

Govt may extend PLI scheme to chem, petrochem, says FM

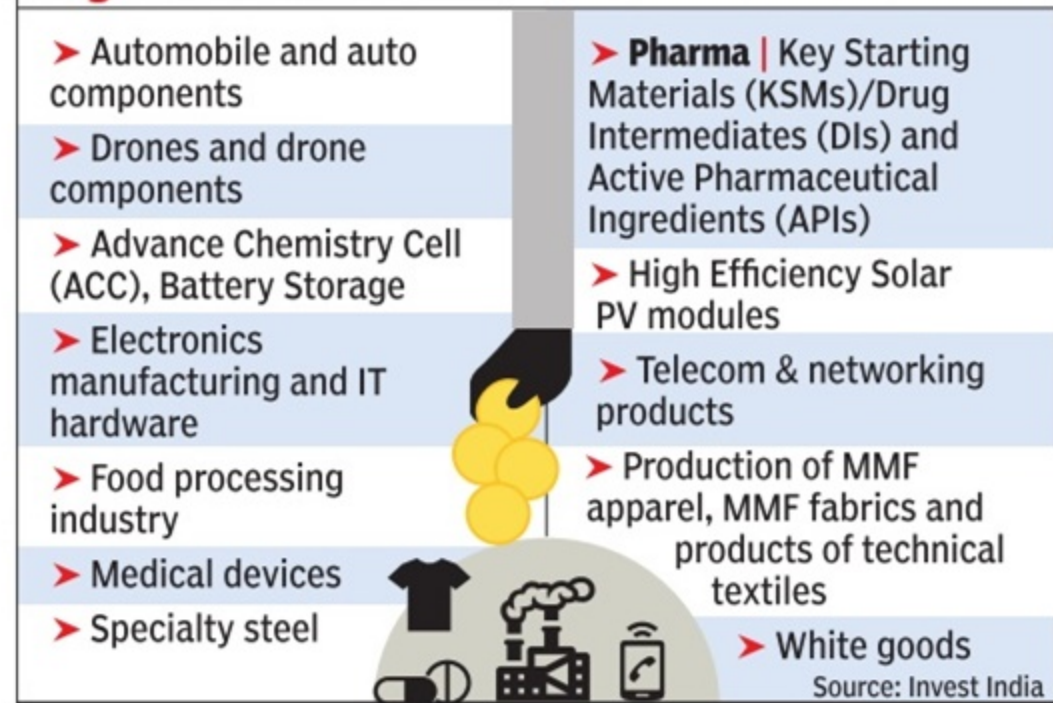
TIMES NEWS NETWORK

New Delhi: Finance minister Nirmala Sitharaman on Thursday said the government will consider extending the Production Linked Incentive (PLI) scheme to chemicals and petrochemicals, with an eye to make India a manufacturing base for these products.

Given the stringent regulations and rising labour cost, international players in the space are looking to diversify their products and production capability and India could be an alternative destination for manufacturing, the minister said at an event organised by Ficci.

“If viable options exist, it exists in such markets where there is a domestic buffer and beyond which there is an export potential. So that is where the government’s policies have been

Key Sectors Under Incentive Scheme



facilitating... We are in favour of having India become a manufacturing hub and therefore of course we will consider the PLI also for the chemicals and petrochemicals,” she said.

While the government had originally identified 13 sectors under the Rs 2 lakh

crore scheme, spread over five years, the number of industries covered is on the rise, with toys, leather and e-bikes joining the list amid a clamour from sectors across the spectrum to get a share of the government subsidy, provided there is certain scale.

Among the chemicals sector, pharma is already covered by PLI and the first batch of incentives given to the sector have already taken off. The proliferation of PLI across sectors will result in the government having to either increase the budgetary allocation or use the savings from the ones that have already been announced.

In case of chemicals and petrochem, the FM said that the industry, which has great potential, should create manufacturing capacity, keeping in mind sustainability, carbon emission, general pollution and groundwater pollution etc. “India has set its sights on becoming energy independent by 2047 and achieving net zero by 2070. So net zero cannot be achieved unless each industry and each sector contributes to it,” she said.