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Textile ministry to weave 24 parks for Rs 1,000 crore

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THE textile ministry has mooted establishment of 24 new textile parks, increasing the total number of such parks to 50. The new parks would require an estimated investment of over Rs 1,000 crore. The proposal is part of the draft plan to raise the country's share of global textiles trade to 10% by 2015 from the current 3%. A medium-term target of 8% has been set for 2010. The textile ministry has approved 26 textile parks under the Scheme for Integrated Textile Parks (SITP). Many parks are at various stages of implementation.

The draft plan for raising competitiveness in the sector has been prepared in consultation with the National Manufacturing Competitiveness Council (NMCC), which has marked out textiles and garments as a priority sector for increasing competitiveness. The plan will be discussed by the prime minister's high-level committee on manufacturing (HLCM).

According to experts, the domestic textile industry has not been able to

compete with countries such as China as most of its textile units are in the small sector. The textile parks are expected to make the domestic industry competitive vis-à-vis other nations. "The problems of economy of scale can be dealt with by the textile parks, which would also enhance our competitiveness," NMCC member-secretary V Govindarajan told ET.

Under SITP, the textile ministry provides infrastructure facilities such as roads, electricity supply — including captive power plants — and telecom lines to set up textile units. "The government has approved the construction of 26 textile parks. Four more projects will be approved shortly and we would try to raise the total number to 50," textile minister Shankersinh Vaghela said.



Apart from making the industry cost competitive, the parks are expected to enhance manufacturing capacity of the domestic textile sector. "SITPs are being built to boost manufacturing by textile companies. The parks would also help in enhancing exports," Confederation of Indian Textile Industry secretary-general DK Nair said.

Extend Tufts for 3 years: Vaghela

New Delhi: Textile minister Shankersinh Vaghela has called for an extension of the Technology Upgradation Fund Scheme (Tufts) for three more years. The textile industry has been demanding extension of the interest subsidy scheme for five more years. The scheme is ending in March 2007 and the PMO as well as the Planning Commission are opposed to its extension. "We will try to seek extension of Tufts till 2010. The government will raise the matter with the finance ministry in the forthcoming Budget," Mr Vaghela said on Monday. — **Our Bureau**

The textile ministry, meanwhile, has also sought SEZ-like benefits for SITPs and a full SEZ status for four of the 26 parks. The SEZ status means textile firms will get all the tax benefits available under the SEZ Act such as tax holiday for 15 years. The demand is expected to be part of the textile ministry's Budget recommendations.