



PLI Scheme to Drive Manufacturing Growth

The Production Linked Incentive (PLI) schemes and a ₹1 lakh crore innovation fund, announced in the Union Budget 2024, are set to accelerate growth in India's manufacturing and startup sectors, according to officials and industry leaders at the FICCI AGM 2024.

Kamran Rizvi, Secretary, Ministry of Heavy Industries, highlighted the transformative impact of electrification, especially in the automotive sector. He emphasized the ministry's focus on cost-effective manufacturing and domestic value addition, stating, "India's robust industrial base positions it for sustainable growth." The rising prominence of electric vehicles (EVs) was noted as a critical factor in reshaping the economy.

Industrial Growth Initiatives Amardeep Singh Bhatia, Secretary, DPIIT, discussed the government's measures to facilitate industrialization. Programs such as the National Industrial Corridor Program and ease of doing business reforms have enabled the creation of smart industrial townships and sector-specific parks in Tier 2 and Tier 3 cities. "FDI liberalization and these reforms are driving India's industrialization," Bhatia said.

Private sector leaders also contributed insights. Anant Goenka, Vice President of FICCI and Vice Chairman of RPG Group, advocated for sector-specific industrial parks to boost manufacturing competitiveness, suggesting that these parks could draw inspiration from the SEZ models.

Startup Ecosystem and Innovation India's startup ecosystem is benefiting from incubators and a focus on deep-tech innovation, fueled by the ₹1 lakh crore innovation fund. Bhatia noted this fund's potential to align startups with industry needs, supporting sustained growth.

Manish Sharma, Chair of FICCI's Electronics and White Goods Manufacturing Committee, projected strong demand growth driven by localization, value addition, and product customization. He underscored the role of PLI schemes in attracting private sector investments and proposed developing supply chain corridors to complement industrial corridors.

EV Sector Focus Sulajja Firodia Motwani, Chair of FICCI's Electric Vehicles Committee, emphasized the growing significance of EVs in the automotive supply chain. She called for a graded PLI 2.0, revisions to the tariff structure, and enhanced R&D initiatives to establish India as a global EV production hub.

This convergence of policy initiatives and private sector alignment is expected to bolster India's position as a leader in manufacturing, innovation, and sustainability.