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Key Manufacturing Clusters in India: A Sector-Wise Breakdown

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India boasts a variety of manufacturing clusters, each specializing in distinct sectors, contributing significantly to domestic production and exports.

Supported by various central government schemes and the rapid infrastructure improvements, these clusters are key to India's rise as a global manufacturing hub.

Industrial clusters in India

India has emerged as a global manufacturing hub due to its large, skilled labor force, improving infrastructure, and favorable government policies like the Make in India initiative and Production-Linked Incentives program.

India's manufacturing clusters, spread across its states, showcase the country's industrial diversity and global competitiveness. From automobiles and textiles to pharmaceuticals and electronics, each cluster contributes significantly to India's economy, creating jobs, driving exports, and attracting foreign direct investment. With continuous infrastructure improvements and policy support, these clusters are poised to strengthen India's position as a global manufacturing hub.

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Automotive industry

India's automotive manufacturing capacity includes passenger vehicles, commercial vehicles, two-wheelers, and auto components. The country is a prominent exporter of small cars and auto components, with significant markets in Europe, Africa, and Latin America.

Key clusters:

- **Chennai (Tamil Nadu):** Often referred to as the "Detroit of India," Chennai houses major global automotive manufacturers such as Ford, Hyundai, BMW, and domestic giants like Ashok Leyland. The region is also known for its extensive auto component manufacturing.

- **Pune (Maharashtra):** A major automotive hub with manufacturers like Tata Motors, Mercedes-Benz, and Bajaj Auto. Pune also focuses on the production of components and engineering services.
- **Gurugram-Manesar (Haryana):** Home to Maruti Suzuki and Hero MotoCorp, this cluster has evolved into a significant automotive manufacturing base, including auto parts and engineering facilities.
- **Sanand (Gujarat):** The Sanand Industrial Estate is notable for the Tata Nano plant and hosted number of international automotive companies, such as Ford. Ford Motors, however, discontinued its sales and manufacturing operations in India in 2020.

State	Location	Automobile manufacturer
Andhra Pradesh	Sri City	Isuzu Motors India Kobelco
	Satyavedu	Hero Motor Corp.
	Vijayawada	Ashok Lyland Ltd. AVERA New and Renewable Energy
	Penukonda	Kia Motors
Telangana	Zahirabad	Deccan Auto Mahindra & Mahindra
Haryana	Dharuhera	Hero Moto Corp
	Gurgaon	Hero Moto Corp Suzuki Motorcycle India Limited
	Faridabad	India Yamaha Motor Escorts Tractors JCB Maruti Suzuki
	Manesar	Honda Motorcycle Maruti Suzuki
Himachal Pradesh	Nlagar	TVS Motors
	Amb	International Cars and Motors
	Parwanoo	TAFE Tractors
Kerala	–	–
Madhya Pradesh	Pithampur	Mahindra Two-wheelers Eicher Motors Hindustan Motors CNH Industrial
	Mandideep	TAFE Tractors

Punjab	Nawanshahar Hoshiarpur Mohali Morinda Patiala Barnala Nabha	SML Isuzu Limited International Tractors Limited Punjab Tractor Motors Limited Class India Limited John Deere India Limited Standard Tractors Limited Preet Tractors Limited
Rajasthan	Tapukara Alwar Neemrana Jaipur	Honda Cars India Honda Motorcycle and Scooters Ashok Leyland Limited TAFE Tractors Hero Motocorp + Harley Davidson Mahindra & Mahindra
Uttar Pradesh	Lucknow Greater Noida	Tata Motors Honda Cars India New Holland Agriculture India Yamaha Motors Honda Cars India
Uttarakhand	Haridwar Pantnagar	Hero MotorCorp Mahindra & Mahindra Bajaj Auto Ashok Leyland Tata Motors
Karnataka	Mysore Kolar Bengaluru Bidadi Doddaballapura Dharwad Hoskote	TVS Motors Honda Motorcycle and Scooters Scania Commercial Vehicles Toyota Kirloskar Motor Private Limited Mahindra Reva Toyota Kirloskar Motor Private Limited TAFE Tractors Tata Motors Volvo Buses India Private Limited
Tamil Nadu	Hosur Chennai	TVS Motors Ashok Leyland Kamaz Vectra Motors Limited Royal Enfield India Yamaha Motor

		Daimler Bharat Benz
		Motorrad
		Force Motors
		Wright Bus
		Isuzu
		Schwing Stetter
		Komatsu
	Kanchipuram	TAFE Tractors
	Vellore	Mahindra & Mahindra
	Oragadam	SAME Deutz-Fahr
	Thiruvallur	Royal Enfield
		Royal Enfield
	Avadi	Mitsubishi
	Ambattur	Heavy Vehicles Factory
	Ranipet	TI Cycles
	Ennore	Bavina Cars
	Kalladipatti	Ashok Leyland
		TAFE Tractors
West Bengal	Hindmotor	Hindustan Motors
	Kharagpur	Tata Motors
Gujarat	Dalotporda	VR Motors
	Halol	SAIC Motors India
	Sanand	Tata Motors
	Bhuj	Asian Motorworks
Maharashtra	Baramati	Piaggio, Vespa, Aprillia
	Pune	General Motors
	Ahmadnagar, Pune	MV Agusta
	Ranjangaon	Tata Motors
	Nashik	Mahindra & Mahindra
	Chakan	Mahindra, Ssangyong
		Bajaj Auto
		India Kawasaki Motors
		Sany India
		Hyundai Construction Equipment
		JCB
	Aurangabad	Vedant Cranes
	Kandivali	John Deere
	Talegaon	Hyosung, Benelli
	Pargaon	Premier
	Sanaswadi	Leibherr
	Wai	Chinkara Motors
	Pimpri	Premier
	Navi Mumbai	Eicher Motors
	Alibaug	Chinkara Motors
	Banda	Caterpillar
	Thane	Eicher Motors

Source: Scribd

Textiles and apparel

India's textile and apparel production capacity encompasses cotton and synthetic textiles, knitwear, woolen apparel, and home textiles. As one of the world's largest exporters in this sector, India experiences strong demand from markets in the U.S., Europe, and the Middle East.

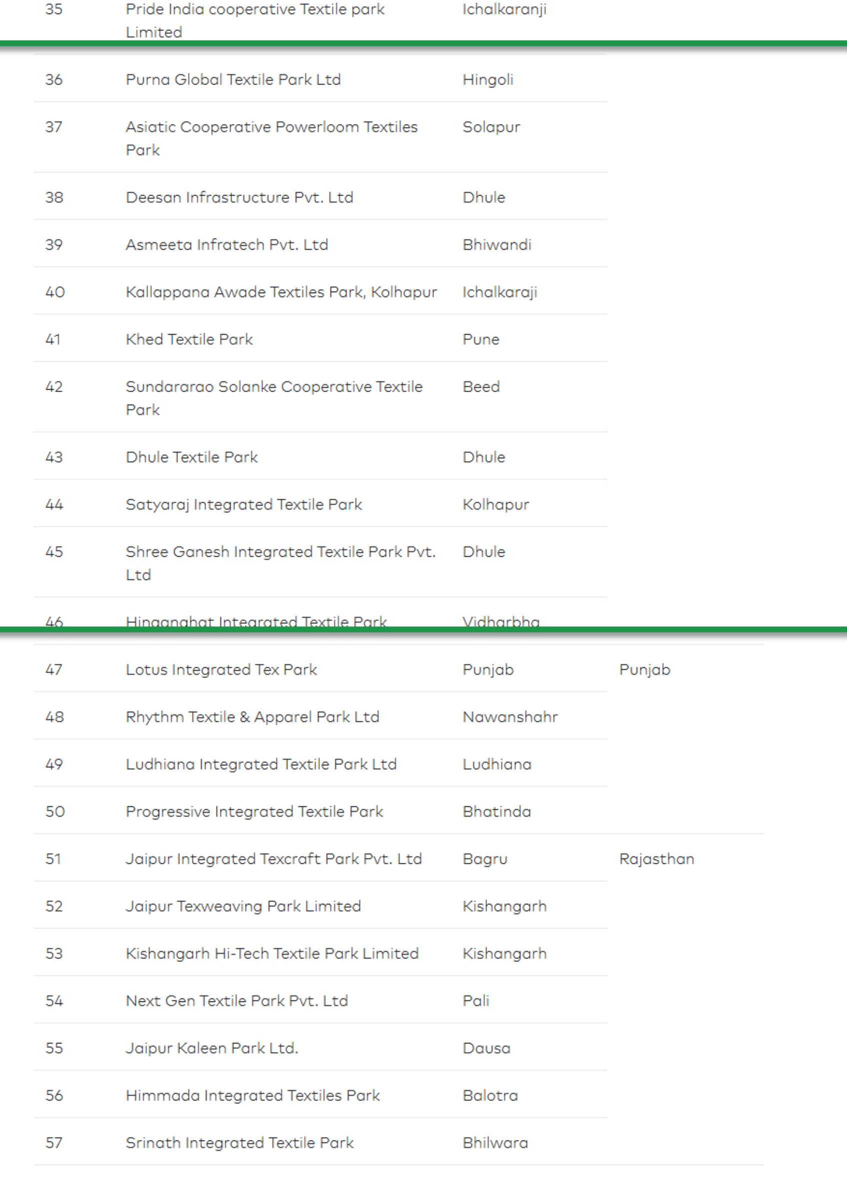
Key clusters:

- **Tiruppur (Tamil Nadu):** Known as the "Knitwear Capital of India," Tiruppur specializes in knitted garments, particularly cotton-based products. It is a major export hub for textiles, serving markets in Europe and the U.S.
- **Ludhiana (Punjab):** This city is famous for its woolen apparel and knitwear, producing a large volume of winter wear for domestic and international markets.
- **Surat (Gujarat):** A prominent textile cluster, Surat specializes in synthetic textiles and is one of the largest centers for the production and processing of polyester fabrics in India.
- **Bhiwandi (Maharashtra):** Known for its power loom industry, Bhiwandi is a major player in producing synthetic and cotton fabrics.

1. Textile Parks under SITP

S.No.	Name of Park	Location	State
1	Brandix India Apparel City Private Limited	Vishakhapatnam	Andhra Pradesh
2	Hindupur Vyapar Apparel Park Limited	Ananthpur	
3	MAS Fabric (India) Park Ltd	Nellore	
4	Guntur Textile Park	Guntur	
5	Rangaraya Textile Park, Godavari	West Godavari	
6	Tareshkewara Textile Park Pvt. Ltd	Nellore	
7	Goutham Budha Textile Park	Guntur	
8	Prag Jyoti Textile Park	Darrang	Assam
9	JVL Textile Park	Rohtas	Bihar
10	Gujarat Eco Textile Park Limited	Surat	Gujarat
11	Mundra SEZ Textile & Apparel Park	Kutch	

	Limited		
12	Fairdeal Textile Park Pvt. Ltd	Surat	
13	Vraj Integrated Textile Park Limited	Khed	
14	Sayana Textile Park Ltd	Surat	
15	Surat Super Yarn Park Limited	Surat	
16	RJD Integrated Textile Park	Surat	
17	Kejriwal Integrated Textile Park Pvt. Ltd	Surat	
18	Madhav Textile Park	Surendrenagar	
19	Amitara Green Hi Tech Textile Park	Kheda	
20	Palsana Textile Park	Surat	
21	Shanti Textile Park Gujarat	Surat	
22	NSP Infrastructure	Surat	
23	Karnaj Integrated Textile Park	Surat	
24	Aalishan Eco Textile Park Pvt. Ltd	Panipat	Haryana
25	Himachal Textiles Park	Una	Himachal Pradesh
26	Kashmir Wool and Silk Textile Park	Ghatti	J &K
27	Jammu & Kashmir Integrated Textiles Park	Kathua	
28	Doddabalapur Integrated Textile Park	Doddabalapur	Karnataka
29	Gulbarga Textiles Park	Gulbarga	
30	CLC Textile Park Pvt Ltd	Chhindwara	Madhya Pradesh
31	Baramati Hi Tech Textile Park Limited	Baramati	Maharashtra
32	Islampur Integrated Textile Park Pvt. Ltd	Islampur	
33	Latur Integrated Textile Park Pvt. Ltd	Latur	
34	Metro Hi-Tech Cooperative Park Limited	Ichalkaranji	



35	Pride India cooperative Textile park Limited	Ichalkaranji	
36	Purna Global Textile Park Ltd	Hingoli	
37	Asiatic Cooperative Powerloom Textiles Park	Solapur	
38	Deesan Infrastructure Pvt. Ltd	Dhule	
39	Asmeeta Infratech Pvt. Ltd	Bhiwandi	
40	Kallappana Awade Textiles Park, Kolhapur	Ichalkaraji	
41	Khed Textile Park	Pune	
42	Sundararao Solanke Cooperative Textile Park	Beed	
43	Dhule Textile Park	Dhule	
44	Satyaraj Integrated Textile Park	Kolhapur	
45	Shree Ganesh Integrated Textile Park Pvt. Ltd	Dhule	
46	Hinganghat Integrated Textile Park	Vidharbha	
47	Lotus Integrated Tex Park	Punjab	Punjab
48	Rhythm Textile & Apparel Park Ltd	Nawanshahr	
49	Ludhiana Integrated Textile Park Ltd	Ludhiana	
50	Progressive Integrated Textile Park	Bhatinda	
51	Jaipur Integrated Texcraft Park Pvt. Ltd	Bagru	Rajasthan
52	Jaipur Texweaving Park Limited	Kishangarh	
53	Kishangarh Hi-Tech Textile Park Limited	Kishangarh	
54	Next Gen Textile Park Pvt. Ltd	Pali	
55	Jaipur Kaleen Park Ltd.	Dausa	
56	Himmada Integrated Textiles Park	Balotra	
57	Srinath Integrated Textile Park	Bhilwara	

58	Palladam Hi-Tech Weaving park	Palladam	Tamil Nadu
59	Karur Integrated Textile Park	Karur	
60	Madurai Integrated Textile Park Ltd	Madurai	
61	The Great Indian Linen & Textile Infrastructure Company	Perundurai	
62	SIMA Textile Processing Centre	Cuddalore	
63	Komarapalayam Hi-Tech Weaving Park Ltd.	Komarapalayam	
64	Kanchipuram Arigrar Anna Handloom Park	Kanchipuram	
65	SLS Textile Park	Hosur	
66	Pallavada Technical Textiles Park Ltd.	Erode	
67	Pochampally Handloom Park Limited	Pochampally	Telangana Telangana
68	Whitegold Integrated Spintex Park	Ranga Reddy District	
69	Avantika Textile Park	Medak	
70	Ecotex Textile and apparel park Pvt. ltd	Mirganj	Uttar Pradesh
71	Sri Lakshmi Textile Park	Kanpur	
72	Farrukhabad Textile Park Pvt. Ltd.	Farrukhabad	
73	EIGMEF Apparel Park Limited	Kolkata	West Bengal
74	Hosiery Park	Howrah	

Source: Ministry of Textile

Pharmaceuticals and biotech

India's pharmaceutical industry presents investment opportunities in producing APIs, biosimilars, vaccines, nutraceuticals, as well as food and drug testing and contract research. India stands as the world's largest producer of generic drugs, supplying significant markets in the U.S., Europe, and Africa. Emerging areas include focus on delivering complex solutions, including molecule generation, synthesis of active ingredients, preclinical studies, pharmaceutical production technology, clinical trials, and the experimental production of pharmaceutical products.

Key clusters:

Maharashtra, Gujarat, Andhra Pradesh, Himachal Pradesh, Rajasthan, Telangana, Uttar Pradesh, Goa, Karnataka, Tamil Nadu, Haryana, Uttarakhand host the major pharmaceutical manufacturing clusters in the country.

- **Hyderabad (Telangana):** Referred to as "Genome Valley," Hyderabad is a leading hub for pharmaceutical manufacturing and biotech research. Major companies like Dr. Reddy's Laboratories and Aurobindo Pharma are based here.
- **Ahmedabad (Gujarat):** Ahmedabad is home to major pharmaceutical companies such as Zydus Cadila and Torrent Pharma. It also focuses on bulk drug manufacturing.
- **Mumbai (Maharashtra):** The pharmaceutical and biotech cluster in Mumbai houses both large companies like Lupin and Sun Pharmaceuticals and many smaller firms involved in formulation development.

Electronics and IT hardware

India's electronics and IT hardware industry encompasses the production of smartphones, consumer electronics, telecom equipment, and IT hardware. The country is gradually establishing itself as a key exporter in this sector, particularly focusing on mobile phones, IT hardware, and electronic components. Various policies like the PLI Scheme and Electronics Manufacturing Cluster 2.0 Scheme support investments in this area.

Key clusters:

- **Bengaluru (Karnataka):** Known primarily for its IT industry, Bengaluru has also emerged as a significant hub for electronics manufacturing, particularly in semiconductors and embedded systems.
- **Noida (Uttar Pradesh):** Noida has become a key center for consumer electronics manufacturing, with global giants like Samsung and Oppo setting up major facilities.
- **Sriperumbudur (Tamil Nadu):** This cluster is home to major electronics manufacturing, including Foxconn and Flextronics, which produce smartphones and other consumer electronics for brands like Apple and Xiaomi.
- **Chennai (Tamil Nadu):** Chennai is another important hub for electronics, including telecom equipment and consumer electronics.

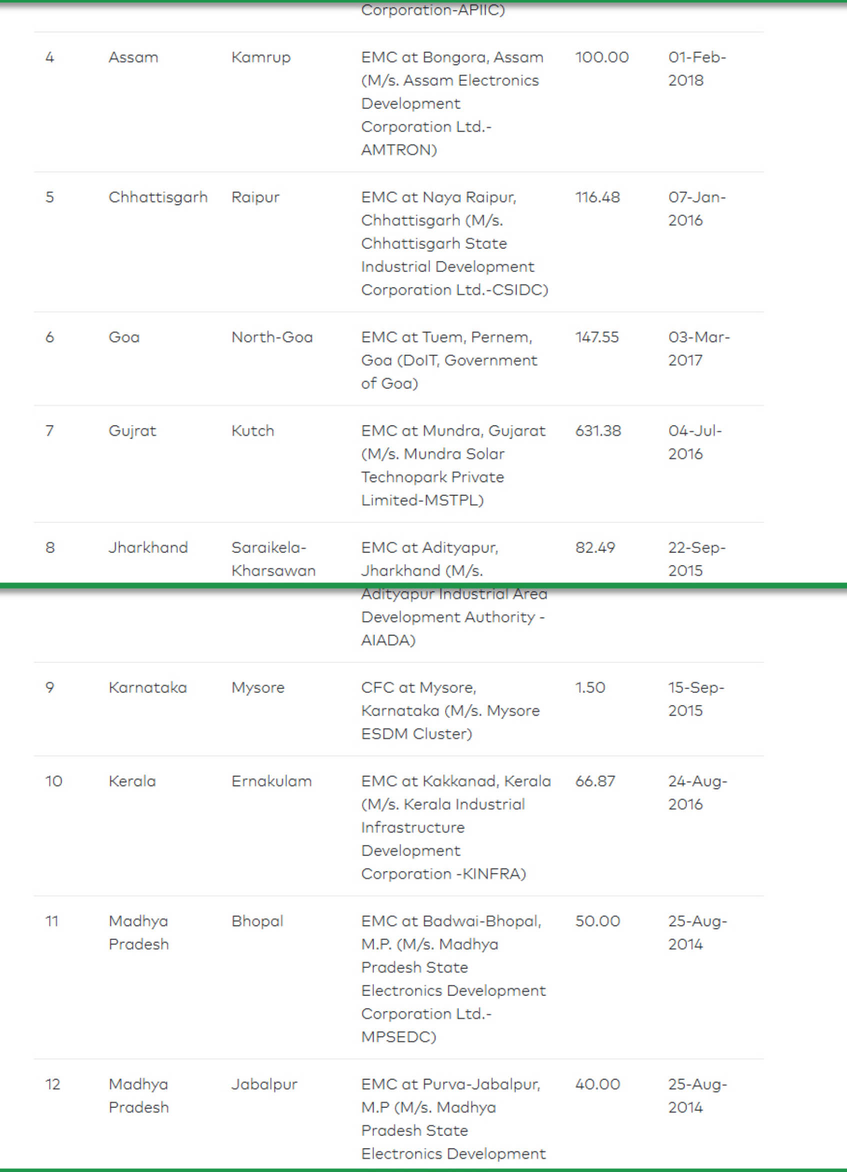
Electronics Manufacturing Cluster 2.0 (Approved Projects)

S.No.	PIA Name	Location	Area	Approved Date
1	Karnataka Industrial Areas Development Board (KIADB)	Kotur & Belur (V), Dharwad (T)	224.50 Acres	23.03.2023
2	Maharashtra	Village Shirur & Village	297.11 Acres	31.10.2022

	Industrial Development Corporation (MIDC)	Karde Pune district, Maharashtra		
3	Telangana State Industrial Infrastructure Corporation Limited (TSIIC)	Divitipally, Mahabubnagar, Telangana State	377.65 Acres	29.08.2024
4	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (SIIDCUL)	SIIDCUL Integrated Industrial Estate, Kashipur, Opposite IIM Kashipur Campus,	133.82 Acres	28.04.2023
5	Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Ambavaram (V), Vallur (M); Kopparthy (V), C.K.Dinne (M) and Rampathadu (V), Pendlimarry (M)	540.00 Acres	18.03.2021
6	Haryana State Industrial and Infrastructure Development Corporation Ltd (HSIIDC)	Industrial Model Township, Sohna (Haryana)	500.00 Acres	30.09.2021

Source: Ministry of Electronics and Information Technology

	State	**Location**	**Project Name**	**Area (In acres)**	**Date of Final Approval**
1	Andhra Pradesh	Sathyavedu Mandal, Chittoor	EMC at Satyavedu Mandal, Sri City, A.P (M/s. Sri City Pvt. Ltd.)	94.00	20-Jul-2016
2	Andhra Pradesh	Tirupati	EMC-I at Tirupathi, A.P (M/s. Andhra Pradesh Industrial Infrastructure Corporation)	113.27	07-Dec-2017
3	Andhra Pradesh	Yerpedu Mandal, Chittoor	EMC-II at Vikruthamala, Tirupathi, A.P (M/s. A.P. Industrial Infrastructure	501.40	02-Aug-2017



			Corporation-APIIC)		
4	Assam	Kamrup	EMC at Bongora, Assam (M/s. Assam Electronics Development Corporation Ltd.-AMTRON)	100.00	01-Feb-2018
5	Chhattisgarh	Raipur	EMC at Naya Raipur, Chhattisgarh (M/s. Chhattisgarh State Industrial Development Corporation Ltd.-CSIDC)	116.48	07-Jan-2016
6	Goa	North-Goa	EMC at Tuem, Pernem, Goa (DoIT, Government of Goa)	147.55	03-Mar-2017
7	Gujrat	Kutch	EMC at Mundra, Gujarat (M/s. Mundra Solar Technopark Private Limited-MSTPL)	631.38	04-Jul-2016
8	Jharkhand	Saraikela-Kharsawan	EMC at Adityapur, Jharkhand (M/s. Adityapur Industrial Area Development Authority -AIADA)	82.49	22-Sep-2015
9	Karnataka	Mysore	CFC at Mysore, Karnataka (M/s. Mysore ESDM Cluster)	1.50	15-Sep-2015
10	Kerala	Ernakulam	EMC at Kakkanad, Kerala (M/s. Kerala Industrial Infrastructure Development Corporation -KINFRA)	66.87	24-Aug-2016
11	Madhya Pradesh	Bhopal	EMC at Badwai-Bhopal, M.P. (M/s. Madhya Pradesh State Electronics Development Corporation Ltd.-MPSEDC)	50.00	25-Aug-2014
12	Madhya Pradesh	Jabalpur	EMC at Purva-Jabalpur, M.P (M/s. Madhya Pradesh State Electronics Development	40.00	25-Aug-2014

			Corporation Ltd.- MPSEDC)		
13	Maharashtra	Aurangabad	CFC at Aurangabad, Maharashtra (M/s. Deogiri Electronics Cluster Pvt. Ltd.-DECPL)	1.98	03-Mar-2017
14	Maharashtra	Pune	CFC at Pune, Maharashtra (M/s. MCCIA Electronic Cluster Foundation-MECF)	0.61	13-Dec-2017
15	Orissa	Khurda	EMC at Bhubaneswar, Odisha (M/s Odisha Industrial Infrastructure Development Corporation-IDCO)	203.37	05-Sep-2016
16	Rajasthan	Alwar	EMC at Karoli IA,Rajasthan (M/s. Rajasthan State Industrial Development & Investment Corporation Ltd.-RIICO)	121.51	15-Dec-2017
17	Rajasthan	Bhiwadi	EMC at Salarpur IA, Rajasthan (M/s. ELCINA Electronics Manufacturing Cluster Pvt. Ltd.-EEMCPL)	50.34	15-Sep-2015
18	Telangana	Hyderabad	EMC at Hyderabad,Telangana (M/s. Telangana State Industrial Infrastructure Corporation Ltd.-TSIIC)	603.52	02-Aug-2017
19	Telangana	Ranga Reddy	EMC at Maheshwaram,Telangana	310.70	08-Aug-2017

			Maheshwaram,Telangana (M/s.Telangana State Industrial Infrastructure Corporation Ltd.-TSIIC)		2017
20	Uttar Pradesh	Greater Noida	EMC at Greater Noida, UP (M/s. TEGNA Electronics Pvt. Ltd.-TEPL)	99.41	21-Feb-2018
21	West Bengal	South 24 Parganas	EMC at Falta,West Bengal (M/s. West Bengal Electronics Industry Development Corporation Ltd.-WEBEL)	58.04	04-Feb-2016
22	West Bengal	North 24 Parganas	EMC at Naihati, West Bengal (M/s. West Bengal Electronics Industry Development Corporation Ltd.-WEBEL)	70.00	21-Aug-2016

Source: Ministry of Electronics and Information Technology

Chemicals and petrochemicals

India's industrial capacity in this sector includes the production of organic and inorganic chemicals, petrochemicals, specialty chemicals, and plastics. The country is a leading exporter of chemicals and petrochemical products, serving markets in Asia, Europe, and North America.

Key clusters:

- **Vadodara and Jamnagar (Gujarat):** Gujarat is the epicenter of India's chemicals and petrochemicals industry, with large refineries, petrochemical plants, and chemical manufacturing units. Jamnagar hosts the world's largest oil refinery complex, operated by Reliance Industries.
- **Mumbai (Maharashtra):** Mumbai, being a major port city, is a hub for the chemical and petrochemical industries, including companies like BASF and Dow Chemicals.
- **Ankleshwar and Vapi (Gujarat):** These regions focus heavily on chemicals and dye production, housing some of the largest industrial estates dedicated to chemical manufacturing.

Petroleum, Chemical and Petrochemical Investment Regions (PCPIRs)

State	Location
Andhra Pradesh	Vishakhapatnam
Gujarat	Dahej
Odisha	Paradeep
Tamil Nadu	Cuddalore and Naghapattinam

Source: Department of Chemical and Petrochemical

Chemical Clusters in India

State	Location
Gujarat	Ahmedabad, Ankleshwar, Nandaseri, Valsad and Vapi
Kerala	Ernakulum
Uttar Pradesh	Ghaziabad
Jharkhand	Jamshedpur
Haryana	Karnal
Maharashtra	Thane

Source: Sectoral Roadmap for MSME (Chemical Industries), TERI Report

Plastic Parks in India

State	Location
Assam	Tinsukia
Chhattisgarh	Sarora
Jharkhand	Deoghar
Karnataka	Ganjimu,
Madhya Pradesh	Bilaua, Tamot

Odisha	Jagatsinghpur
Tamil Nadu	Thiruvallur
Uttar Pradesh	Gorakhpur
Uttrakhand	Sitarganj

Source: India Briefing

Petrochemical plants in India (Existing and New)

State	Location
Maharashtra	Ratnagiri, Nagothane, Mumbai
Kerala	Kochi
Tamil Nadu	Cuddalore, Tuticorn
Gujarat	Vadodara, Jamnagar, Ankleshwar, Dahej, Hazira
Haryana	Panipat
Punjab	Bhatinda
West Bengal	Haldia
Karnataka	Mangalore
Uttar Pradesh	Auraiya

Source: Report by Ministry of Chemicals and Fertilizers, Institute of Competitiveness

Gems and jewelry

India's industrial production capacity in the gems and jewelry sector includes the crafting and processing of diamonds, gold, and precious gemstone jewelry. The country ranks among the top exporters of diamonds and gold jewelry, with significant markets in the U.S., Europe, and the Middle East.

Key clusters:

- **Surat (Gujarat):** Surat is globally renowned for its diamond cutting and polishing industry, processing about 90 percent of the world's diamonds. The city is home to a highly skilled workforce specializing in this trade.
- **Mumbai (Maharashtra):** Mumbai is the leading hub for gold jewelry manufacturing and exports, with many of India's top jewelry brands headquartered here. It also plays a significant role in the diamond trade.
- **Jaipur (Rajasthan):** Famous for its colored gemstone industry, Jaipur is a global center for the cutting and polishing of precious and semi-precious stones.

Gems and Jewelry Manufacturing Clusters in India

Region/State	Major clusters	No. of manufacturing units
East	Paschim Medinipur, Howrah, Nadia, and South Twenty-Four Parganas	46
Gujarat	Rajkot, Surat, Vadodara, and Bhavnagar	12
North	Agra, Ghaziabad, Kanpur Nagar, and Varanasi	44
Rajasthan	Bikaner, Jodhpur, Nagaur, and Churu	21
South	Chittoor, Davanagere, Coimbatore, and Salem	36
West	Mumbai, Thane, Kolhapur, and Salem	26

Source: GJEPC

Engineering goods and machinery

India's manufacturing capacity in this sector includes heavy machinery, pumps, automotive components, and industrial equipment.

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Engineering goods represent a significant portion of the country's exports, primarily targeting markets in the United States, European Union, Southeast Asia, and the Middle East. This category encompasses machinery, electrical equipment, and transport equipment, and makes a substantial contribution to India's overall export portfolio.

Key clusters:

- **Coimbatore (Tamil Nadu):** Known as the "Manchester of South India," Coimbatore is a key center for the manufacturing of engineering goods, textiles machinery, pumps, and automotive components.
- **Rajkot (Gujarat):** Rajkot is a hub for the production of machine tools, bearings, and other engineering goods. It plays a vital role in supplying equipment for domestic industries and exports.
- **Pithampur (Madhya Pradesh):** Often referred to as the "Detroit of India," Pithampur specializes in heavy machinery and engineering goods, catering to industries such as automotive, power generation, and agriculture.

Name of the Industrial Cluster	District	State
Engineering Cluster, Nashik	Nashik	Maharashtra
Hosur Engineering Industry Cluster	Krishnagiri	Tamil Nadu
Sirgitti Engineering Cluster	Bilaspur	Chhattisgarh

Source: Press Information Bureau

Other clusters in India

Science & Technology Clusters (S&T Clusters)		
Cluster Name	Location	State
Bengaluru Science and Technology Cluster (BeST)	Bengaluru	Karnataka
Bhubaneshwar City Knowledge Innovation Cluster (BCKIC)	Bhubaneshwar	Odisha
Delhi Research, Implementation, and	Delhi	New Delhi

Innovation (DRIIV):		
Jodhpur City Knowledge and Innovation Cluster (JCKIC)	Jodhpur	Rajasthan
Pune Knowledge Cluster	Pune	Maharashtra
Research and Innovation Circle of Hyderabad (RICH)	Hyderabad	Telangana

Source: Report by Office of the Principal Scientific Adviser to the Government of India

Industrial corridors and SEZs in India: An Overview

India has been investing heavily in industrial corridors and Special Economic Zones (SEZs) to boost trade, attract investment, and drive economic growth. These zones and corridors are designed to foster industrial development, improve infrastructure, and enhance the ease of doing business.

However, challenges such as land acquisition, regulatory bottlenecks, and regional disparities need to be addressed for these initiatives to reach their full potential.

Delhi-Mumbai Industrial Corridor (DMIC)

The Delhi-Mumbai Industrial Corridor (DMIC) is one of the most ambitious infrastructure projects in India. It is a mega infrastructure initiative aimed at developing new industrial cities across six states, creating an economic backbone that links the national capital (Delhi) with India's financial hub (Mumbai). Launched in 2006 in collaboration with the Japanese government, DMIC is a model of Public-Private Partnership (PPP) aimed at stimulating economic growth by developing smart, sustainable industrial zones.

Key Features of the DMIC	
Corridor length	Approximately 1,500 km
States covered	Delhi, Uttar Pradesh, Haryana, Rajasthan, Gujarat, and Maharashtra
Primary objective	To create a global manufacturing and investment destination by offering high-quality infrastructure to industries

Smart cities	The project includes the development of several smart cities, with industrial parks, high-tech zones, and logistics hubs connected by high-speed rail, road, and ports.
Total investment	The project is expected to attract an investment of around $100 billion, with a significant contribution from Japan, which holds a 26 percent stake

Key components of DMIC:

- **Dedicated Freight Corridor (DFC):** A dedicated freight railway line connecting Delhi and Mumbai, enabling faster and more efficient transportation of goods. This will significantly reduce transportation time and costs.
- **Industrial clusters:** High-tech industrial clusters that will host manufacturing units, logistics hubs, and business parks. These clusters are designed to boost industrial output, with a focus on sectors like electronics, textiles, automobiles, and pharmaceuticals.
- **Smart cities:** Several smart industrial cities are planned along the corridor, including Dholera in Gujarat, Shendra-Bidkin in Maharashtra, and Greater Noida in Uttar Pradesh. These cities will benefit from modernized infrastructure, upgraded ICT systems, and green technology.

Economic impact of DMIC:

- **Boost to manufacturing:** DMIC will significantly boost India's manufacturing capabilities, making the country a global hub for various industries, such as automotive, electronics, and textiles.
- **Employment generation:** The corridor is expected to create millions of direct and indirect jobs. With large-scale industrial activity, DMIC will promote skill development and enhance local employment opportunities.
- **Infrastructure development:** The corridor will lead to the development of critical infrastructure, including roads, railways, airports, and ports. This will improve the efficiency of supply chains and reduce the cost of transportation for businesses.
- **Attracting investment:** DMIC has already attracted significant domestic and foreign investments. The presence of world-class infrastructure, coupled with supportive policies, is expected to bring more global corporations to set up manufacturing bases in India.
- **Trade and exports:** By connecting industrial hubs to ports and international markets, DMIC will enhance India's export potential. It will enable faster movement of goods and reduce the logistics cost, thus improving India's competitiveness in the global market.

SEZs in India

SEzs are geographically demarcated areas within a country that have economic laws different from the rest of the country. In India, SEZs were introduced to encourage foreign investment, promote exports, and develop infrastructure.

The concept of SEZs in India gained momentum with the enactment of the SEZ Act, 2005. These zones offer various incentives to attract businesses, including tax breaks, simplified regulations, and improved infrastructure.

Key features of SEZs in India:

- **Incentives:** Exemption from customs duties, excise duties, service tax, and income tax for a specified number of years.
- **Infrastructure:** SEZs are equipped with world-class infrastructure such as reliable power, efficient transportation networks, and modern facilities.
- **Export-oriented units:** Businesses in SEZs are primarily focused on exports, though they can sell in the domestic market under certain conditions.
- **Ease of doing business:** SEZs offer simplified administrative procedures and regulations, making it easier for companies to set up operations.

Types of SEZs in India

Sector-Specific SEZs	Multi-Product SEZs
These are dedicated to particular industries, such as IT/ITES, pharmaceuticals, textiles, or electronics.	These zones accommodate multiple industries and provide infrastructure for various types of manufacturing and services.

Special Economic Zones in India as of April 30, 2024

Number of Formal approvals (As on April 30, 2024)	423
Number of notified SEZs (As on April 30, 2024)	375 (Including 7 Central Govt.+12State Govt. / Private Sector SEZs set up prior to the enactment of SEZ Act, 2005)
Number of In-Principle Approvals (As on 30.04.2024)	35
Operational SEZs (As on March 31, 2024)	280
Units approved in SEZs (As on December 31, 2023)	5,711

Source: Fact Sheet, SEZ India

Economic impact of SEZs:

- **Growth in exports:** SEZs have played a significant role in increasing India's exports. In sectors like IT and pharmaceuticals, SEZs account for a large proportion of the country's total exports.

- **Foreign direct investment (FDI):** SEZs have been instrumental in attracting FDI, particularly in sectors such as electronics, automotive, and information technology.
- **Job creation:** SEZs have generated a large number of direct and indirect employment opportunities, particularly in manufacturing, IT, and services.
- **Infrastructure development:** The establishment of SEZs has led to the development of industrial infrastructure, including roads, ports, and power facilities.
- **Regional development:** SEZs are often set up in underdeveloped or rural areas, leading to the economic development of those regions.

Sector-wise Distribution of Operational SEZs (Data as of April 30, 2024)	
Agro Processing	2
Airport based multiproduct	0
Alumina/Aluminium	2
Auto/Automobile Ancillary	2
Aviation/Aerospace/Copper	3
Mineral Based Industries	1
Biotechnology	7
Building Products / Transport equipments	2
Electronic product/ Semiconductor/ Telecom equipments	5
Engineering/Metallurgical Engineering	[illegible]
Footwear/Leather	4
Food Processing	2
FTWZ (including Multi Sector SEZ)	5
Gems and Jewellery	4
Handicrafts & Carpets	1
IT/ITES/Electronic Hardware and Software	169
Multi-Product	25

Multi-Services/MultiSector SEZ	3
Non-Conventional Energy	2
Petrochemical/ Petroleum/Oil and Gas	0
Pharmaceuticals/chemicals	14
Port-Based MultiProduct	3
Power/Solar	4
Textiles/Apparel/Wool	7
Writing and printing paper mills	0
Granite processing Industries and other allied machinery/ manufacturing	0

Source: Fact Sheet, SEZ India

Challenges for SEZ development in India:

- **Land acquisition issues:** Acquiring land for SEZs has been a significant challenge, often leading to conflicts with local communities.
- **Regulatory complexity:** Despite the incentives, businesses often face bureaucratic hurdles, which complicates the ease of doing business.
- **Impact of external factors:** Global economic slowdowns and shifting trade policies can affect the demand for exports from SEZs, impacting their growth.
- **Regional concentration of SEZs:** SEZs are concentrated in certain states, such as Maharashtra, Gujarat, and Tamil Nadu, leading to an imbalance in regional development.

State-wise Distribution of Operational SEZs (Data as of April 30, 2024)	
Andhra Pradesh	25
Arunachal Pradesh	0
Chandigarh	2
Chhattisgarh	1
Delhi	0
Goa	0
Gujarat	21

Haryana	8
Jharkhand	1
Karnataka	37
Kerala	20
Madhya Pradesh	6
Maharashtra	38
Manipur	0
Nagaland	0
Odisha	5
Puducherry	0
Punjab	3
Rajasthan	3
Sikkim	0
Tamil Nadu	55
Telangana	38
Tripura	0
Uttar Pradesh	14
West Bengal	7

Source: Fact Sheet, SEZ India

Opportunities for export-oriented units in India

Export-Oriented Units (EOUs) are businesses in India focused on exporting goods and services to international markets. Established under the Export-Import Policy of 1980, EOUs play a vital role in enhancing exports and foreign exchange earnings by creating an export-driven ecosystem with various incentives. Defined in the Foreign Trade Policy (FTP), EOUs commit to exporting their entire production, excluding permissible sales in the Domestic Tariff Area (DTA). Their activities encompass manufacturing, repair, service rendering, software development, and agriculture.

To set up an EOU, an application must be submitted using the ANF 6A form, along with a fee of INR 5,000 (US$59.45) and necessary documents. The Unit Approval Committee reviews applications within 15 days, and upon approval, a Letter of Permission (LoP) is issued. EOUs must maintain a positive Net Foreign Exchange (NFE) and sign a Legal Undertaking with the Development Commissioner.

EOUs enjoy various benefits, including customs and excise duty exemptions on imported and locally procured goods, GST exemptions on exports, and access to duty-free raw materials. They also benefit from streamlined regulations, world-class infrastructure, and the ability to retain 100 percent of foreign exchange earnings, enhancing financial flexibility.

The growth opportunities for EOUs are substantial, driven by India's integration into global supply chains, particularly in sectors like automotive, pharmaceuticals, textiles, and IT/ITES. Government initiatives, such as "Make in India," further support export capacity. EOUs also gain from India's strategic location and trade agreements that provide preferential market access.