



सत्यमेव जयते

GOVERNMENT OF MANIPUR
DEPARTMENT OF TEXTILES, COMMERCE & INDUSTRY

THE MANIPUR TEXTILE POLICY, 2020

DIRECTORATE OF HANDLOOMS & TEXTILES

THE MANIPUR TEXTILES POLICY, 2019

1.0: Preamble:

Manipur, the Jewel of India, is a tiny State located at the North-Eastern part of India, bordering Myanmar, with 2.84 million populations as per Census 2011 in an area of 22,327sq.km. It is a multi-community State with the Hills populated by the tribal communities who are Christians and the Valley predominantly by the Meiteis who are mostly Hindus with pockets of Meitei Pangals who are Muslims. Geographically, the Valley lies in the centre of the State which constitutes about 10% of the area, while the outlying Hills constitute about 90% of the area. The capital city of Imphal has good air connectivity to the rest of the country, especially Delhi, Kolkata, Guwahati, Bengaluru, etc. and is poised to get its much-needed railway connection by 2020 as well as the Asian Trans-Continental Highway that will run through the State and into Myanmar.

Manipur is a unique State having highest concentration of handloom weavers in the country as per National Handloom Census Report published in 2010. It has 2.04 lakh handloom weavers and 1.90 lakh looms (75 weavers and 70 looms to every 1000 person). In similar manner, there are 2 lakh handicrafts artisans in Manipur. Thus, Manipur has both traditional and natural potential for handloom, handicrafts and textile skilled workers.

Economic Statistics of Manipur indicated that GSDP_{CP} was Rs.1812905 lakh in 2014-15, Rs.1923314 lakh in 2015-16(Q), Rs.2115369 lakh in 2016-17(Prov) and Rs.2362069 lakh in 2017-18(Prov). GSV_{CP} as Rs.1786630 lakh in 2014-15, Rs.1872288 lakh in 2015-16(Q), Rs.2059247 lakh in 2016-17(Prov) and Rs.2299403 lakh in 2017-18 (Prov). NSDP_{CP} as Rs.1642031 lakh in 2014-15, Rs.1754206 lakh in 2015-16 (Q), Rs.1973109 lakh in 2016-17 and Rs.2226472 lakh in 2017-18(Prov). NSV_{CP} as Rs.1615756 lakh in 2014-15, Rs.1703180 lakh in 2015-16 (Q), Rs.1916988 lakh in 2016-17 and Rs.2163806 lakh in 2017-18 (Prov). Monthly Per Capita Expenditure (MPCE) in 2011-12 was Rs. 1,501.92 in rural and Rs.1,482.67 in urban areas respectively(68th NSS Round).

The role of the Textile Industry in Manipur in providing one of the most basic socio-economic needs of the people and its importance for the sustained growth of the State for improving quality of life is acknowledged fact. There is a need to take all efforts to realise the vast potential for creation of employment opportunities in the agricultural (farmers of cotton & sericulture), industrial, organised and decentralised sectors & rural and urban areas, particularly for women and the disadvantaged. Acknowledging the tremendous impetus provided by the National Textile Policy 2000 to the economy, resulting over the years in compounded annual growth rates of 7.13% in cloth production, the industry created employment opportunities for about 45 million and account 12% of the export country with a share of 6.16% in textiles and 4.31% in clothing in the global market during 2014,

Textile industry in India covers the entire value chain of (i) Raw Material (fibres), (ii) Spinning, (iii) Weaving and (iv) Apparel. Textile industry contributes about 14% of industrial production, 4% to the GDP, accounts for 17% of total exports, is the largest employment provider after agriculture (82 million people direct/indirect) with a market size of USD 52 billion at present (exports & domestic) and is expected to reach USD 110 billion by 2022.

Demand for textiles and clothing in the country during 2014 was USD 141.63 including export of USD 38.60. Per capita consumption of overall textile in 2014 in India was 28.70 meters (male-22.29 mts and female-35.64 mts). Total domestic demand of textile, mill-made or powerloom in 2014 was 83.37% (30085 mn. mtrs) and knitted/hosiery was 11.97% and handloom was 4.66%. In value terms, the per capita purchase in 2014 was Rs.3470.77.

Monthly production of textile material of Manipur is estimated at 6.69 mn meters against the requirement of 6.89 mn meters for 28.56 lakh populations. Shortfall is due to non-production of mill and hosiery fabrics. Annually, 82.7 mn meters of textile material is required (32.2 mn for male and 50.5mn for female) at the total expenditure of Rs.991 crore (in 2014).

The Department has identified the strengths, growth areas and available opportunities and has decided to redefine the goals and objectives, focus on thrust areas and sharpen strategy in tune with the times which is the thrust of this Policy.

2.0: Operative Period of the Policy:

The policy will come into operation from date of notification by the Government of Manipur in Manipur Gazette or as fixed thereof and shall remain in force for a period of 5 (Five) years. All textile units/activities commissioned after the announcement of Manipur Textile Policy shall be eligible to avail benefits afforded by this Policy.

3.0: Definition:

3.1: Textile Industry: Under this Policy, Textile Industry include all units, which are engaged in various value chain activities of the industry such as cotton plantation to Spinning, Weaving (Powerloom and Handloom including pre and post loom activities), Handicrafts, Embroidery, Knitting, Processing including natural/vegetable plants and dyes, Garmenting, Technical textiles, Textile machinery manufacturing and its corresponding business as well as other ancillary activities.

3.2: Existing and New Enterprises: Existing enterprise is a registered enterprise which is implementing expansion/diversification/modernization in an existing project or industry for same activity whereas; new enterprise means an enterprise which commences commercial production during the operative period of this Policy. Substantial Expansion is defined as increase in the value of fixed capital investment of an industrial unit after 01.04.2017 by not less than 25% for the purpose of expansion of capacity / modernization / and diversification.

4.0: Vision:

The Policy envisions transformation of Manipur into a vibrant State in Textile Industry that produces fabrics of good quality to meet growing global demands and generate employment for economical growth.

5.0: Objectives:

The Policy is to facilitate the textile industry of Manipur to attain, sustain and strengthen the traditional knowledge, skills and capabilities of weavers, textile worker and craftspeople into organized sector for investment, employment generation and export, enable the industry to build world class manufacturing

capabilities in conformity with environmental standards, involve and ensure the active co-operation and partnership of Financial Institutions, entrepreneurs, farmers and NGOs to achieve these objectives.

6.0: Existing Synergetic Policies of Manipur:

There are two policies under the Department of Textiles, Commerce & Industry, Government of Manipur which have their distinctive values and important. The National Textile Policy 2000 will also be revised shortly. Further, Ministry of Textiles, Govt. of India is expanding the operation of schemes in NE States. Therefore, the Manipur Textile Policy will synergize with the State Policies, National Textile Policy and such schemes formulated by the Ministry of Textiles, Govt. of India for NE States including silk sector.

6.1: Industrial and Investment Policy of Manipur, 2017 (IIPM, 2017):

The Industrial and Investment Policy of Manipur, 2017 has been introduced to promote and develop adequate infrastructures, ensure planned and accelerated industrial development and attract maximum capital investment in the State for economic growth and creating employment opportunities and encourage quality control, standardisation and competitiveness of local products.

6.2: Manipur Use and Procurement of Local Handloom & Handicrafts Products of Manipur Policy 2016:

The Policy was introduced on 23-12-2016 to boost up the marketing avenue of local handloom and handicrafts products. As per the policy, all State Government establishments and institutions shall procure and use only local handloom & handicrafts products to a minimum of 50% of their requirement in a year.

6.3: National Textile Policy:

Ministry of Textiles, Govt. of India is gearing up to announce the National Textiles Policy soon with outreach sessions with the industry on the issue. Latest inputs added from Textile India 2017. Manipur Textile Policy shall, therefore, adopt and synergize the National textile Policy as and when it is introduced.

6.4: NE Schemes:

North Eastern Region Textiles Promotion Scheme (NERTPS) introduced by Ministry of Textiles, Govt. of India is expanding to facilitate the textile industry including silk. Any such policy or schemes formulated in the Central Silk Board shall also be synergized wherever it is found suitable with the Manipur Textile Policy.

7.0: Thrust Areas:

In order to achieve the objectives, the strategic thrust will be on:

- ❖ Preservation and Protection of traditional materials, products and crafts
- ❖ Technology up-gradation
- ❖ Strengthening of backward & forward linkages
- ❖ Design Development and Product Diversification
- ❖ Setting up of Textile Financial Institution for financial arrangements
- ❖ Increase in exports and innovative marketing strategies
- ❖ Integrated Human Resource Development

- ❖ To ensure easy availability of raw materials at reasonable prices for textile sector.
- ❖ To increase in production of silk yarn in Manipur.
- ❖ To synergize with Sericulture Department in Manipur for creating regular source of silk yarn.

8.0: Important Targets and Outputs

The endeavour will be to –

- ❖ Strengthen and encourage the handloom and handicrafts industry to produce value added items for securing global markets;
- ❖ Make Manipur one of the most preferred textile destinations;
- ❖ Achieve the target of daily earning of Rs.1000/- by 2022 in the Textile sector inclusive of weavers, artisans and textile workers in the State;
- ❖ Create additional annual income of Rs.1.00 lakh per household by 2022;
- ❖ Export handloom, handicrafts and textiles products to 2% of the National Export;
- ❖ Attract investments in textile sector;
- ❖ Encourage and assist the weavers, artisans and related societies /organisations /associationsto set up world class, environment-friendlytextile complexes;
- ❖ Implement all Schemes of Govt. of India and NEC;
- ❖ Support programmesand initiatives of North East States and other backward regions for promotion and development of handloom&handicraftsindustry;
- ❖ Setting up of HRD Institutions including NIFT and IIHT; and
- ❖ Strengthening of the District and Zonal divisions/offices of the Department to enable them to play the role of facilitators for change and growth.

9.0: **Sectoral Initiatives:** Under the Policy, the following sector-specific initiatives will be taken:

9.1: Cluster-Based Projects: To focus on cluster-based development to support and encourage small and medium enterprises including implementation of cluster-based projects under different schemes of Governments for handloom, handicrafts, powerloom and apparel will be continued as per the guidelines of the respective schemes.

9.2: Raw Materials (Backward Linkage): Thrust will be on improving the availability, productivity and quality of raw materials at reasonable prices for the textile industry and to bring the balance between cotton and non-cotton fibres closer to international trends.Focus for providing international standard silk and woollen yarn at subsidized rates to weavers and end-users.

9.3: Fibre Development: Local Eco-Friendly Fibres will be developed from cotton balls, banana stems, jute flex, silk cocoon for producing at stabilized prices of fibres and yarn. Plantation of cotton, jute, banana, rearing of silk worm withactivities of reelingwill take up to support the conversion of fibres to yarn and cloth/crafts for supply weavers/artisans/workers and promoting export thereof both to domestic and international markets.

9.4: Reeling and Spinning: Silk reeling and spinning of cotton and synthetic yarns will be promoted and supported under the Policy to meet local demand in Manipur and export while ensuring to safeguard hank yarn obligation.

9.5: Weaving Sector: Manipur shared 7% of the total 23.77 lakh of handlooms of the country but technology still remains backward. Technological Upgradation and clustering of production facilities will be encouraged to achieve optimum size and adopt appropriate technology.

(i) **Handloom Weaving:** It is a living industry known for its heritage and the tradition of excellent craftsmanship in Manipur. It has not only survived but also grown over the decades providing livelihood to thousands of peoples due to its inherent strengths like flexibility of production in small quantities, openness to innovation, low level of capital investment and immense possibility of designing fabrics. Accord priority to improvement and promotion of these activities. Reservation Handloom (Reservation of Articles for Production) Act 1985 will be implemented efficiently.

(ii) **Powerloom Industry:** Growth of powerloom in Manipur being very slow, focus for implementation of various Government sponsored schemes and to evolve a value chain system from spinning mill to garment will be provided.

(iii) **Carpet Weaving:** To encourage manufacturing of hand knotted products with traditional motifs that conform to and bear the 'KALEEN' mark of standards with compliance of Child Labour (Prohibition and Regulation) Act, 1986

9.6: Handicrafts & Khadi Industry: Accord priority to this sector to enable it to increase both its contribution to exports and its productive employment through upgradation of skills, creation of better work environment, design and technology intervention, cluster development with common infrastructure, service and market development.

9.7: Garment & Hosiery/Knitting: To accord importance and support weavers and textile workers, garment, Hosiery/Knitting and made-ups including its workers for expansion into global fashion knitwear and apparel and home furnishing in the textile value addition chain alongside garments to make available defect free and colour-fast processed fabrics.

9.8: Processing and Finishing: Encourage to setup of modern processing units to meet the international quality and environmental norms with schemes for network of computerized colour matching and testing facilities for achieving ISO 9000 and ISO 14000 standards. Local dyeable plants will be promoted for producing eco-friendly natural dyes derive from local plants, bark, herbs, etc.

9.9: Technical Textiles: To support for establishment of production unit of technical textiles in Manipur which are textile materials and products used primarily for their technical performance and functional properties rather than their aesthetic or decorative characteristics.

9.10: Exports: To enhance earning foreign exchange of textile exports by establishing a multi-disciplinary institutional mechanism to formulate policy measures and specific action plans on export strategy relating to the WTO and institutions. Focus to build up a strong commercial intelligence network and infrastructure for harnessing the potential of e-commerce on ICT platform. This will enable to meet the fast-changing global economic environment.

9.11: Fiscal and Financing Arrangements: With the introduction of GST across the country, prices of various textile materials have increased. A road map for growth-oriented fiscal will be drawn up to keep prices of textile material at levels affordable to the largely poor consumers.

9.12: Redressal of private mill / units: Appropriate measures will be taken to mitigate the problems of displaced workers on consequences of closure of private mills/units but no provision to take-over/nationalising of any sick private units.

9.13: Human Resource Development: To support programmes of State Level Organisations and Institutions engaged in HRD that address the professional manpower needs of the textile industry.

10.0: Grants/Incentives/Subsidy/Assistance/Concession:

With a main objective to generate more employment and attract investment in the Handlooms & Textiles, the policy envisage to provide following support to any eligible Textile Industry as specified at Para 3.0 above.

10.1: Grants for development of Cluster: To generate employment in cluster based development, Manipur Textile Policy, 2018 will support and encourage small and medium enterprises as defined in Para 3.0 above to develop in clusterization with 100% grants of Government Schemes.

10.2: Grants for setting up Park / Estate /Village: To create more employable avenue in the textile sector, the Policy will extend 100% grants and land support for setting up of Powerloom Estate, Textile Park, Handloom Park, Apparel Park, Processing Park and Handicrafts Villages in Manipur under Government Schemes.

10.3: Credit Linked Capital Subsidy: Capital Subsidy will be provided to textile industry in the following quantum of subsidy:

Investment Bracket	Quantum of Subsidy
Up to Rs.10 crores	20% of Fixed Assets(FA)
Rs.10 crore to 25 crore	20% of FA or Rs.3 crore, whichever is less
Rs.26 crore to 50 crore	20% of Fixed Assets or Rs.4 crore whichever is less
Rs.51 crore to 125 crore	20% of Fixed Assets or Rs.6 crore whichever is less
Mega Projects	10% of project cost or Rs.10 crore whichever is less

10.4: Entitlement of the subsidy and/or support: State Level Committee will recommend the ceiling of Grants/Incentives/Subsidy/Assistance/Concession as per MSMED Act, 2006 or such other relevant Act or Guidelines

10.5: Interest Subsidy: Interest Subsidy @ 6% by way of Credit Linked Interest Subsidy to those sectors defined in Para 3.0 above and other textile activities/process like crimping, texturizing, twisting, winding, sizing etc. within the Textile value chain during the period of the Manipur Textile Policy, 2018.

10.6: Power Subsidy: Power tariff subsidy @ Rs.1.50 per unit for Spinning, modern Ginning and powerloom and Rs.2.00 per unit for other categories of all textile industry will be provided for a period of 5 years from date of commercial production in policy period of 5 years to those sector defined in Para 3.0 above.

10.7: Concession on State GST: Reimbursement of 100% on Tax/GST on purchases of (i) raw material like cotton, silk and synthetic yarn and (ii) machinery/accessories/equipment for this sector including reimbursement of tax collected on end products /intermediate products within entire value chain (from cotton to garment and made ups).

10.8: Incentive for conservation of Energy, Water & Environment: Financial Support of 80% of the project cost or Rs.2.00 crore, whichever is less for installation of Solar Power supply system and setting up of Effluent Treatment Plant (ETP) in the handloom clusters/handloom park/textile parks and 50% or maximum of Rs.50,000 to each category for Energy Audit / Water Audit / Environmental Compliance once during operating period of Manipur Textile Policy.

10.9: Assistance for Technology Acquisition & Upgradation: Enterprises acquiring specialized application technology for the first time in Manipur will be provided financial assistance of upto 50% of the investment in technology/collaboration, subject to a maximum of Rs.20.00 lakh per process/product.

10.10: Assistance to Training / Skilling Institutions, Service Centres and Trainees: Training support of 100% to unskilled, skilled for upskill and skill up-gradation for production of export oriented products for the overall capacity building purposes during the policy period under the Government Schemes.

10.11: Assistance to Geographical Dispersion Units: To reduce district imbalance and promote employment in the backward areas of the State, assistance of Rs.20.00 lakh per backward District will be provided which also will help decongesting Municipal areas.

10.12: Assistance to People With Disability (PwD): In order to provide equal opportunity in the employment, People With Disability (PwD) will provided 10% of every suitable Schemes/grants/incentive/concession.

10.13: Transport Subsidy to Labour Intensive Textile/Apparel Units: Transport Subsidy to a maximum of Rs.600 per employee per month or Rs.3.50 lakh per year whichever is less will be provided as reimbursement on an annual basis limited to first two years of operations of units providing direct employment to at least 50 peoples in urban/semi-urban and 20 people in backward districts and border Districts to Myanmar. This subsidy is over and above the transport subsidy of Yarn Supply Scheme.

10.14: Assistance for Promotion of Marketing, Brand Development and Fashion:To enable individual fashion designer or group of entrepreneurs/units for brand development of their textile products to access the global and emerging domestic markets more effectively, assistance on reimbursement basis will provided upto 50% of the project cost or Rs.25.00 lakh, whichever is less, with the balance being met / arranged by the fashion designer/group of entrepreneurs/Industry Associations for (i) Participation in International Exhibitions, (ii) Business Delegations Abroad and Inward Missions, (iii) Development of Websites/Brochures, (iv) Undertaking Market Research Studies, (v) Engagement of International Market Development Consultants, (vi) Development of Brands, (vi) Publicity, (vii) Participation in fashion shows and (viii) E-Marketing Initiatives.

10.15: Incentive for Standards and Compliances, GI Registration: Reimbursement of 50% of the cost or (Rs.2.50 lakh for Handloom Mark and India Handloom Brand) and Rs.5 lakh, whichever is less for obtaining certification/accreditation under national/international recognized / accepted standards, like, Handloom Mark, India Handloom Brand(ZED), Geographical Indication, Bureau of Indian Standards, ISO-9000 Quality Management System, ISO-14000 Environmental Management System, ISO-18000 Occupational Health and Safety Standards, Social Accountability Standards, Internationally accredited eco-labels Oeko-Tex100 and any other internationally accredited certification.

10.16: Subsidy for Research & Development, Innovative ideas, Revival of Languishing Crafts: Expenditure upto 5% of the funds allocated for Capital Expenditure under Handlooms & Textiles will be utilized towards R&D, innovative ideas and revival of languishing crafts and upto 2% of the Capital Expenditure will be utilized towards publicity, monitoring, supervision, training of the officials working under the Office of the Handlooms and Textiles and for evaluation of the policy.

10.17: Assistance to Entrepreneurs: Assistance in form of grant and technical support will be provided to entrepreneurs as defined in Para 3.0 above to enable them for promotion and development on export strategies. They will be provided such other support wherever they are eligible as per the guidelines of the Scheme.

10.18: Assistance to Ex-Trainee: Assistance of 90:10 between Government and beneficiary will be provided to ex-trainee who have undergone Government sponsored training for a minimum period of 6 months on weaving, embroidery, knitting, dyeing and printing and handicrafts.

10.19: Free Seeds to Cotton Farmers: Free seeds along with fertilizer with additional inputs will be provided to cotton farmers for producing cotton bolls and fibres. The cotton bolls or fibres will be bought back under the Government Scheme for using them in the local Spinning Mills and export to other States.

10.20: Home Delivery Scheme: Under the theme of Save Time Save Money, home delivery of yarn with buy-back arrangement of handloom and handicrafts products will be continued during the Policy period for covering all deserving and needy weavers of the State.

10.21: Delivery Mechanisms for Implementation of the Policy: Three Committees will be constituted, (i) High Powered Committee headed by Minister in-charge of Handlooms & Textiles, (ii) State Level Committee with Director of Handlooms & Textiles and (iii) District Level Committee with Project Manager(Handloom) as Convener in each district to facilitate and deliver the Policy both in letter and spirit. Dispute resolution/ Grievance Redressal Mechanism shall be resolved through an inter-departmental Committee chaired by Chief Secretary, Manipur to look into grievances/ disputes pertaining to implementation of MTP, 2017 in the State.

(Details and eligibility for applying any of the above schemes under Manipur Textile Policy, 2018 will be as per the existing guidelines or to be notified separately).

11.0: Other specific improvements / changes targeted include:

- Manipur Handloom & Handicrafts Development Corporation Ltd will implement the Handloom & Handicrafts Delivery Scheme with buy-back arrangement of cotton fibres, vegetable dyes, credit/loan to weavers/artisans so as to become capable of devising dynamic export strategies; promoting financing; disseminating information on various aspects of trade and business policies.
- Director of Handlooms & Textiles will be Registrar of Designs and Patent for local products of handloom, handicrafts and other textile products.
- District Handlooms & Textiles Offices will be delegated power to issue ID cards for weavers, artisans and auxiliary textile workers and registration of individual entrepreneurs.
- National/State Level Institutions, Service Centres, Corporation and Bankers Committee will take active part in the implementation of Schemes with the State.
- The Government will make all necessary efforts to support the setting up of new textiles industries by facilitating land acquisition either by acquisition process, direct purchase or by lease within the framework of existing Land laws.

12.0: Clarification and Interpretation:

In case of any doubt regarding the provisions of the Manipur Textile Policy, 2018, the State Government shall be the only competent authority to clarify and such clarification or interpretation shall be final and binding on all concerned.

13.0: Power to provide necessary mechanisms for effective implementation of the Policy, amend and repeal any or all provisions:

13.1: Notwithstanding anything contained in any of the provisions of the Policy, the State Government may at any time make any amendment or addition to this Policy or repeal it, without giving prior notice.

13.2: The State Government will issue necessary instructions and guidelines to facilitate implementation of the various provisions of this Policy and put in place such mechanism as are essential for the smooth and effective enforcement of this Policy as well as to remove any difficulties arising thereof.

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