

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**STARRED QUESTION NO. 164.
TO BE ANSWERED ON FRIDAY, THE 13TH FEBRUARY, 2026.**

**IMPACT OF PLI SCHEME ON INDIA'S INTEGRATION INTO GLOBAL
VALUE CHAINS**

***164. SHRI AYODHYA RAMI REDDY ALLA:**

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) the manner in which Production Linked Incentive (PLI) Scheme's focus on incentivizing domestic manufacturing in 14 key sectors would impact India's integration into global value chains, particularly in terms of navigating rules of origin and trade agreements; and
- (b) the potential implications of PLI Scheme on India's industrial policy landscape and the manner in which this will shape the country's long-term competitiveness?

ANSWER

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) & (b): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO RAJYA SABHA STARRED QUESTION NO. 164 FOR ANSWER ON 13.02.2026

(a) & (b): The Production Linked Incentive (PLI) Scheme was designed with the objective of attracting investments in sectors of core competency and cutting edge technology, and enhance efficiency and economies of scale in the manufacturing sector and make Indian manufacturing sector globally competitive and to strategically enter certain sections of the global value chains.

The Government launched (PLI) Schemes with a total financial outlay of ₹1.97 lakh crore covering 14 key sectors. The thrust sectors were selected based on objective criteria such as high import dependency, export potential and technology intensity. As on 30th September 2025, the PLI Schemes across 14 sectors have generated actual investments exceeding ₹2 lakh crore. These investments span sectors including Large Scale Electronics Manufacturing (LSEM), IT Hardware, Pharmaceuticals, Medical Devices, Automobiles and Auto Components, Advanced Chemistry Cell Batteries, Telecom & Networking Products, Food Processing, Textiles, Specialty Steel, White Goods, and Drones & Drone Components.

A total of 806 production units have been approved across all 14 PLI sectors. The investments made under the PLI Schemes have resulted in incremental production and sales of over ₹18.70 lakh crore. Further, the schemes have generated employment of over 12.60 lakh persons (direct and indirect). Exports under the PLI Schemes have exceeded ₹8.2 lakh crore. Overall, the PLI Schemes have contributed significantly to strengthening domestic manufacturing capacity, boosting exports, generating employment and reducing import dependence in these strategic sectors.

The sectoral impacts of Production Linked Incentive (PLI) schemes in the various sectors is as under:

- Exports under the 14 PLI schemes have increased to over ₹8.2 lakh crore since inception, reflecting India's growing participation in global production networks
- In Large Scale Electronics Manufacturing, India now meets 99.2% of domestic mobile phone demand through local manufacturing, while exports have increased sharply, there is a 77% decline in mobile phone imports (value terms) between FY2020-21 and FY2024-25, demonstrating deeper backward integration into GVCs.
- Telecom & Networking Products registered exports of ₹19,240 crore, with exports tripling in FY2024-25 over the base year (FY 2021-22), supported by indigenous manufacturing by global OEMs such as Nokia, Ericsson (via Jabil), and Cisco (via Flex).

- In sectors such as White Goods (ACs & LEDs), domestic value addition has increased from about 20% in 2019 to about 55% in 2024.
- Under the PLI Scheme for Pharmaceuticals, sales of eligible products reached ₹3.16 lakh crore, with exports of ₹2.03 lakh crore up to September 2025, and accounting for 30% of India's bulk drug exports and 26.5% of formulation exports in FY2024-25. The Scheme has enabled domestic manufacture of 191 bulk drugs for the first time, thereby strengthening India's position as a reliable supplier in global pharmaceutical value chains.
- The PLI Scheme for Food Processing has led to a substantial increase in domestic value addition in several value-added segments such as marine products and mozzarella cheese, with sales of value-added marine products growing at a CAGR of 22% during the PLI period. Import substitution has been achieved and companies have shifted, to a great extent, to domestic sourcing of tomato paste, replacing earlier import dependence of up to 76%.
- The PLI-Auto Scheme has catalysed investments exceeding ₹21,000 crore from major OEMs, supported by an institutionalized DVA certification framework. As of November 2025, DVA certificates have been issued for 130 products, ensuring verifiable domestic content. The Scheme has promoted advanced automotive technologies, including EVs and critical components, enhancing India's integration into global automotive supply chains.

With its focus on enhancing the economies of scale in strategically identified sectors and with the incentives being linked to incremental production and sales, with investment as a qualifying criteria, it is expected that the PLI schemes will increase domestic value addition, thus bringing in manufacturing of key inputs required for final products. This will not only deepen the presence of domestically manufacturing goods in domestic markets, but also, on account of improved competitiveness and domestic value addition, allow access to preferential tariffs, satisfying the criteria of rules of origin under the various trade agreements.
