

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

**UNSTARRED QUESTION NO. 3968.  
TO BE ANSWERED ON TUESDAY, THE 17<sup>TH</sup> MARCH, 2026.**

**ALLOCATION OF FUNDS IN BUDGET 2026-27 FOR INDUSTRIAL GROWTH**

**3968. SHRI SHRIRANG APPA CHANDU BARNE:  
DR. D. PURANDESWARI:  
SMT. BHARTI PARDHI:  
SHRI NARESH GANPAT MHASKE:  
DR. SHRIKANT EKNATH SHINDE:  
SHRI RAVINDRA DATTARAM WAIKAR:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the strategic allocation under Budget 2026–27 reflects a clear commitment to accelerating industrial growth and advancing the vision of 'Viksit Bharat';
- (b) whether the emphasis on domestic manufacturing and value chain integration strengthens India's position as a global production hub;
- (c) whether fiscal incentives and targeted sectoral support under the Budget are designed to boost capital investment, technology adoption and industrial productivity;
- (d) whether regulatory rationalisation and compliance reduction measures have improved the ease of doing business for industries across sectors;
- (e) whether infrastructure expansion and logistics reforms under the industrial roadmap enhance competitiveness and reduce production costs; and
- (f) whether the coordinated fiscal and structural reforms in Budget 2026–27 provide a sustainable foundation for long-term industrial self-reliance and global competitiveness?

**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 (f):** The Union Budget 2026–27 reflects a clear strategic commitment to accelerating industrial growth and advancing the vision of 'Viksit Bharat' through investments in manufacturing, technology, infrastructure and industrial ecosystems. The Budget emphasizes strengthening domestic manufacturing, deepening value-chain integration and promoting high-technology sectors, thereby positioning India as a globally competitive production hub.

The Budget provides targeted fiscal incentives and sectoral support to boost capital investment, technology adoption and industrial productivity across strategic sectors such as semiconductors, biopharmaceuticals, electronics, chemicals, capital goods and textiles. Simultaneously, the Government continues efforts toward regulatory rationalization, compliance reduction and simplified tax and labour frameworks, improving the ease of doing business for industries across sectors.

Complementing these measures, the Budget sustains a strong push for infrastructure expansion and logistics efficiency, with capital expenditure proposed at ₹12.2 lakh crore in FY 2026–27 for strengthening industrial connectivity, lowering logistics costs and improving competitiveness of domestic manufacturing.

Together, these coordinated fiscal and structural reforms – covering manufacturing promotion, cluster development, MSME support, infrastructure investment and technology-led industrialization - provide a sustainable foundation for long-term industrial self-reliance, productivity growth and global competitiveness, in line with the vision of Viksit Bharat.

The key industrial initiatives announced in Budget 2026–27 include:

1. Scaling up manufacturing in strategic and frontier sectors
  - i. Biopharma SHAKTI with an outlay of ₹10,000 crore over five years to build a domestic ecosystem for biologics and biosimilars, strengthening India's position in global biopharmaceutical manufacturing.
  - ii. India Semiconductor Mission (ISM) 2.0 to promote domestic semiconductor manufacturing including equipment, materials and full-stack Indian IP development, along with strengthening supply chains.
  - iii. Expansion of the Electronics Components Manufacturing Scheme with outlay increased from ₹22,919 crore to ₹40,000 crore to deepen the electronics manufacturing ecosystem.
  - iv. Development of Rare Earth Corridors in mineral-rich States to promote mining, processing, research and manufacturing of critical minerals.
  - v. Establishment of three Chemical Parks through a cluster-based plug-and-play model to strengthen domestic chemical manufacturing and reduce import dependence.
  
2. Strengthening capital goods and industrial manufacturing capacity
  - i. Establishment of Hi-Tech Tool Rooms by CPSEs as automated service bureaus to design and manufacture high-precision components.
  - ii. Scheme for Enhancement of Construction and Infrastructure Equipment (CIE) manufacturing to strengthen domestic production of technologically advanced equipment.
  - iii. Container Manufacturing Scheme with ₹10,000 crore over five years to build a globally competitive container manufacturing ecosystem.

3. Expanding labour-intensive manufacturing
  - i. Integrated textile sector programme comprising the National Fibre Scheme, Textile Expansion and Employment Scheme, Tex-Eco Initiative and Samarth 2.0, along with Mega Textile Parks, to enhance value addition, employment generation and export competitiveness.
  - ii. Mahatma Gandhi Gram Swaraj initiative to strengthen khadi, handloom and handicrafts through market linkage, branding, skilling and quality improvement.
  - iii. Dedicated initiative for sports goods manufacturing to promote innovation in equipment design and material sciences.
  
4. Industrial cluster revitalisation
  - i. Scheme to revive 200 legacy industrial clusters through infrastructure modernisation and technology upgradation, aimed at improving cost competitiveness, productivity and MSME integration into value chains.

The Union Budget 2026–27 thus presents a comprehensive industrial growth strategy, combining sector-specific fiscal support, advanced manufacturing initiatives, cluster development and infrastructure expansion. These measures are designed to boost capital investment, accelerate technology adoption, improve ease of doing business and reduce logistics costs, while strengthening India's integration with global value chains. Collectively, they provide a robust and sustainable framework for industrial self-reliance, productivity growth and global competitiveness, supporting India's transition towards Viksit Bharat.

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