

## PM MITRA Parks [Govt Schemes for UPSC]

The government has approved the setting up of seven PM MITRA Parks with an outlay of Rs. 4,445 crores for over five years. In this article, you can learn more about the PM MITRA Parks scheme, its significance, benefits and components for the [IAS exam](#).

### PM MITRA Parks

In a bid to accomplish the vision of Prime Minister Narendra Modi in establishing an Atmanirbhar Bharat and to make India stand at par with global textile giants, the Union Cabinet declared the setting up of seven PM MITRA parks.

- The **seven Mega Integrated Textile Region and Apparel (PM MITRA)** parks will be established at Greenfield or Brownfield sites located in different states.
- PM MITRA is motivated by PM Modi's 5F vision of farm to fibre; fibre to factory; factory to fashion; and fashion to foreign.
- This integrated vision will help to further the growth of the textile sector in the economy.
- The scheme is under the Textiles Ministry.

### PM MITRA Parks Latest Updates

**In March 2023, the Centre has chosen locations in seven states, including Tamil Nadu, Telangana, Karnataka, Maharashtra, Gujarat, Madhya Pradesh, and Uttar Pradesh, to establish new textile parks, more than a year and a half after the introduction of the PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme.**

- The selection of PM MITRA parks was carried out through a transparent procedure, which was approved by the inventive [PM GatiShakti National Infrastructure Master Plan](#).

### PM MITRA Parks Features

Under the project, PM MITRA parks will be established by a special purpose vehicle, owned by the state governments and the Centre in a public-private partnership (PPP) model.

- This is in a form of [viability gap funding](#) to make the project attractive for the participation of the private sector.
- A master developer will be selected on an objective criterion developed by the State and Central Governments who will not only develop the industrial park but also maintain it during the concession period.

### Components of the project:

- The parks will have 50% area for manufacturing activity, 20% for utilities, and 10% area for commercial development.
- The textile parks will include an incubation centre and plug-and-play facility, developed factory sites, roads, power, water, and waste-water system, common processing house and CETP, and other related facilities like design centre, testing centre, among others. The parks will also have workers' hostels and housing, logistics park, warehousing, medical, training and skill development facilities.

### Capital Support:

- For a Greenfield PM MITRA park, the Government of India development capital support will be 30 per cent of the project cost, with a cap of Rs 500 crore.
- For Brownfield sites, after assessment, development capital support at 30 per cent of project cost of balance infrastructure and other support facilities to be developed and restricted to a limit of Rs 200 crore.
- The Centre will also provide a fund of ₹300 crores for each PM MITRA Park to incentivize the establishment of manufacturing units.
  - This will be known as **competitiveness incentive support (CIS)** and will be paid up to 3 per cent of the turnover of a newly established unit in the parks.
- Meanwhile, State government support will include the availability of “contiguous and encumbrance-free land parcel of over 1,000+ acres” along with other textiles-related facilities and ecosystems.

### PM MITRA Parks Scheme Advantages

The Seven PM MITRA Parks will have the following advantages:

- **Integrated Value Chain:** PM MITRA will offer an opportunity to create an integrated textiles value chain right from spinning, weaving, processing/dyeing, and printing to garment manufacturing at 1 location.
- **Cost Reduction:** Integrated Textile Value chain at 1 location will reduce logistics costs of the industry. The reduced cost will enhance the competitiveness of the textiles industry, by helping it in achieving economies of scale.
- **Employment Generation:** The project is intended to create 1 lakh direct and 2 lakh indirect employment per park.
- **FDI:** World-class industrial infrastructure would attract cutting-edge technology and boost [Foreign Direct Investment](#) and local investment in the sector.

## Utility of PM MITRA Parks

- The PM MITRA scheme aligns with the government's efforts to enter into [free trade agreements](#) that provide access to developed markets for Indian textiles, apparel, and various other industries. The government has already signed trade agreements with the UAE and Australia and is currently in talks with Canada, the UK, and the European Union.
- This is yet another instance of [cooperative federalism](#), as the Centre and the respective states will jointly participate in the creation and management of the parks through Special Purpose Vehicles (SPVs), as partners.
- The PM MITRA parks will create an integrated textiles value chain from spinning, weaving, processing/dyeing, and printing to garment manufacturing at one location.
- This will reduce **logistics costs** and enhance the competitiveness of the textiles industry by achieving economies of scale.
- The project is expected to create 1 lakh direct and 2 lakh indirect employment opportunities per park, and the world-class infrastructure will attract cutting-edge technology and boost foreign direct investment and local investment in the sector.

## Conclusion

India's long-standing history of textiles, tracing back to ancient times, is set to undergo a significant transformation that will establish India as a global hub for investment, manufacturing, and exports. The PM MITRA park is a significant move towards fulfilling the Aatmanirbhar Bharat and "Vocal for Local" campaigns, inspired by the Prime Minister's 5F vision of "Farm to Fibre to Factory to Fashion to Foreign."