park (SITP)**, in Rajya Sabha.

Key Points

- **Scheme for Integrated Textile Parks:**
 - SITP was launched in **2005**.
 - **Objectives:** To provide the industry with world-class state of the art infrastructure facilities for setting up their textile units.
To attract foreign investors to the domestic textile sector.
 - **Key features:**
 - Under the SITP, infrastructure facilities for setting up of textile units are developed in a **Public-Private-Partnership (PPP) model**.
 - The Government of India **grants upto 40%** of the project cost.
However, it grants **upto 90% of the project cost** for the first **two projects** (each) in the North Eastern States, Himachal Pradesh, Uttarakhand and Union Territory of Jammu & Kashmir and Union Territory of Ladakh.
 - The government's support is limited to **Rs. 40 crores** for each textile park.
 - Each **Integrated Textile Park (ITP)** under the scheme would normally have **50 units**. The number of entrepreneurs and the resultant investments in each ITP could vary from project to project.

- **Status:**

- A total of 59 textile parks have been sanctioned under SITP by the textiles ministry out of which 22 textile parks have been completed.
- Further, the proposal to set up **Mega Textile Parks** by the Ministry of Textiles is at the advanced stage of discussion.

The government is considering a plan to set up 1,000-acre mega textile parks.

- The **slow progress of SITP** is attributed to:
 - Delay in obtaining land.
 - Other statutory clearances from state governments.
 - Slow fund mobilisation by the textile parks.

Significance of Textile Sector

- The sector accounts for 7% of India's manufacturing output, 2% of GDP, 12% of exports and employs directly and indirectly about 10 crore people.
- Owing to the abundant supply of raw material and labour, India is-
 - The **largest producer of cotton**, accounting for 25% of the global output.
 - The **world's second-largest producer of textiles and garments** after China.
 - The **second-largest producer of man-made fibres** — polyester and viscose.
- As per India Brand Equity Foundation, the sector has demonstrated encouraging growth trends in India with a **compounded annual growth rate (CAGR) of 8%** for the last few years wherein it has reached a size of \$13 billion.

Challenges

- **Highly fragmentation and domination by the unorganized sector.**
- The **introduction of new tax structure** under **GST** (Goods and Service Tax) makes the garments expensive.
- Increasing **interest rates** and **labor wages and workers' salaries**.
- Faces a **lack of access to the latest technology** and fails to meet the global standards in the highly competitive export market.
- The **fierce competition** from China, Bangladesh and Sri Lanka in the low price garment market.
- The **environmental and social issues** like child labor and personal safety.

Major Government Initiatives

- **Comprehensive Scheme for Development of Knitting and Knitwear Sector:** The Government has launched a separate scheme for development of Knitting and Knitwear Sector to boost production in the knitting and knitwear cluster at **Ludhiana, Kolkata and Tirupur**.
The scheme is launched under Power-Tex India.
- **North East Region Textile Promotion Scheme (NERTPS)** for promoting textiles industry in the NER by providing infrastructure, capacity building and marketing support to all segments of textile industry.
- A skill development scheme titled **SAMARTH (Scheme for Capacity Building in Textile Sector)** covers the entire value chain of the textile sector, excluding Spinning and Weaving in the organized sector, on pan India basis.
- **Power-Tex India**
- **Silk Samagra Scheme**
- **Amended Technology Upgradation Fund Scheme (ATUFS)**
- **National Handloom Day**
- **Jute ICARE**
- **National Technical Textile Mission**

Way Forward

- **Toward an organised sector:** India can make the sector organised by setting up mega apparel parks and common infrastructure for the textile industry.
This will increase the scale of production and help Indian players to produce faster and at a lower cost with maximum efficiency in operation.
- **Facilitate modernisation of the industry:** Focus should be on the modernisation of the obsolete machinery and technology. This can help increase the production and productivity of the textile industry and thereby increase the export also.

Source: PIB