

ARTICLE

# Uttar Pradesh’s Manufacturing Booster Policy Making State Production Hub

By Elets News Network 10-January-2025

Share:     



Take a moment and listen

The Uttar Pradesh Electronics Manufacturing Policy (UPEMP) 2020 has demonstrated significant success in transforming the state’s economic and employment framework. Introduced with the objective of establishing Uttar Pradesh as a premier destination for electronics manufacturing, the policy set ambitious targets, aiming to attract investments of ₹40,000 crore and create approximately 400,000 employment opportunities. According to recent government data, these objectives are well underway, with noteworthy contributions from industry leaders. Samsung, for example, invested ₹4,825 crore to build the world’s largest mobile phone manufacturing facility in Noida, a substantial step toward establishing Uttar Pradesh as a global electronics manufacturing hub (Government of Uttar Pradesh, 2022). Additionally, Dixon Technologies has launched multiple manufacturing units across the state, further consolidating Uttar Pradesh’s position within India’s electronics and semiconductor industry.

## A vision for Electronics Manufacturing

UPEMP 2020 was designed with the vision of making Uttar Pradesh a global electronics manufacturing hub, fostering a thriving Electronics System Design and Manufacturing (ESDM) ecosystem. The policy’s vision focuses on creating employment, supporting small and medium enterprises (SMEs), and encouraging sustainable practices within the electronics sector.

### Key components of UPEMP 2020 include:

- Establishing three Electronics Manufacturing Clusters (EMCs) and Centers of Excellence (CoE) across the state.
- Creating ESDM parks for both domestic and international investors.
- Targeting an investment of INR 40,000 crore and creating up to 400,000 jobs.
- Developing support mechanisms for MSMEs through rental facilities, infrastructure, and dedicated workforce training.

## Policy Highlights and Incentives

To foster the growth of electronics manufacturing in the state, the policy provides several fiscal and non-fiscal incentives:

- Capital Subsidy:** Eligible units can access up to 15% subsidy on fixed capital investment, while larger investments benefit from additional subsidies, reaching up to INR 250 crore for substantial contributions to infrastructure.
- Interest and Stamp Duty Subsidies:** An interest subsidy of 5% on loans (capped at INR 1 crore annually) and stamp duty exemptions make investments more attractive. Stamp duty is fully waived for individual ESDM units and partially waived for ESDM parks.
- Land and Infrastructure Support:** The policy offers subsidies on land purchases, allowing firms to establish EMCs and ESDM parks. Semiconductor and manufacturing units receive up to a 75% subsidy on land within specific areas.
- Skill Development Initiatives:** In line with workforce requirements, UP Skill Development Mission is aligned with the policy to support the electronics industry. Incentives are also available for companies providing training and apprenticeships to employees.
- Electricity Duty Exemption:** Depending on the region, manufacturing units can benefit from 50-100% exemption on electricity duty for up to 10 years, making the state more competitive in power-sensitive industries.

Also Read :- [Empowering Education Uttar Pradesh Higher Education Incentive Policy 2024](#)

## Strategic Impact of the Policy on Uttar Pradesh’s Growth

UPEMP 2020 has been instrumental in making Uttar Pradesh a significant player in India’s digital and semiconductor manufacturing landscape. In 2023, the state achieved a Gross State Domestic Product (GSDP) of USD 300 billion, with the electronics sector contributing significantly. Electronics manufacturing accounted for 22% of Uttar Pradesh’s exports in 2023-24, underscoring the success of the policy in attracting global investments and enhancing local production capacity.

The policy also catalysed investments in state-of-the-art infrastructure. Major players like Microsoft, Adani, and the Hiranandani Group have established significant footprints in data centres, manufacturing, and other advanced facilities across the state. This, coupled with the policy’s focus on skill development and job creation, has helped position Uttar Pradesh as a competitive electronics manufacturing destination within India.

As Uttar Pradesh implements the Uttar Pradesh Electronics Manufacturing Policy (UPEMP), the future looks promising. With a favorable policy environment, skilled labor, and improving infrastructure, the state is on track to become a leading electronics manufacturing hub in India. This initiative has attracted global interest in investments in semiconductor fabrication, defense electronics, and consumer goods manufacturing.

To keep pace with evolving industry demands, Uttar Pradesh plans to further enhance its infrastructure and policy framework. Investments in renewable energy are also in the pipeline to ensure sustainable growth in the electronics sector, aligning with national and global standards for environmental responsibility.

The UPEMP 2020 represents a landmark effort by the state government to create a competitive electronics manufacturing ecosystem. With robust infrastructure and incentives focused on MSMEs and semiconductors, the policy is transforming the industrial landscape. As it continues to draw major global and domestic players, Uttar Pradesh is positioned to significantly contribute to India’s vision of becoming a global leader in electronics and semiconductor manufacturing.

Through strategic planning and proactive policymaking, Uttar Pradesh is embarking on a journey as a digital powerhouse. This leadership aligns with India’s Atmanirbhar Bharat initiative and strengthens its role in the global electronics supply chain, setting a model for other states to follow.