

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

**UNSTARRED QUESTION NO. 2625.  
TO BE ANSWERED ON TUESDAY, THE 05<sup>TH</sup> AUGUST, 2025.**

**PRIORITISING DOMESTIC SUPPLIERS**

**2625. SHRI DARSHAN SINGH CHOUDHARY:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government has adopted any policy or incentive measures for motivating industries to record priority to the domestic suppliers over moderately cheaper imported goods;
- (b) if so, the details thereof; and
- (c) the details of the steps taken by the Government to promote Economic Nationalism by strengthening the domestic supply chains?

**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) to (c):** Various measures have been taken by the Government to incentivize the industries such as:

- i. Production Linked Incentive (PLI), Scheme has led to a significant increase in production, employment generation, economic growth and exports in the country. Launched with the objective of making India 'Atmanirbhar' is built on the foundation of 14 sectors with an incentive outlay of ₹ 1.97 lakh crore (about US\$ 26 billion) to strengthen production capabilities and help create global champions.

Actual investment of Rs. 1.76 lakh crore have been realized till March 2025 across 14 sectors, which has resulted in incremental production/sales of over Rs. 16.5 lakh crore and employment generation of over 12 lakhs (direct and indirect). The impact of PLI Schemes has been significant across various sectors in India. These schemes have incentivized domestic manufacturing, leading to increased production, job creation and a boost in exports.

PLI Scheme has encouraged major smartphone companies shifting its production to India. As a result, India has become a major mobile phone manufacturing country. The production of mobiles in value terms has increased by around 146% from INR 2,13,773 Cr in 2020- 21 to INR 5,25,000 crore in 2024-25 as per industry association and DGCIS. During the same

period, exports of mobile phones in value terms has increased by around 775% from INR 22,870 crore in 2020- 21 to INR 2,00,000 crore in 2024-25.

Due to the PLI Scheme, there has been a significant reduction in imports of raw materials in the Pharma sector. Unique intermediate materials and bulk drugs are being manufactured in India including Penicillin-G, and transfer of technology has happened in manufacturing of Medical Devices such as (CT scan, MRI etc.). Under the PLI Scheme for medical devices, 21 projects have started manufacturing of 54 unique medical devices, which include high end devices such as Linear Accelerator (LINAC), MRI, CT-Scan, Heart Valve, Stent, Dialyzer Machine, C-Arm, Cath Lab, Mammograph, MRI Coils, etc.

Cumulative incentive amount of Rs. 21,534 crore have been disbursed as on 24.06.2025 under PLI Scheme for 12 sectors, namely Large Scale Electronics Manufacturing (LSEM), IT Hardware, Bulk Drugs, Medical Devices, Pharmaceuticals, Telecom & Networking Products, Food Processing, White Goods, Drones & Drone Components, Specialty Steel, Textile products and Automobiles & Auto components.

The Government approved the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components Industry in India (PLI- Auto) in September 2021 which was launched to enhance the country's manufacturing capabilities for advanced automotive products. The Scheme proposes financial incentives for 19 categories of Advanced Automotive Technology (AAT) vehicles and 103 categories of AAT components to boost domestic manufacturing of Advanced Automotive Technology products and attract investments in the automotive manufacturing value chain.

The PLI Scheme for White Goods is aimed at developing a robust component ecosystem for the Air Conditioners and LED Lights industry in India, with the goal of making the country an integral part of global supply chains. A unique feature of the scheme is that it incentivizes only the manufacturing of components and sub- assemblies, not finished products. Following its launch, India has begun local production of key components such as compressors, copper tubes, heat exchangers, motors, and control assemblies for air conditioners, as well as LED chip packaging, drivers, engines, light management systems, and metallized films for capacitors in the LED segment. This shift is significantly reducing import dependency and strengthening domestic manufacturing capabilities.

- ii. Make in India initiative was launched in September 2014 to facilitate investment, foster innovation, build best in class infrastructure and make India a hub of manufacturing, design, and innovation. Presently, Make in India 2.0 focuses on 27 sectors implemented across various ministries/departments and state governments.

Government has taken a series of policy initiatives that include the Atmanirbhar Bharat 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. to promote manufacturing. 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.

The Government has also approved 12 new project proposals under the National Industrial Corridor Development Programme (NICDP) with total project cost of ₹28,602 crore (incl. land cost) to facilitate manufacturing investments into the country.

- iii. India has signed the Supply Chain Resilience Agreement (Pillar- II) in November 2023 under the Indo-Pacific Economic Framework for Prosperity (IPEF), a 14 member plurilateral grouping in the region. The Agreement seeks to strengthen supply chain crucial for national security and economic stability.
- iv. India is signing and negotiating bilateral Free Trade Agreements (FTAs) aimed at promoting economic trade & economic interest of the country. India has signed 14 FTAs and 6 PTAs (Preferential trade agreements) with its trading partners. These trade agreements have contributed to enhance market access, reduce tariff and non-tariff barriers, strengthen strategic partnerships, and support domestic industry through balanced trade facilitation. Collectively, these FTAs reflect a strategic shift towards high-quality, comprehensive trade agreements designed to support India's domestic manufacturing, services exports, and integration into resilient global value chains.
- v. Department is also issuing Quality Control Orders (QCOs) to mandate minimum quality standards for the imported items. This helps in mitigating the issue of cheap imports and dumping. Minimum Import Price (MIP) regulation is also implemented to tackle the issue of cheap imports and to protect domestic manufacturing.
- vi. Major focus of the department is ensuring Ease of Doing Business (EoDB) in the country. This is done through multiple initiatives such as simplifying and streamlining business regulations including the Business Reform Action Plan (BRAP), the B-Ready assessment, Jan Vishwas and Reducing Compliance Burden on Businesses and Citizens and measurement of Cost of Regulation.

Under, the Regulatory Compliance Burden (RCB) initiative the department works with various Ministries, Departments, and States/UTs to reduce the compliance burden on citizens and businesses. The goal is to enhance Ease of Doing Business and Ease of Living through four key strategies: Simplification of procedures, Rationalization of laws, Digitization of processes, and Decriminalization of minor offences.

To enhance ease of doing business, the Government, through the Jan Vishwas (Amendment of Provisions) Act, 2023, has decriminalized 183 provisions across 42 Central Acts administered by 19 Ministries/ Departments. Building on this reform, the Hon'ble Finance Minister has announced the Jan Vishwas 2.0 initiative, under which DPIIT has undertaken an analysis of criminal provisions (including both major and minor offences) across Acts under 39 Ministries/Departments.

- vii. Government of India through its line Ministries / Regulators, so far, a total of 190 Quality Control Order's covering 773 products have been notified for compulsory certification of BIS by various regulators / line Ministries of Government of India, to enhance quality of goods imported into India and to increase quality consciousness in the Country.

The Government has taken Several initiatives to strengthen domestic supply chains such as:

- i. The PM GatiShakti National Master Plan (NMP) platform which aims at enhancing industrial productivity and helping the country to reduce logistics cost, cut down project delays and improve supply chain efficiency through multi-modal connectivity across highways, railways, ports, airports, logistics infrastructure, and inland waterways.
- ii. The National Logistics Policy 2022 (NLP) aims to create a cost- efficient, resilient, and sustainable logistics ecosystem. Focus areas in the National Logistics Policy include the Sectoral Plan for Efficient Logistics (SPEL) for major sectors of the economy like Coal, Cement, Fertilizer, Steel, Pharma etc. examining existing supply chain networks and promoting multi-modal transport, digitalization and automation.
- iii. Govt of India is developing the National Industrial Corridor Development Programme, intended to create green field industrial smart cities/clusters of global standards. These industrial corridors are designated areas along major transportation routes, such as Dedicated Freight Corridors (DFCs), Expressways, and National Highways, where new industrial smart cities & manufacturing clusters are planned within a range of 100-200 kms on either side of these routes.

The industrial smart cities/clusters are built "ahead of demand" with 'plug-n-play' infrastructure & ICT enabled utilities, walk to work culture facilitating manufacturing investments, boost the supply chain resilience, and reduce the average logistics cost in India.

- iv. An E-Handbook on Warehousing Standards has been launched recently to promote optimization, interoperability, modal-shift, providing guidelines and best practices for optimal warehouse space utilization. The warehouse standards prescribed are primarily governing the physical infrastructure of the warehouses including health and sustainability standards. The handbook will serve as a guide for infrastructure improvement, achieving efficiency, cost reduction, attracting investment, adoption of newer technologies and global best practices.
- v. The digital platforms such as PM GatiShakti National Master Plan and Unified Logistics Interface Platform (ULIP) have facilitated data-driven decision-making. ULIP is enabling the industry players to get secure access to the data related to logistics and resources available with various Ministries, strengthening existing supply chain networks for both domestic and export driven industries.

\*\*\*\*\*