

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
RAJYA SABHA
STARRED QUESTION NO. *224
ANSWERED ON 07/08/2026

REDUCING IMPORT DEPENDENCE IN STRATEGIC INDUSTRIAL SECTORS

*224. SHRI SANJAY RAUT

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India's increasing dependence on imported strategic industrial goods poses a serious economic and national security risk;
- (b) the sectors where import dependence exceeds 50 per cent and the annual import bill incurred thereon;
- (c) whether any time-bound roadmap has been prepared to achieve self-reliance in these sectors, indicating annual targets and budgetary support; and
- (d) the measurable outcomes achieved under 'Make in India' and PLI Schemes in terms of domestic value addition, employment generation and export growth?

ANSWER

THE MINISTER IN THE MINISTRY OF COMMERCE AND INDUSTRY

(SHRI PIYUSH GOYAL)

(a) to (d) A Statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY OF PARTS (a) TO (d) OF RAJYA SABHA
STARRED QUESTION NO. *224 FOR ANSWER ON AUGUST 7, 2026 REGARDING
“REDUCING IMPORT DEPENDENCE IN STRATEGIC INDUSTRIAL SECTORS”**

(a) As the world's fastest-growing major economy, India has demonstrated strong resilience amid global uncertainties, including geopolitical tensions, supply chain disruptions, trade fragmentation, inflationary pressures, and commodity price volatility, while sustaining robust GDP growth.

India's imports of strategic industrial goods should be viewed in the context of the country's rapid economic growth, industrialization, urbanization, expanding manufacturing base, and deeper integration with global value chains (GVCs). These imports provide critical raw materials, intermediate goods, capital equipment, and advanced technologies that support domestic production, infrastructure development, investment, and export competitiveness, while also meeting growing domestic demand.

At the same time, the Government is actively strengthening domestic manufacturing capabilities and enhancing supply chain resilience through initiatives such as Make in India and Production Linked Incentive (PLI) Schemes to reduce import dependence in key strategic sectors.

(b) Strategic sectors such as energy, fertilizers, electronics (especially semiconductors), and critical minerals, serve as essential inputs for industrial and economic growth. While import dependence remains high in these sectors, the Government is actively strengthening domestic manufacturing, resource development, and supply-chain resilience and secure long-term economic growth.

India's energy import dependence continues to be shaped by the country's rapid economic growth, rising industrial activity and increasing energy consumption. During FY 2025-26, Petroleum import dependence stood at 88.7% and Natural Gas import dependence stood at 50.1% (*Source-PPAC Report, Ministry of Petroleum and Natural Gas*). The annual imports of Petroleum crude and products in FY 2025-26 stood at US\$ 173.9 Billion, while exports of Petroleum Products amounted to US\$ 53.8 Billion. The Government is actively strengthening energy security through expansion of domestic production, diversification of import sources, enhancement of refining infrastructure, promotion of ethanol blending and biofuels, development of strategic reserves, and increased adoption of renewable energy sources.

In the fertilizer sector, overall imports dependence remains only about 27% (2025-26) while import dependence remains high for certain fertilizers and fertilizer inputs such as DAP, ammonia, phosphoric acid and Potash remains high above 50% (*Source: Ministry of Chemicals and Fertilizers*). The total annual imports of Fertilisers crude and manufactured in FY 2025-26 stood at US\$ 16.4 Billion. In 2025, nearly 73% of the country's total fertilizer requirement was met through domestic production, representing a significant milestone in achieving self-reliance. The Government has undertaken sustained efforts to strengthen domestic fertilizer production and enhance fertilizer security. To ensure reliable and uninterrupted availability of fertilizers to farmers, measures such as long-term procurement arrangements for key raw materials, diversification of supply sources, and support for domestic manufacturing capacities have been implemented.

India's semiconductor demand is due to strong growth in electronics, automotive, telecommunications, energy and defence sectors. Approximately 90-95% of India's semiconductor requirements are currently met through imports (*Source - Future of India's Semiconductor Industry Report by NITI Aayog*). The annual imports of Semiconductor Devices and Components (HS 8541) in FY 2025-26 stood at US\$ 6.2 Billion while exports amounted to US\$ 1.2 Billion. The Government has undertaken several initiatives to strengthen India's semiconductor sector, including the India Semiconductor Mission (ISM), which supports semiconductor manufacturing, design, research, innovation, and skill development. Building on these efforts, ISM 2.0 aims to deepen domestic capabilities across semiconductor equipment, materials, intellectual property, and supply chains, while fostering a robust and globally competitive semiconductor ecosystem.

Similarly, critical minerals such as lithium, cobalt, nickel, graphite, rare earth elements and copper are essential inputs for clean energy technologies, electric vehicles, electronics, semiconductors and advanced manufacturing. India presently has very high import dependence for nickel, lithium, cobalt, Rare Earth Elements (REEs), silicon, phosphorous, copper etc.

The Government has undertaken several initiatives to strengthen India's critical minerals ecosystem and secure supply chains for minerals essential to clean energy technologies, advanced manufacturing, and strategic industries. National Critical Mineral Mission (NCMM) was launched to secure the availability of critical minerals from domestic and overseas sources while strengthening the entire value chain across exploration, mining, processing, recycling, and advanced manufacturing. Critical minerals are also being prioritized in India's trade and investment engagements, including FTA negotiations, and efforts are being made to diversify import sources and to secure supply chain resilience.

(c) and (d) India's long-term vision under *Viksit Bharat* envisages becoming a developed, self-reliant and globally integrated economy by 2047. In this framework, domestic capacity building and global value chain integration are treated as complementary and mutually reinforcing objectives, aimed at ensuring long-term economic security, resilience, and sustained high growth.

The Government is implementing a range of initiatives, including Make in India Initiative and Production Linked Incentive (PLI) schemes, to expand domestic capacities, promote innovation, attract investments, and strengthen supply chain resilience.

The Production Linked Incentive (PLI) Schemes for 14 key sectors were approved with an outlay of ₹1.91 lakh crore with the objective to enhance India's manufacturing capabilities, attract investments, promote exports, generate employment and reduce import dependence.

As on 31.03.2026, under the PLI Schemes, 892 applications have been approved across 14 sectors, resulting in actual investment of over ₹2.40 lakh crore, production/sales of over ₹22.66 lakh crore, employment generation of over 14.15 lakh (direct and indirect) out of which 8.4 Lakhs is Direct employment and cumulative incentive disbursement of ₹35,354 crore. Further the PLI sectors have also seen increased exports of over ₹15.2 lakh crore during the corresponding period. The sectoral impact of the Production Linked Incentive (PLI) Schemes across various sectors is as under:

- In the Large-Scale Electronics Manufacturing sector, mobile phone production has increased by around 2.4 times since the launch of the Scheme. Mobile phone imports have declined by about 77%, and around 99.2% of mobile phones used in India are now manufactured domestically.
- The Pharmaceuticals sector has recorded cumulative sales of over ₹3.64 lakh crore under the Scheme. It has also enabled the domestic manufacture of 1,931 pharmaceutical products, including 191 bulk drugs manufactured in India for the first time, thereby strengthening domestic manufacturing capabilities.
- In the Bulk Drugs sector, manufacturing capacity of about 55,000 MT has been established across 26 critical Active Pharmaceutical Ingredients (APIs), significantly enhancing domestic production capacity and reducing import dependence for products such as Paracetamol, Levofloxacin and Norfloxacin.
- The PLI Scheme for Manufacturing of Medical Devices has facilitated domestic manufacturing of advanced medical equipment such as CT Scanners, MRI Systems, Cath Labs and Ultrasonography equipment. 22 applicants have commenced operations and 55 unique medical devices have been commissioned.
- In the Telecom & Networking Products sector, the Scheme has supported the development of indigenous 4G technology and domestic manufacturing capability for 5G telecom equipment, strengthening India's telecom manufacturing ecosystem.
- The PLI Scheme for White Goods has contributed to a significant expansion in domestic manufacturing. Compressor manufacturing capacity has increased from 1 million units in 2021 to 10 million units in 2025-26, while localisation of key components such as PCBAs and Cross Flow Fans has improved substantially, leading to domestic manufacturing of several critical air-conditioner components.
