

PM MITRA: Will mega textile parks help boost the sector?

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Why in News?

- Recently, the government announced that seven mega textile parks under the ₹4,445-crore PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme will be set up in the first phase.

What are the Challenges faced by the Indian Textile and Apparel Sector?

- The micro, small and medium enterprises (MSME) sector is said to **control almost 80%** of the textiles and apparels currently made in India.
- Further, the Indian textile and clothing units are **more cotton-based**.
- Indian textile and clothing exports (~65% cotton-based products) have stagnated at around the \$40-billion mark over the past four years, and **stood at \$44 billion last year**.
 - The aim is to achieve \$100 billion in exports and target a domestic business of \$250 billion by 2030.
- **Expanding the fibre and product line** (from the current 5%) and **price competitiveness right from the raw material stage**, sustainability and traceability demands of international buyers remains a challenge.

What is the PM Mega Integrated Textile Regions and Apparel (PM MITRA) Scheme?

- **The Ministry of Textiles (MoT)** has launched (2021) the scheme to strengthen the Indian textile industry by way of
 - Enabling scale of operations,
 - Reducing logistics cost by housing entire value chain at one location,
 - Attracting investment,
 - Generating employment and augment export potential.
- The scheme seeks to **streamline the textile value chain into one ecosystem**, taking in spinning, weaving and dyeing to printing and garment manufacturing.
- It is expected to generate **investments worth ₹70,000 crore** and would also **lead to the creation of 20 lakh jobs** and augment the export potential of the sector.
- The scheme envisages to leverage the **Public Private Partnership (PPP) model** for fast paced implementation in a time-bound manner.
- PM MITRA mega textile parks will boost the textiles sector in line with **5F** (Farm to Fibre to Factory to Fashion to Foreign) vision.

All-in-one parks

The PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme was announced in October 2021

■ The parks will come up by 2026-27

■ The total outlay for the project is ₹4,445 crore, though the initial allocation in the 2023-24 Budget is only ₹200 crore

■ States have offered to provide at least 1,000 acres, says Minister Goyal



■ Spinning, weaving, processing/ dyeing, printing and garment manufacturing will be done at one location

■ Effort is to reduce logistics cost of textile industry and make it globally competitive

Image Caption: PM MITRA Scheme

How will these Parks be set up under the PM MITRA Scheme?

- These parks will be set up **on the basis of proposals received from State Governments** having ready availability of contiguous and encumbrance-free land parcels of **minimum 1000 acres**.
- The State Government will transfer land to the **Special Purpose Vehicle (SPV)**, which will be a **legal entity** (with 51% equity shareholding of State and 49% of Central Government).
- The selection of PM MITRA Park sites will be done in a two stage (Selection of Sites, Development of the Park) selection process on **Challenge Method**.

News Summary Regarding PM MITRA:

- **What is expected in the first phase of the PM MITRA scheme?**
 - Large textile parks will come up in 7 States – Tamil Nadu, Karnataka, Telangana, MP, Maharashtra, Gujarat, and UP – housing the entire textile value chain.
 - The parks will have **plug-and-play manufacturing facilities** and all the common amenities required.
 - The Central government's budget outlay for the scheme (₹4,445) crore is to be spent till **2027-28**.

- The Central government will disburse **Development Capital Fund of ₹500 crore** in two tranches for each of the seven facilities for the creation of core and support infrastructure.
- It will also give a **Competitive Incentive Support of ₹300 crore per park** to be provided to the manufacturing units.

- **Is it different from previous textile schemes?**

- The sector has benefited from different programmes, such as the **Apparel Park Scheme** (2002) and the **Scheme for Integrated Textile Parks** (2005), which supported development of common infrastructure.
- The PM MITRA scheme is envisaged to be a unique initiative and **the differentiating factors** are the emphasis on large-scale production and provision of plug-and-play manufacturing centres. The scheme, to be implemented jointly by the **Central and State governments**, will be open for **FDIs** and will be **located in States that have inherent strengths** in the textile sector.
- Each park will have **effluent treatment plants, accommodation for workers, skill training centres and warehouses too**.

- **Way ahead for India:**

- India can take a cue from countries such as **Turkey** where integrated textile parks are highly efficient.
- The government can combine the **Production Linked Incentive scheme II** with PM MITRA to support the MSME players.
 - The PM MITRA's guidelines state that only companies who have not yet benefited from the PLI scheme would be eligible for incentives.
- The Central and State governments **have to encourage MSME units to invest** in the PM MITRA parks and scale up.
- The State governments and developers should give thrust for **sustainable and cost-effective solutions for pollution control**.

Q1) What is the market size of the Indian textile industry?

India is the world's largest producer of cotton (estimated production – 362.18 lakh bales in 2021-22). The Indian textile and apparel industry is expected to grow at 10% CAGR from 2019-20 to reach US\$ 190 billion by 2025-26. India has a 4% share of the global trade in textiles and apparel.

Q2) What are technical textiles?

Technical textiles are engineered products with a definite functionality manufactured using natural as well as man-made fibres. These include textiles for automotive applications, medical textiles (e.g., implants), geotextiles (reinforcement of embankments), agrotextiles (textiles for crop protection), etc.

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