

## **CHAPTER - 19**

### **PROPOSED PLAN OUTLAYS & RELATED ISSUES**

19.1 The textiles industry is in a position now to realize its potential fully and meet the growing demand for textiles and clothing in the export and domestic markets. However, to meet this demand the industry has to increase its production capacity significantly and for that purpose huge investments are required. At this juncture, industry needs adequate support in terms of higher outlays to strengthen itself and exploit fully the opportunities available.

#### **Need for greater outlays**

19.2 The Plan outlay for textiles has been rather small compared to the significance of this industry in Indian economy in terms of exports and its capacity to generate employment. At this juncture, the textiles industry is in a very strong position and is developing rapidly, focusing on growing opportunities.

19.3 The document of the National Strategy for Manufacturing prepared by National Manufacturing Competitiveness Council (NMCC) has indicated that the decade 2006-2015 is the decade of Manufacturing for India with the aim of an average growth rate of 12 – 14 percent in manufacturing. It has also been suggested that the policies of Government should focus on the growth of labour intensive sectors (like textiles and clothing), which also enjoy competitive advantage. To provide impetus to the growth of this industry, there is a need for substantial augmentation in the overall Plan allocation for the textiles sector. Accordingly, the Working Group has proposed a Plan outlay which is significantly higher than the previous Plan periods.

19.4 While suggesting these outlays the following aspects have been taken into consideration.

- Activities that can be done in the private sector need not be performed by the Government.
- Optimisation of resources by focused / cluster approach.
- Plan support to focus on infrastructure, technology & modernisation, R&D, HRD, and in making investments attractive.
- Plan support to encourage and complement private investments / initiatives.

- Proposals restricted to what is necessary and what is affordable.

The increased outlays proposed are considered essential to achieve the growth projected.

### **Plan outlays for various sectors**

19.5 The following are the summarized plan outlays proposed for various sectors:

**Table – 19.1**  
**Outlay during Tenth and Eleventh Plan**

(Rs. in crore)

Sl. No.	Sector / schemes	Tenth Plan		Eleventh Plan outlay
		Approved	Revised	
1.	Handlooms	625.00	792.33	4028.68
2.	Powerlooms	60.00	54.28	358.09
3.	Wool & Woollens	40.00	43.00	190.00
4.	Sericulture	450.00	534.64	1012.47
5.	Handicrafts	425.00	509.55	1812.00
	<b>Sub-Total</b>	<b>1600.00</b>	<b>1933.80</b>	<b>7401.24</b>
6.	Technology Mission on Cotton	150.00	280.00	241.35
7.	Scheme for Integrated Textile Parks (includes Apparel Park and TCIDS)	150.00	545.50	3000.00
8.	Jute (including NCJD, JMDC and SJDF)	76.00	86.75	355.55
9.	Research & Development	50.00	24.05	295.00
10.	Technical Textiles	3.00	2.02	96.00
11.	Economic Services	5.00	5.05	5.00
12.	VRS / VSS for CPSUs	150.00	30.00	0.00
13.	Technology Upgradation Fund Scheme	1270.00	1840.00	11315.00
14.	Clothing & Apparel/ Fashion Hub	0.00	0.00	42.50
15.	NIFT	30.00	82.49	(*)
16.	Others (NTC, BIC, ITM)	16.00	22.84	
17.	Exports (including Brand Promotion & Textilpolis)			495.00
18.	Human Resources Development			110.00
19.	Textile Engineering Industry			750.00
20.	FDI Cell			26.86
	<b>Total</b>	<b>3500.00</b>	<b>4852.50</b>	<b>24133.50</b>

\*Requirement is projected at Rs.87 crore to be funded by HRD Ministry.

19.6 The details of the schemes and proposed outlays are at **Annex-I**. The textiles industry will also try to take advantage of the relevant schemes of other Ministries, viz., Ministry of Small Scale Industry (SSI), Ministry of Agro and Rural Industries (ARI), Ministry of Rural Development, and Ministry of Commerce, wherever possible. Further, in sericulture, wool, handicrafts and jute, assistance will also be availed of under the UNDP – Bilateral assistance and World Bank schemes.

19.7 The Plan envisages the following projections for growth in key sectors / areas of the textiles sector:

**Table – 19.2**

**The expected quantitative growth scenario in 2011-12**

<b>Sl. No.</b>	<b>Items</b>	<b>Unit</b>	<b>Actual (2005-06)</b>	<b>Estimate (2006-07)</b>	<b>Assumed Growth Rate during the 11<sup>th</sup> Plan</b>	<b>Projection (2011-12)</b>
<b>I Production of Raw Materials</b>						
(i)	Cotton ( cotton year)	Mn. Kg.	4148	4454	8.28	6630
(ii)	Man – made fibres	Mn. Kg.	968	1117	9.0	1722
(iii)	Silk	Mn. Kg.	17.3	18.52	7.0	26
(iv)	Jute	Lakh bales	85	91.12	7.2	129
<b>II Consumption of fibres</b>						
(i)	Cotton (Mill sector)	Mn. Kg.	3222	3576	12.27	6379
(ii)	Man-made fibres	Mn. Kg.	961	1121	9.04	1728
(iii)	Wool	Mn. Kg.	47	50.31	7	75.69
<b>III Production of Yarn</b>						
(i)	Spun yarn	Mn. Kg.	3457	3744	12	6580
(ii)	Woollen yarn (including worsted and shoddy yarn)	Mn. Kg.	105	107.89	3	127
(iii)	Filament yarn	Mn. Kg.	1180	1331	10	2099
<b>IV Production of cloth</b>						
(i)	Cotton	Mn. Sq. mtrs	23780	25207	14	49629
(ii)	Blended	Mn. Sq. mtrs	6242	6866	7	9630
(iii)	100 percent Non – Cotton (including Khadi, Wool & Silk)	Mn. Sq. mtrs	19440	22187	10	35341
	<b>Total</b>	<b>Mn. Sq. mtrs</b>	<b>49462</b>	<b>54260</b>	<b>12</b>	<b>94600</b>
<b>V Per capita availability of cloth</b>						
		<b>Sq. Mtrs</b>	<b>36.53</b>	<b>39.17</b>	<b>9.70</b>	<b>62.23</b>
<b>VI Textile Exports</b>						
(i)	Textiles	Mn. US\$	7007	7920	16.55	17034

Sl. No.	Items	Unit	Actual (2005-06)	Estimate (2006-07)	Assumed Growth Rate during the 11 <sup>th</sup> Plan	Projection (2011-12)
(ii)	RMG	Mn. US\$	8403	10504	26.50	34025
(iii)	Handicrafts, Jute and Coir	Mn. US\$	1668	1903	16.18	4028
	Total	Mn. US\$	17078	20327	22.07	55087
<b>VII</b>	<b>Production of Textile Machinery</b>	<b>Rs. crore</b>	<b>2151</b>	<b>2800</b>	<b>29.76</b>	<b>10300</b>

**Annex - I**

**Details of proposed plan outlay for Eleventh Plan**

Sl. No.	Proposed Plan Outlay (Rs. crore)
<b>I.</b>	<b>HANDLOOMS</b>
1	<b>Integrated Handloom Cluster Development Scheme (IHCDS)</b>
(a)	Integrated Handloom Cluster Development Scheme (IHCDS) 400.00
(b)	Deen Dayal Hathkargha Protsahan Yojana (DDHPY) 700.00
(c)	Workshed-cum-Housing Scheme 312.50
(d)	Integrated Handloom Training Programme 70.00
(e)	Diversified Handloom Schemes 73.83
	<b>Sub Total</b> <b>1556.33</b>
2.	<b>Marketing &amp; Export Promotion Scheme</b>
(a)	Marketing Promotion Programme 455.00
(b)	Handloom Export Scheme 45.00
	<b>Sub Total</b> <b>500.00</b>
3	<b>Weavers Welfare Schemes</b>
(a)	Health Insurance Scheme 252.00
(b)	Mahatma Gandhi Bunkar Bima Yojana 72.00
(c)	Thrift Fund Scheme 22.00
(d)	Pension Scheme 50.00
	<b>Sub Total</b> <b>396.00</b>
4	<b>Handloom Inputs Scheme</b>
(a)	Mill Gate Price Scheme 121.35
(b)	Hank Yarn Price Subsidy Scheme 300.00
	<b>Sub Total</b> <b>421.35</b>
5	<b>Weavers Financial Package</b>
(a)	Cleansing of Balance Sheets of - Apex Societies 300.00 - Primary Societies 200.00
(b)	Cleansing the receivable from State/Central Government on account of sales rebate, 100.00

<b>Sl. No.</b>		<b>Proposed Plan Outlay (Rs. crore)</b>
	subsidies, restructuring assistance etc. for Apex Societies/ Handloom Corporations/ Primary Societies	
(c)	Interest Waiver/ Write Off	80.00
(d)	Waiver of Loan of PWCS & Apex Societies	500.00
(e)	Interest Subvention – Working Capital	50.00
(f)	Contribution to Handloom Development and Equity Fund	60.00
(g)	Credit Guarantee Fund Scheme	5.00
	<b>Sub Total</b>	<b>1295.00</b>
	<b>GOI Share</b>	<b>1155.00</b>
	<b>Total</b>	<b>4028.68</b>
<b>II.</b>	<b>POWERLOOMS</b>	
1.	<b>Development Scheme for powerloom sector</b>	
(a)	Modernized Workshed	250.00
(b)	Market Assistance	25.00
(c)	Exposure Visit	5.00
	<b>Sub Total</b>	<b>280.00</b>
2.	<b>Commissioning of Studies</b>	
(a)	Powerloom Survey in the country	2.00
(b)	Diagnostic study of Cluster & Developmental activities	4.00
	<b>Sub Total</b>	<b>6.00</b>
3.	<b>Modernization &amp; upgradation of Powerloom Service Centres</b>	
(a)	Modernization of P.S.Cs	11.50
(b)	CAD Centres	4.50
(c)	Recurring Plan expenditure	33.00
(d)	Construction of new building for PSC	5.25
(e)	Setting up of nine additional PSCs on felt need basis.	13.00
	<b>Sub Total</b>	<b>67.25</b>
4.	<b>Welfare of powerloom Workers</b>	<b>4.84</b>
	<b>Total</b>	<b>358.09</b>
<b>III.</b>	<b>WOOL &amp; WOOLLENS</b>	
1.	R & D on wool fibre	50.00
2.	Development of decentralised woollen textile industry and carpet industry	115.00

<b>Sl. No.</b>			<b>Proposed Plan Outlay (Rs. crore)</b>
3.	Procurement of selected coarse wool use for carpet industry.		15.00
4.	H .R.D		10.00
	<b>Total</b>		<b>190.00</b>
<b>IV.</b>	<b>TECHNOLOGY MISSION ON COTTON</b>		
1.	Mini Mission III		121.35
2.	Mini Mission IV		120.00
	<b>Total</b>		<b>241.35</b>
<b>V.</b>	<b>HUMAN RESOURCES DEVELOPMENT</b>		
1..	Setting up of training centres on the PPP basis – Readymade Garment Processing Sector	90.00 20.00	110.00
	<b>Total</b>		<b>110.00</b>
<b>VI.</b>	<b>CLOTHING AND APPAREL</b>		
1.	Common Compliance Code Scheme		12.50
2.	Setting up Fashion Hub		30.00
	<b>Total</b>		<b>42.50</b>
<b>VII.</b>	<b>EXPORTS</b>		
1.	Building “India Brand”		150.00
2.	Export Market Support Scheme		25.00
3.	Export Studies		20.00
4.	Textilpolis		300.00
	<b>Total</b>		<b>495.00</b>
<b>VIII.</b>	<b>JUTE</b>		
1.	Jute Technology Mission		355.55
	<b>Total</b>		<b>355.55</b>
<b>IX.</b>	<b>RESEARCH AND DEVELOPMENT</b>		
1.	Strengthening of R&D capabilities & laboratories of the TRAs including IJIRA – One time support		100.00
2.	Project related R&D activities		40.00
3.	Strengthening of facilities for textile testing & design		100.00
4.	Accreditation / certification support		50.00
5.	Resource bank for technological data base		5.00
	<b>Total</b>		<b>295.00</b>
<b>IX.</b>	<b>TECHNICAL TEXTILES</b>		
1.	Base line survey of technical textile units		1.00

<b>Sl. No.</b>			<b>Proposed Plan Outlay (Rs. crore)</b>
2.	Setting up of 6 Centres of Excellence @ Rs.15 crore per centre		90.00
3.	Creation of awareness for five years @ Rs.1 crore per year		5.00
<b>Total</b>			<b>96.00</b>
<b>X.</b>	<b>TEXTILE ENGINEERING INDUSTRY</b>		
1.	Promotion of R & D of technology		150.00
2.	Modernisation of units – TUFS		400.00
3.	Capital assistance for development of modern weaving, garment machinery, processing machinery etc.		200.00
<b>Total</b>			<b>750.00</b>
<b>XI.</b>	<b>SERICULTURE</b>		
1.	R&D/Transfer of Technology/ Training		266.50
2.	Seed Support & Technology Assistance/ HRD		16.50
3.	Administration of Board		30.00
4.	Catalytic Development Programme		686.22
5.	New Schemes		
(i)	IT Initiatives		3.00
(ii)	Quality Certification systems		10.25
<b>Total</b>			<b>1012.47</b>
<b>XII.</b>	<b>HANDICRAFTS</b>		
1.	Baba Saheb Ambedkar Hastshilp Vikas Yojana		446.00
2.	Design & Technical Upgradation		250.00
3.	Marketing Support & Services		525.00
4.	Research & Development		62.00
5.	Human Resource Development		63.00
6.	NER including Sikkim (lump sum provision)		193.00
7.	Welfare		251.00
8.	Capital		22.00
<b>Total</b>			<b>1812.00</b>
<b>XIII.</b>	<b>ECONOMIC SERVICES</b>		<b>5.00</b>
<b>XIV.</b>	<b>TECHNOLOGY UPGRADATION FUND SCHEME (TUFS)</b>		
1.	5 percent interest reimbursement		
(i)	Cases sanctioned / disbursed during Tenth Plan		4418.00
(ii)	Cases sanctioned / disbursed during Eleventh Plan		5163.00

<b>Sl. No.</b>			<b>Proposed Plan Outlay (Rs. crore)</b>
	<b>Sub Total</b>		<b>9581.00</b>
2.	15 percent CLCS for SSI Sector		300.00
3.	10 percent CLCS for Processing Sector		560.00
4.	20 percent CLCS for Powerloom Sector		874.00
	<b>Total</b>		<b>11315.00</b>
<b>XV.</b>	<b>FDI Cell</b>		<b>26.86</b>
<b>XVI.</b>	<b>Scheme for Integrated Textile Parks (SITP)</b>		<b>3000.00</b>
	<b>GRAND TOTAL</b>		<b>24133.50</b>