

FICCI Welcomes the Draft Textiles Policy of UP Government
Open Access: A long Standing Demand of the Industry Considered
Garment and Technical Textiles should be the focus: FICCI

New Delhi, 28 November 2017: Mr. L K Jhunjhunwala, Chairman, FICCI UP State Council and Mr. S K Khandelia, Co-chairman, FICCI Textiles Committee today attended the meeting called by the Chief Minister of Uttar Pradesh Shri Yogi Adityanath, to discuss the draft textile policy for the State.

Mr. S K Khandelia, Co-chairman, FICCI Textiles Committee welcomed the draft Textiles Policy of UP which shall set the vision for the sector in the State. Prior to the release of the draft policy, FICCI had submitted detailed suggestions to the UP Government for formulation of a vibrant and competitive Textiles Policy.

Commenting on the draft Policy **Mr. Khandelia said** “It is heartening to see that many of the suggestions submitted by FICCI like Open access for existing as well as new units, capital subsidy for new and existing units over and above TUFs, interest subsidy over and above Central Government’s subsidy for technology upgradation have been included in the draft Policy. All this would help in attracting investments in the sector in value added segments”.

Mr. L K Jhunjhunwala, Chairman, FICCI UP State Council said “UP has abundant labour force that currently is largely employed in the industry outside the State. This policy has the potential to provide jobs to millions of natives as it is a labor intensive sector”.

There were other suggestions also made by FICCI which the State Government may like to consider. These are:

- Higher subsidy on electricity tariff: ₹ 1.5 per unit power subsidy in tier 1 cities/ areas, ₹ 2 per unit power subsidy in tier 2 cities / areas and ₹ 2.5 per unit power subsidy in tier 3 cities/areas.
- ₹ 20 crore subsidy for each cluster/ park in addition to the Central Government’s subsidy of Rs 40 crore under Scheme for Integrated Textiles Park (SITP).
- Capital Subsidy by State Government for Technical Textiles sector (It needs to be clarified).
- The State Government to provide 50% of the CETP project cost or ₹ 20 crores whichever is less for setting up a CETP in new or existing textile parks/ clusters.
- Raw materials like cotton are not available locally and need to be procured from other States. But the transportation and logistics costs are high, therefore there is a need to ensure that the raw materials are available to the sector at competitive

rates by setting off the high freight cost. Freight cost support can be fixed at 1% of the total direct exports by the unit from UP.

- The draft policy proposes for the reimbursement of freight charges to promote exports of garments, it is suggested to provide reimbursement of freight charges for all textiles and technical textiles exports.
- The State Government should come out with a detailed plan for revival of sick textile units in the States in three months from the date of announcement of this Policy. It can also consider giving land and building of sick units on long term lease to new units to promote textiles units with a focus on garmenting.
- The State Government should come out with a separate scheme for supporting skill development in garmenting, processing and technical textiles in particular covering physical infrastructure, stipend and other operational costs.

FICCI MEDIA DIVISION