Production Linked Incentive Scheme for Textile Sector

Why in news?

The Union Cabinet approved a Production-Linked Incentive (PLI) scheme for the textile sector worth Rs 10,683 crore.

What is the scheme about?

- **Aim** - To attract fresh investment of Rs 19,000 crore and an additional turnover of Rs 3 lakh crore in the textile sector
- **Duration of the scheme** – 5 years
- **Segments covered** - High value Man-Made Fibre (MMF) fabrics (viscose, polyester, and acrylic), garments and technical textiles

Technical textiles are engineered products with a definite functionality which are manufactured using natural as well as man-made fibres.

They have enhanced properties such as higher tenacity, excellent insulation, improved thermal resistance, etc.

- The incentives have been categorised into two investment levels.
    1. Any person (firm / company) willing to invest minimum Rs. 300 Crore in Plant, Machinery, Equipment and Civil Works (excluding land and administrative building cost shall be eligible to apply for the first part of the scheme
    2. In the second part any person firm / company) willing to invest minimum Rs. 100 Crore shall be eligible to apply
- **Priority** - investment in Aspirational Districts, Tier 3, Tier 4 towns, and rural areas

Why is the scheme so significant?

- Help Indian companies to emerge as Global Champions
- Create additional employment of over 7.5 lakh people directly and several lakhs more for supporting activities since textile sector is capital intensive
- Pave way for participation of women in large numbers
- Result in fresh investment

- Prioritise backward areas
- Positively impact especially States like Gujarat, UP, Maharashtra, Tamil Nadu, Punjab, AP, Telangana, Odisha etc
- MMF has contributed less than 30% of the country's $35.6 billion in overall sectoral exports in 2017-18
- So the scheme is significant to bolster support for the MMF segment

Technical textile accounts for approximately 13% of India's total textile and apparel market and contributes to India's GDP at 0.7%.

What are the government initiatives to boost technical textiles market?

- **National Technical Textiles Mission,2020** - to position India as a global leader in technical textiles by focussing on R&D, skill development, market development and export promotion of technical textiles
- Government of India allows 100% FDI under automatic route
- **Technotex India** - a flagship event organised by Ministry of Textiles, in collaboration with FICCI comprising of exhibitions, conferences and seminars with participation of global stakeholders
- **Harmonized System of Nomenclature (HSN) Codes for Technical Textile** - to monitor the data of import and export, provide financial support and other incentives to manufacturers
- **Scheme for Integrated Textile Park (SITP), 2005** - To boost entrepreneurship by providing financial support and state-of-the-art infrastructure
- **Technology Mission on Technical Textiles**- entailed the creation of eight Centres of Excellence to provide infrastructure support
- **Amended Technology Upgradation Fund Scheme (ATUFS), 2016** - to improve exports and indirectly promote investments in the textile machinery

Source : The Hindu, The Indian Express

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