

Textile Parks under PM Mitra scheme

written by iasexam.com | 18/03/2023



Context- A year and a half after the PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme was announced, the Centre has selected locations to set up new textile parks in Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, and Uttar Pradesh.

Key Highlights

- These parks are expected to attract nearly 70,000 crores of dollars in investment from the Centre, creating jobs for approximately 20 lakh people.
- An integrated textiles value chain that includes spinning, weaving, processing, dyeing, printing, and garment manufacturing will be created at the parks as centers of opportunity.
- In the country, there is no organized textile industry. The country's textile industry's competitiveness is being impacted by this increased waste and logistical costs.
- The Prime Minister's vision for this cluster-based approach will resolve several sector issues.
- The plan would also make environmental clearances easier.
- After considering 18 proposals from 13 States, the Ministry had transparently chosen the parks' locations.

Significances

- The world-class industrial infrastructure that is being proposed would draw cutting-edge technology, encourage foreign direct investment, and encourage local investment in the sector.
- For each park, a Special Purpose Vehicle (SPV) owned by the Central and State Governments will be established to oversee the project's implementation.
- The Park SPV will receive development capital support from the Ministry of Textiles in the amount of up to 500 crore per park.
- In addition, units in PM MITRA Park will receive a Competitive Incentive Support (CIS) of up to 300 crore per park to encourage rapid implementation.
- In order to guarantee that the Master Developer and investor units receive additional incentives, convergence with other schemes run by the Indian government will also be made easier.
- The state governments have offered to facilitate the provision of all utilities, including power and water, and to provide at least 1,000 acres of free land for the parks.
- An initial investment of Rs. 200 crore has been allocated. In order to simplify all approvals, various factors will be taken into consideration.
- In these parks, a big deal of using renewable energy is to be adopted.
- In addition, the parks would provide the industry with excellent infrastructure, plug-and-play facilities, and facilities for training and research.

About PM Mitra scheme

- In a Public Private Partnership (PPP) model, a Special Purpose Vehicle owned by the Central and State Governments will develop the PM MITRA park.
- In addition to common processing houses, effluent treatment plants, and other textile-related facilities like design and testing centers, each MITRA Park will have its own incubation center.
- During the concession period, the Master Developer will not only develop the Industrial Park but also keep it running.
- **Funding:**
 - For each greenfield MITRA park and up to Rs 200 crore for each brownfield park, the center will provide development capital support for the development of common infrastructure under the scheme.
 - A brownfield project is one that has been completed by others, whereas a greenfield project is one that must be completed from the ground up.
- **Conditions for Eligibility:**
 - Each of these parks will receive an additional Rs 300 crore in Competitiveness Incentive Support for the early establishment of textiles manufacturing units.
 - Investors who establish "anchor plants" with a workforce of at least 100 will be eligible for incentives totaling up to Rs 10 crore each year for up to three years.