

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

**UNSTARRED QUESTION NO. 1269.
TO BE ANSWERED ON TUESDAY, THE 03RD DECEMBER, 2024.**

IMPACT OF MAKE IN INDIA INITIATIVE

1269. DR. BHOLA SINGH:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether there has been an increase in job creation as a direct result of "Make in India" initiative, if so, the details thereof;
- (b) the details of current progress of "Make in India" initiative in increasing domestic manufacturing and reducing import dependency;
- (c) the details of specific measures taken to attract foreign investment into key industries, especially in emerging sectors like electronics and renewable energy; and
- (d) the future plans to enhance the competitiveness of Indian industries in the global market?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a) & (d):** 'Make in India' Initiative was launched on 25th September, 2014 to facilitate investment, foster Innovation, build best in class Infrastructure, and make India a hub for manufacturing, design, and innovation. It is one of the unique 'Vocal for Local' initiatives that promoted India's manufacturing domain to the world. Investment outreach is being done through Ministries, State Governments and Indian Missions abroad for enhancing International co-operation for promoting Domestic and Foreign Direct Investment (FDI) in the country. Presently, Make in India 2.0 focuses on **27 sectors** implemented across various Ministries and Departments and State Governments. The list of sectors under Make in India 2.0 is placed at **Annexure**.

In addition to ongoing schemes of various Departments and Ministries, Government has taken various steps to boost domestic and foreign investments in India. These include the introduction of Goods and Services Tax, reduction in corporate tax, improving ease of doing business, FDI policy reforms, measures for reduction in compliance burden, measures to boost

domestic manufacturing through public procurement orders, Phased Manufacturing Programme (PMP) and QCOs (Quality Control Orders), to name a few.

Production Linked Incentive (PLI) Schemes for 14 key sectors (with an incentive outlay of Rs. 1.97 lakh crore) are under implementation to enhance India's manufacturing capabilities and exports. With the announcement of PLI Schemes, significant improvement in production, skills, employment, economic growth and exports is expected over the next five years and more. As of now 755 applications have been approved across the country in 14 sectors. Total employment in manufacturing sector has increased from 57 million in FY 2017-18 (Economic Survey 2020-21) to 64.4 million in FY 2022-23 (Economic Survey 2023-24).

The series of measures taken by the Government to improve the economic situation and convert the disruption caused by COVID 19 into an opportunity for growth includes Atmanirbhar packages, investment opportunities under National Infrastructure Pipeline (NIP) and National Monetization Pipeline (NMP), India Industrial Land Bank (IILB), Industrial Park Rating System (IPRS), soft launch of the National Single Window System (NSWS), etc. An institutional mechanism to fast-track investments has been put in place, in the form of Project Development Cells (PDCs) in all concerned Ministries/ Departments of Government of India.

- (b):** To enhance domestic supply, and reduce dependency on imports, Government of India has taken several initiatives. Under 'Make in India' initiative, the Government has launched Production Linked Incentives (PLI) Schemes in 14 critical sectors like electronics, pharmaceuticals, white goods, telecom and Networking products, etc., where there is substantial dependency on imports. For development of semiconductors and display manufacturing ecosystem, the Government has approved Semicon India Programme with financial outlay of Rs. 76,000 cr. The Government has also introduced stricter quality standards and measures for quality controls, testing protocols, and mandatory certification to check substandard & poor-quality products in the market and protect consumer's interest. The Government also encourages Indian business establishments to explore alternative suppliers and to diversify their supply chains to reduce dependency on single source of supply. Also, the Government monitors the surge in imports on a regular basis and takes appropriate action.

The initiatives taken by the Government have led to decline in dependency on imports in several sectors. For example, the import of mobile phones has decreased from Rs 48,609 cr. in 2014-15 to Rs. 7,665 cr. in 2023-24. On the other hand, the export of mobile phones has increased from Rs. 1,566 cr. in 2014-15 to more than Rs.1,28,982 cr. in 2023-24. In the recent period, the decline in imports has also been observed in sectors like electronics, organic

chemicals and fertilizer crude where imports have declined by 45.1%, 31.3% and 42.2%, respectively.

- (c):** In recent years, India has been an attractive destination for FDI. India has embarked on a series of reforms aimed at liberalizing its Foreign Direct Investment (FDI) policies, to stimulate economic growth and encourage foreign capital inflows. To promote Foreign Direct Investment (FDI), the Government has put in place an investor-friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. More than 90% of the FDI inflow is received under the automatic route including that of sectors involving electronics and renewable energy. National Single Window System (NSWS) has also been launched as the online single point interface of the Government of India for investors to start any industry in India and take requisite permissions.

Further, to ensure that India remains an attractive and investor-friendly destination, the Government reviews FDI policy on an ongoing basis and makes changes from time to time after having intensive consultations with stakeholders including apex industry chambers, Associations, representatives of industries/groups and other organizations taking into consideration their views/comments.

FDI policy provisions have been progressively liberalized and simplified across various sectors such as Pension, Other Financial Services, Asset reconstruction Companies, Broadcasting, Pharmaceuticals, Single Brand Retail Trading, Construction & Development, Power Exchanges, e-commerce activities, Coal Mining, Contract Manufacturing, Digital Media, Civil Aviation etc. In the recent past, reforms in the FDI Policy have been undertaken in sectors such as Defence, Insurance, Petroleum & Natural Gas and Telecom. Further, in order to protect domestic industry and curb opportunistic takeover during the COVID-19 pandemic, foreign investment coming directly or indirectly from land border countries now require prior Government approval.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (d) OF THE LOK SABHA UNSTARRED QUESTION NO. 1269 FOR ANSWER ON 03.12.2024

Manufacturing Sectors:

- i. Aerospace and Defence
- ii. Automotive and Auto Components
- iii. Pharmaceuticals and Medical Devices
- iv. Bio-Technology
- v. Capital Goods
- vi. Textile and Apparels
- vii. Chemicals and Petro chemicals
- viii. Electronics System Design and Manufacturing (ESDM)
- ix. Leather & Footwear
- x. Food Processing
- xi. Gems and Jewellery
- xii. Shipping
- xiii. Railways
- xiv. Construction
- xv. New and Renewable Energy

Service Sectors:

- xvi. Information Technology & Information Technology enabled Services (IT & ITeS)
- xvii. Tourism and Hospitality Services
- xviii. Medical Value Travel
- xix. Transport and Logistics Services
- xx. Accounting and Finance Services
- xxi. Audio Visual Services
- xxii. Legal Services
- xxiii. Communication Services
- xxiv. Construction and Related Engineering Services
- xxv. Environmental Services
- xxvi. Financial Services
- xxvii. Education Services
