




Uttar Pradesh is now India’s manufacturing backbone—And the numbers prove it

Uttar Pradesh has emerged as the backbone of India’s manufacturing sector. It is a major player across segments like textiles and mobile phone production, thanks to its robust infrastructure and investor-friendly policies.

Roktim Rajpal — Updated: Jun 24, 2025, 14:21 IST — 4 min read —   



Representative image of workers at a manufacturing factory. | Credit: The Diplomatic Affairs

Uttar Pradesh, India’s most populous state, has over the years emerged as a hub of the manufacturing sector, thanks to its well-equipped infrastructure and strong initiatives for attracting investments. From hitting an economic slump due to multiple factors, it has now become the preferred destination for enterprises across segments such as smartphone production, textiles, and auto components. This essentially makes it the backbone of the country’s economy.

Dial M for more! UP leads smartphone manufacturing bloc in India

The state has set quite a high benchmark when it comes to mobile manufacturing. It accounts for 55% of the country’s smartphone production and 50% of its mobile component manufacturing. This gives a clear edge over a state like Karnataka, which accounted for nearly 1% of India’s smartphone production a few years ago

Home to 14 fully functional Special Economic Zones (SEZ’s) and three Electronics Manufacturing Clusters (EMCs), the state is now taking long strides in India’s economic development. EMCs provide enterprises easy access to ready-to-use factories and warehouses, making it simpler for them to find a foothold in the state.

Similarly, companies operating in SEZs enjoy benefits such as tax holidays and benefits, which makes it possible for them to navigate the cesspool of (unnecessary) bureaucracy. These initiatives have boosted investor confidence and prompted international players to bet big on the state.

Vivo, for instance, has planned to invest Rs 7,500 crore in Uttar Pradesh and set up a massive manufacturing plant in Greater Noida. Global players such as Oppo and Samsung too have invested in the state, creating a vibrant economic ecosystem.

A leader in textiles

Uttar Pradesh is also the nerve centre of India’s textiles and apparel segment, accounting for nearly 13% of its fabric output. This puts it in third position and ahead of states such as Andhra Pradesh (~5%) and West Bengal (~6%).

Textile enterprises based in UP enjoy various benefits under the UP Textile & Garmenting Policy (2022), which has further rejuvenated this segment. These include 100% electricity duty exemption for 10 years, 25% subsidy on capital machinery, and 100% stamp duty exemption.

These initiatives have encouraged enterprises to make Uttar Pradesh their base. In 2024 alone, 123 new textile companies started functioning in Uttar Pradesh. This brought in a total investment of ₹2,492 crore. Some of these enterprises include GESL Spinners Pvt Ltd (Rs 227 crore) and M-S Interweaves Polytex Pvt Ltd (Rs 150 crore).

Additionally, the state has 12 flourishing textile parks, which are a boon for MSMEs as they help them enjoy access to shared facilities like design centres and training facilities. These centres also have also created jobs. The PM MITRA Mega Textile Park, for instance, alone is expected to create 100,000 employment opportunities in the coming years. This will give textile enterprises an opportunity to be part of a vibrant ecosystem where opportunities and collaborations are around the corner.

A force in auto components segment

Uttar Pradesh’s dominance over the manufacturing sector is not limited to the smartphone and textile segments alone. It also excels in manufacturing automotive and auto components. The EV Manufacturing & Mobility Policy 2022 aims to create over 1 million jobs through an investment of ₹30,000–50,000 crore. It also makes life easier for enterprises through incentives like 20-30% capital exemption, 100% waiver of road tax, and subsidies on charging stations.

Not surprisingly, this has transformed UP into the home of major players in the auto components segment. Last year Automotive Manufacturers Pvt. Ltd. (AMPL)— a company that has been part of landscape for 70 years, set up a new 3S facility in Varanasi. Similarly, Servotech Power Systems Ltd has invested around Rs 300 crore in establishing an EV Charger manufacturing plant.

The government is also taking steps to further rejuvenate its already thriving infrastructure. Not too long ago, Uttar Pradesh State Industrial Development Authority (UPSIDA) allocated Rs 456 crore to strengthen civil and electrical infrastructure across 93 industrial areas. Additionally, the body also allotted 113 plots across various industrial zones. They attracted an investment of Rs 700 crore and are projected to create over 4000 jobs.

Given this, UP is set to remain the go-to place for those hoping to flourish in the manufacturing sector.