



## PLI Schemes: Shaping India's Industrial Growth

*₹1.46 lakh crore in investments, ₹4 lakh crore worth of exports recorded*

(Ministry of Information and Broadcasting)

November 18, 2024

### Introduction

India's manufacturing sector is entering a bold new era, fueled by visionary policies that seek to redefine its role on the global stage. At the forefront of this transformation is the Production Linked Incentive (PLI) Scheme, a key pillar of the government's ambitious efforts to position the country as a global manufacturing hub while fostering innovation, efficiency, and competitiveness across key industries.

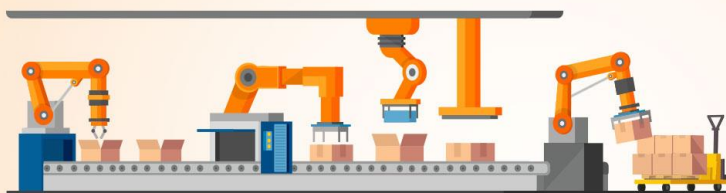
Launched in 2020, the PLI Scheme is more than just a policy; it is a strategic leap toward self-reliance. By targeting industries like electronics, textiles, pharmaceuticals, and automobiles, the initiative offers financial incentives tied directly to measurable outcomes such as higher production and incremental sales. This performance-driven approach not only attracts investments from domestic and global players but also encourages businesses to embrace cutting-edge technologies and achieve economies of scale.

Aligned with the vision of *Atmanirbhar Bharat* and the larger *Make in India* initiative, the PLI Scheme seeks to strengthen the manufacturing backbone, reduce reliance on imports, and balance growth with sustainability. It underscores the nation's resolve to lead in production excellence, foster innovation, and create a thriving industrial ecosystem that powers both local progress and global competitiveness.

### Production Linked Incentive (PLI) Scheme



- › PLI schemes generate **₹12.5 Lakh Crore** in production value and **9.5 Lakh Jobs** across various sectors



(As of August 2024)

## Sectors Covered Under PLI Scheme

With an impressive outlay of ₹1.97 lakh crore (over US\$24 billion), the PLI Schemes focus on 14 critical sectors, each strategically chosen to enhance the country's manufacturing prowess, foster technological advancements, and elevate India's position in global markets. These sectors are aligned with the government's goal of strengthening domestic production and expanding exports, contributing to the broader vision of Atmanirbhar Bharat.

The 14 sectors covered under the PLI Scheme include:

Large Scale Electronics Manufacturing

Critical Key Starting Materials/Drug Intermediaries & Active Pharmaceutical Ingredients

Manufacturing of Medical Devices

Automobiles and Auto Components

Pharmaceutical Drugs

Specialty Steel

Telecom & Networking Products

IT Hardware

White Goods (Air Conditioners and LEDs)

Food Products

Textile Products: MMF Segment and Technical Textiles

High Efficiency Solar PV Modules

Advanced Chemistry Cell (ACC) Battery

Drones and Drone Components

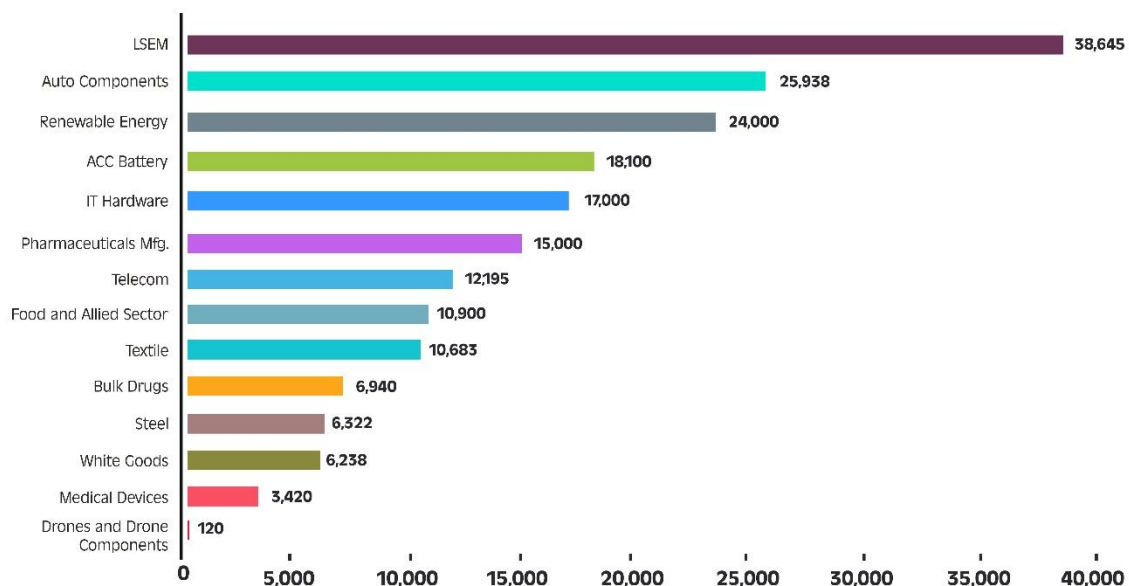
By targeting these sectors, the PLI Scheme aims to drive investment in high-tech industries, improve domestic manufacturing capabilities, and enhance India's global competitiveness.

## Budget Outlay

The Budget outlay for the PLI schemes highlights the government's strategic investment in key sectors to boost domestic manufacturing and foster economic growth. With significant allocations across industries such as mobile manufacturing, auto components, renewable energy, and pharmaceuticals, the outlays aim to enhance technological capabilities, encourage innovation, and attract investments. This targeted approach supports sectors vital for India's industrial growth, aiming to strengthen its position in the global market while creating jobs and stimulating economic activity.



### Approved PLI Outlay (In Rs. Crores)



## Achievements and Impact

The Production Linked Incentive (PLI) Schemes have made significant strides in transforming India's manufacturing landscape. As of August 2024, actual investments totalling ₹1.46 lakh crore have been realized. These investments have already led to a remarkable boost in production and sales, amounting to ₹12.50 lakh crore, while directly and indirectly generating approximately 9.5 lakh jobs.



Exports have also seen a substantial uptick, surpassing ₹4 lakh crore, driven by key sectors such as electronics, pharmaceuticals, and food processing. The success of these schemes is evident in the accelerated growth of domestic industries, the increasing global competitiveness of Indian products, and the creation of millions of employment opportunities, all contributing to the nation's broader economic goals.

Other sector specific achievements include:

### **Largescale Electronics Manufacturing (LSEM)**

India's electronics manufacturing sector has flourished under the PLI scheme, transforming from a net importer to a net exporter of mobile phones. Domestic production grew from 5.8 crore units in 2014-15 to 33 crore units in 2023-24, with imports dropping significantly. Exports reached 5 crore units, and Foreign Direct Investment increased by 254%, highlighting the scheme's role in boosting manufacturing and investment.

### **Pharmaceuticals, Medical Devices, and Bulk Drugs**

The PLI scheme has strengthened India's position in the global pharmaceuticals market, making it the third-largest player by volume. Exports now account for 50% of production, and the country has reduced reliance on imports by manufacturing key bulk drugs like Penicillin G. Additionally, global companies have transferred advanced medical device technology, enabling India to produce critical equipment like CT scanners and MRI machines locally.

### **Automotive Industry**

With an outlay of over US\$ 3 billion (₹25,938 crore), the automotive PLI scheme has driven significant investments and boosted production of high-tech automotive products. Over 115 companies applied, with 85 approved for incentives, expected to attract US\$ 8 billion (₹67,690

crore) in investments, far exceeding the target. This success has strengthened India's position in the global automotive sector.

### **Renewable Energy and Solar PV**

The PLI scheme for solar PV modules has accelerated India's renewable energy goals. The first phase, with an outlay of US\$ 533.7 million (₹4,500 crore), established manufacturing capacity, while the second tranche aims to setup 65 GW of fully/ partially integrated solar PV manufacturing with an outlay of US\$ 2.31 billion (₹19,500 crore). The initiative is expected to create jobs, reduce imports, and drive solar innovation.

### **Telecom and Networking Products**

India has achieved 60% import substitution in telecom products under the PLI scheme. Global tech companies have set up manufacturing units, turning India into a major exporter of 4G and 5G telecom equipment. This growth strengthens India's telecom infrastructure and enhances its position in the global supply chain.

### **Drones and Drone Components**

The drone sector has experienced rapid growth, with turnover increasing seven-fold under the PLI scheme. Driven by MSMEs and start-ups, this success has attracted significant investments and job creation, positioning India as a global leader in drone manufacturing.

## **Conclusion**

In conclusion, the Production Linked Incentive (PLI) Scheme has proven to be a transformative force in reshaping India's manufacturing sector, driving growth across key industries and positioning the country as a global leader in innovation, production, and exports. With its strategic focus on sectors like electronics, pharmaceuticals, automotive, renewable energy, and more, the PLI scheme has already achieved remarkable milestones in terms of investment, production, and job creation. As the country continues on its path to self-reliance under the *Atmanirbhar Bharat* vision, the success of these initiatives is a testament to India's growing manufacturing capabilities, technological advancements, and its ability to compete on the world stage. The PLI scheme not only contributes to strengthening India's industrial backbone but also accelerates its integration into global supply chains, fostering sustainable growth and prosperity for years to come.

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