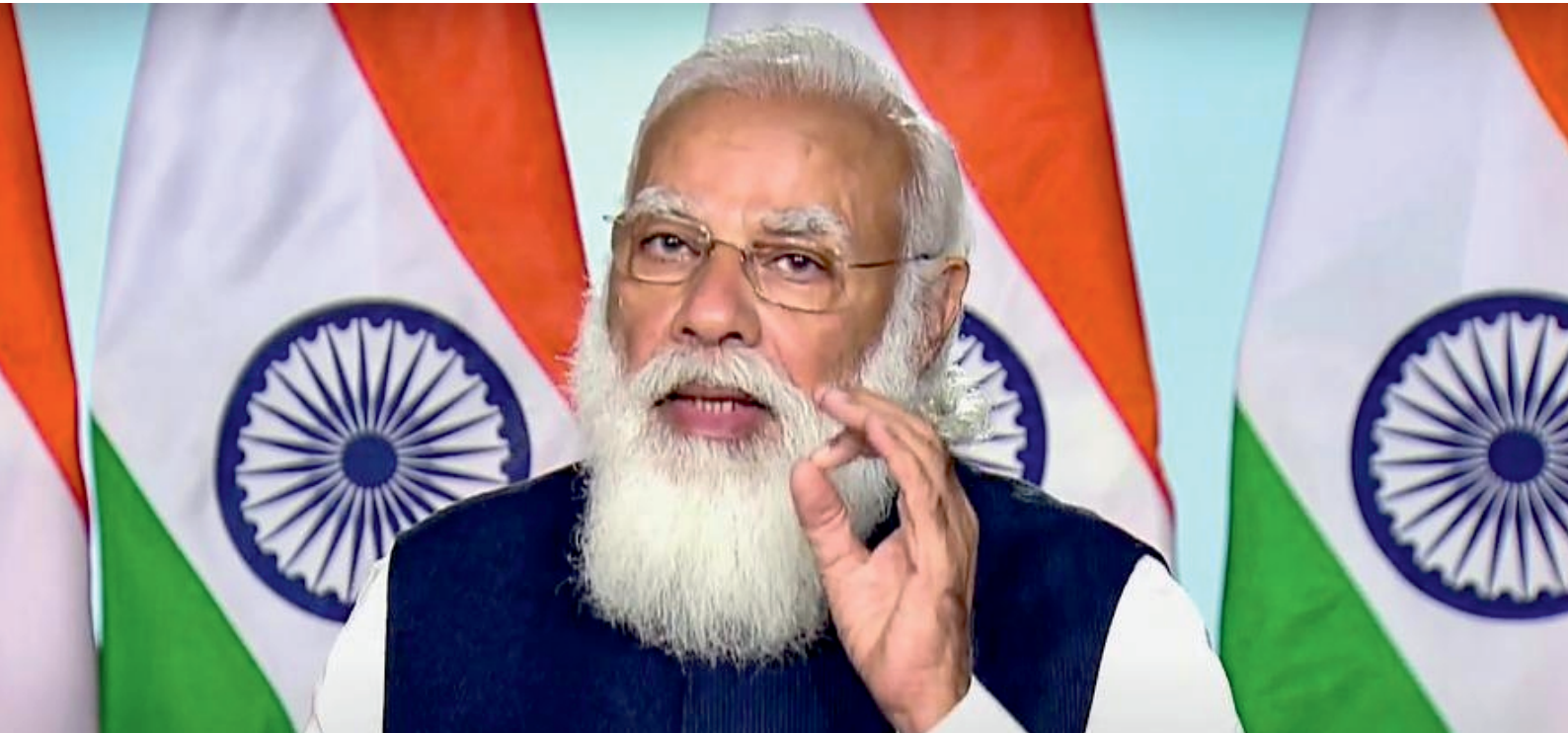


PLI scheme likely to boost India's manufacturing output by USD 520 billion in five years: PM Modi

Addressing a webinar, PM Modi said that the government is continuously carrying out reforms to boost domestic manufacturing.



Prime Minister Narendra Modi on 5 Mar 2021 said the Production Linked Incentive (PLI) scheme, aimed to boost domestic manufacturing and exports, is expected to increase the country's production by \$520 billion in the next five years.

“\$520 billion of production is estimated to take place in India in the next five years through PLI alone. There is also an estimate that workforce will double in the sectors that have been given PLI. This will help increase income and demand,” PM Modi said while addressing India Inc at the webinar on PLI schemes organised by the Department of Industry and

International Trade and NITI Aayog.

He said the government has provided for Rs 2 lakh crore in this year's budget for PLI schemes wherein an average 5% of production has been given as incentive.

The Centre has announced 13 PLI schemes in wake of the COVID-19 pandemic last year to encourage large companies to ramp up manufacturing base and boost exports from India. The total incentives under the PLI schemes, covering sectors such as telecom, electronics, auto part, pharma, chemical cells and textiles, are pegged at Rs 1.97 lakh crore over a five-year period.

These 13 sectors include Mobile Manufacturing and Specified Electronic

Components, Critical Key Starting materials/Drug Intermediaries and Active Pharmaceutical Ingredients, Manufacturing of Medical Devices, Automobiles and Auto Components, Pharmaceuticals Drugs, Specialty Steel, Telecom and Networking Products, Electronic/Technology Products, White Goods (ACs and LEDs), Food Products, Textile Products: MMF segment and technical textiles, High efficiency solar PV modules, and Advanced Chemistry Cell (ACC) Battery.

“We have to change the situation of exporting limited products to limited countries from limited locations,” Mr. Modi said.

Emphasising that earlier, industrial incentives meant open ended provisions but now they're target and performance-based, Prime Minister said: "To bring 13 sectors in such PLI shows our commitment. Besides impacting the respective sectors, they will benefit the ecosystem". PM Modi also said the quality of our products is good, people will be willing to pay extra for it and that India has to attract more cutting edge technology and investment in sectors with core competency.

The government, Mr. Modi said, is working to reduce compliance burden, further improve ease of doing business and cut down logistics costs for the industry. "Our effort is to reduce 6,000 compliances burden on entities at the state and Central level. With technology, we can get rid of the need to continuously fill up forms," he said.

"We believe government's interference

in every issue creates problems rather than solutions. Hence, our focus is on self regulation, self attestation, self certification," he said.

Sectoral impact

In auto and pharma, PM Modi said PLI will help reduce foreign dependence on auto parts, medical equipment and raw material for drugs while the support given to advance cell batteries, solar PV modules and specialty steel would help modernise the country's energy sector, giving a boost to India's own raw material, labour and talent.

Mr. Modi said textile and food processing PLI will benefit the entire agriculture sector.

The Prime Minister said the PLI in electronics will improve domestic value addition to 20-30% from 5-10% now. In telecom equipment manufacturing, Rs 2.5 lakh crore production in next five

years is expected and India can benefit from the export opportunity of Rs 2 lakh crore. Similarly, an increase in pharma production of Rs 3 lakh crore and exports of Rs 2 lakh crore is estimated.

"Rs 35,000 crore production was done during the pandemic under the PLI scheme for electronics and new investment of Rs 1300 crore has come," he said.

While successful efforts have been undertaken to encourage the Make in India initiative in the last 6-7 years, Mr. Modi said to take these efforts to the next level, big steps and improved speed and scale have to be taken.

To enhance India's manufacturing capabilities and exports, an outlay of Rs 1.97 lakh crore has been announced for Production-linked incentive (PLI) schemes for 13 key sectors for a period of five years starting from fiscal year (FY) 2021- 22.

Easing Business, Manufacturing

PLI SCHEMES TO LEAD TO PRODUCTION worth \$520 bln in 5 yrs

SECTORS WITH PLI scheme to witness workforce doubling

AVERAGE OF 5% of production is given as incentive in PLI

13 SECTORS given PLI worth

₹1.97 lakh cr in Budget

Key to cut foreign dependence on auto parts, medical equipment

Textile, food processing PLI to benefit entire farm sector

LOWER COMPLIANCE

AIM TO REDUCE 6,000 compliances

LOWER LOGISTICS costs crucial for industry

FOCUS ON SELF regulation, self attestation, self certification

