

Department for promotion of industry & internal trade: Year-end review 2023

Production Linked Incentive (PLI) Scheme

Keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) Schemes for 14 key sectors were announced with an outlay of Rs. 1.97 lakh crore to enhance India's Manufacturing capabilities and Exports. PLI Scheme across these key specific sectors is poised to make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology; ensure efficiencies; create economies of scale; enhance exports and make India an integral part of the global value chain.

Key Achievements:

746 applications have been approved till November 2023. PLI units established in more than 150 districts (24 States). Over Rs. 95,000 crore of investment reported till September 2023, which has led to production/sales of Rs. 7.80 lakh crore and employment generation (direct & indirect) of over 6.4 lakh. Export have been boosted by Rs. 3.20 lakh crore. Incentives worth around Rs. 2,900 crores have been disbursed in FY 2022-23. There has been a value addition of 20% in mobile manufacturing within a period of 3 years. Of the USD 101 billion total electronics production in FY 2022-23, smartphones constitute USD 44 billion, including USD 11.1 billion as exports.

Import substitution of 60% has been achieved in the Telecom sector and India has become almost self-reliant in Antennae, GPON (Gigabit Passive Optical Network) & CPE (Customer Premises Equipment). 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.

Drones sector has seen 7 times jump in turnover, which consists of all MSME Startups. Under the PLI Scheme for Food Processing, sourcing of raw materials from India has seen significant increase which has positively impacted income of Indian farmers and MSMEs.

Production Linked Incentive (PLI) Scheme for White Goods (ACs and LED Lights)

It was approved by the Union Cabinet on 7 April 2021, with total outlay of Rs.6,238 crore. 64 Companies have been selected under the Scheme. 34 Companies to invest Rs.5,429 crore for Air Conditioner Components and 30 Companies to invest Rs.1,337 crore for LED Component Manufacturing. Further investments of ₹ Rs.6,766 crore is envisaged creating additional direct employment of about 48 thousand persons.

The net incremental production is expected to be more than Rs.1 lakh 23 thousand crore during the scheme period. 13 Foreign Companies are investing Rs. 2,090 crore under the scheme. 23 MSME applicants have committed investment of Rs.1,042 crore under the Scheme. 100% Applicants, who opted for gestation period upto March, 2022 have commenced production. As against the threshold investment of Rs. 1,266 crore, actual investment of Rs.2,002 crore have been done by the beneficiaries upto March, 2023. Investment of Rs.2,084 crore have been done by the beneficiaries upto September, 2023.

Startup India initiative

Startup India initiative launched by the Prime Minister, Shri Narendra Modi on 16th January 2016, has evolved into the launchpad for ideas to innovation in the country. Several programs have been implemented over the years under the Startup India initiative to support entrepreneurs, build a robust startup ecosystem, and transform India into a country of job creators rather than job seekers.

It is a remarkable achievement that more than 1,14,000 startups have been recognized by the Government which have reported creation of more than 12 lakh jobs with an average of 11 jobs

created by each recognised startup. The DPIIT recognized startups are spread across all 36 States and UTs of the country.

Under the Fund of Funds for Startups (FFS) Scheme, the Government has committed about Rs. 10,229 crore to 129 Alternative Investment Funds (AIFs). A total of Rs. 17,272 crore has been invested by the AIFs in 915 startups. Under the Startup India Seed Fund Scheme (SISFS), a total sum of Rs. 747 crore has been approved to 192 incubators. Also, the selected incubators have approved a total of Rs. 291 crore to 1,579 startups.

The Government has also notified the establishment of the Credit Guarantee Scheme for Startups (CGSS) for providing credit guarantees to loans extended by Scheduled Commercial Banks, Non-Banking Financial Companies and AIFs. The Scheme has been operationalized on 1st April 2023.

More than 21,800 DPIIT recognised startups have been on-boarded on Government e-Marketplace (GeM) which have received over 2,43,000 orders from public entities, totalling Rs. 18,540 crores. GeM Startup Runway is a fast-track process for onboarding of startups on the GeM platform.

Under India's G20 Presidency in 2023, a Startup20 Engagement Group was institutionalised to create a global narrative for supporting startups and enabling synergies among startups, corporates, investors, innovation agencies and other key ecosystem stakeholders. The Startup20 Engagement Group in India's G20 Presidency held four meetings in different regions of India.

In 2023, Startup India organised 3 regional and 2 international capacity building and exposure visits for officials from States/ UTs to interact with and learn from policy makers, incubators, and other ecosystem enablers in national and international startup ecosystems.

Open Network for Digital Commerce (ONDC)

Open Network for Digital Commerce (ONDC) is an initiative by DPIIT aiming at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks.

ONDC recorded more than 6.3 million transactions in the month of November'23 across 600+ cities. 2.3 Lakh+ sellers and service providers are active on the ONDC network spread across 500+ cities and towns across India. 59 Network Participants are live on the Network. The sellers and service providers are spread across 500+ cities expanding the geographical coverage of the ONDC network. Presently, over 3000 Farmer Producer Organisations (FPOs) have registered to be a part of the ONDC network through various Seller Network Participants. Around 400 Self-Help Groups (SHGs), micro-entrepreneurs and social sector enterprises have been onboarded on the network.

Mobility through the ONDC network is live in Bengaluru, Mysuru, Kochi and Kolkata with taxi and auto drivers on boarded. ONDC team has successfully conducted a pilot for exports, with Singapore being the first market to buy products from Indian sellers through the ONDC Network.

Nodal officer for each State/UT has been appointed to accelerate state level engagement plans and awareness campaigns and workshops have been organized across the country. The ONDC Network started with two categories (F&B and Grocery) and has expanded the categories to Mobility, Fashion, Beauty and Personal Care, Home & Kitchen, Electronics and Appliances, Health & Wellness and B2B.

ONDC is actively working with the Ministry of MSME to onboard MSMEs to the network through existing seller applications and also working to integrate MSME-Mart which has over 2 lakh MSMEs, with ONDC.

One District One Product (ODOP)

One District One Product (ODOP) aims to foster balanced regional development across all districts of the country by being vocal for local products. More than 1,200 products have been identified across

767 districts of the country which are showcased on ODOP portal and many of these products are also being sold on GEM and other e-commerce platforms.

ODOP- Ekta/Unity Mall

Setting up of Ekta/Unity Mall in the States was announced in the Union Budget 2023-24 for promotion and sale of their own ODOPs, GI products, and other handicraft products, and for providing space for such products of all other States. The Union Budget also provided for an outlay of Rs. 5,000 crores of fifty-year interest-free loans to States under the 'Scheme for Special Assistance to States for Capital Investment 2023-24', which will be linked to or allocated for certain purposes which, inter-alia, includes constructing the Unity Malls. At present, 27 States have submitted their Detailed Project Reports, out of these, 17 have been approved by Department of Expenditure.

Promoting Ease of Doing Business (EoDB) and Reducing Compliance Burden

As part of Reducing Compliance Burden exercise and based on data uploaded on the Regulatory Compliance Portal, more than 3,600 compliances have been decriminalized and more than 41,000 compliances have been reduced by various Ministries/ Departments and States/ UTs. India has reported meteoric improvement in Ease of Doing Business Ranking from 142nd rank in 2014 to 63rd rank in the World Bank Doing Business 2020 report.

The Jan Vishwas (Amendment of Provisions) Bill, 2023 was passed by the Parliament. Through this Amendment Act, a total of 183 provisions are proposed to be decriminalized in 42 Central Acts administered by 19 Ministries/Departments.

All States/UTs are being assessed under Business Reform Action Plan on the basis of implementation of designated reform parameters contained in the Action Plan such as Investment Enablers, Access to Information and Transparency, Online Single Window System, Land Allotment, Construction Permits Enablers, Labour Regulation Enablers, Environment Registration Enablers, Inspection Enablers, Obtaining Utility Permits, Contract Enforcement, Sector-specific reforms, etc. Report of BRAP 2022 is to be released soon.

Further under EoDB reforms, Government is moving towards centralized KYC and PAN as Single Business Identity and Regulatory Impact Assessment, thereby giving impetus to FDI in the country and domestic manufacturing activities.

National Single Window System (NSWS)

NSWS simplifies processes by providing a single platform for G2B clearances across various Ministries/Departments, reducing duplication by auto-populating form fields based on investor profiles. It presently offers approvals from 32 Central Ministries/Departments and 25 States/UTs.

The NSWS Portal has successfully processed over 2,55,000 approvals as of November 2023, marking a significant milestone in streamlining processes for both Central and State/UTs. It incorporates government schemes like Vehicle Scrapping, Indian Footwear and Leather Development (IFLDP), Sugar and Ethanol Policies, facilitating applications for over 400 investors in IFLDP, 25 for Registered Vehicle Scrapping Facility, and 19 for Automated Testing Stations.

Make in India 2.0

Since its launch, Make in India has made significant achievements and is now focusing on 27 sectors under Make in India 2.0. DPIIT is coordinating Action Plans for 15 manufacturing sectors, while the Department of Commerce is coordinating for 12 service sectors.

Now, DPIIT is working closely with 24 sub-sectors which have been chosen keeping in mind the Indian industries strengths and competitive edge, need for import substitution, potential for export and increased employability. These 24 sub-sectors are – furniture, air-conditioners, leather and

footwear, ready to eat, fisheries, agri-produce, auto components, aluminium, electronics, agrochemicals, steel, textiles, EV components and integrated circuits, ethanol, ceramics, set top boxes, robotics, televisions, close circuit cameras, toys, drones, medical devices, sporting goods, gym equipment. Efforts are on to boost the growth of the sub-sectors in a holistic and coordinated manner.

Investment outreach is being done through Ministries, State Governments and Indian Missions abroad; Investment Identification of potential investors, handholding and investment facilitation is done through Invest India.

Public Procurement (Preference to Make in India) Order, 2017

The PPP-MII Order gives preference to locally manufactured goods, works and services in public procurement, thereby giving boost to industrial growth in the country and enhance income and job opportunity for its masses.

Keeping in view the mandate of "Atmanirbhar Bharat", DPIIT has revised its Public Procurement (Preference to Make in India Order, 2017) on 16.09.2020 with the following salient features:

- Re-classification of suppliers
 - i. 'Class-I local supplier' – Suppliers offering items with equal to or more than 50% local content
 - ii. 'Class-II local supplier' - Suppliers offering items with equal to or more than 20% but less than 50% local content
 - iii. 'Non local supplier' - Suppliers offering items with less than 20% local content
- Nodal Ministries/ Departments are authorized to notify a higher minimum local content requirement for any item, i.e. higher than 50/20%, if they deem fit
- Purchase preference for Class-I local suppliers (suppliers with more than 50% local content).
- Suppliers offering items with less than 20% domestic local value addition can't participate in domestic/national bidding process.
- For purchases with estimated value less than Rs. 200 Crore, no Global tender enquiry will be issued.

Five states namely Manipur, Nagaland, Himachal Pradesh, Andhra Pradesh and Goa have already adopted PPP-MII Order, 2017. DPIIT is making continuous efforts to encourage the remaining States/UTs to either adopt PPP-MII Order or have similar order, similar to PPP-MII Order, 2017.

PM GatiShakti National Master Plan

In 62 Network Planning Group meetings held so far under PM GatiShakti (PMGS), more than 123 big-ticket infrastructure projects, worth Rs. 12.08 lakh crores, have been examined on PMGS principles.

PM GatiShakti National Master Plan (NMP) has 1463 data layers today, belonging to 39 Central Ministries / Departments (585) and 36 States/UTs (878). Individual portals of 39 Central Ministries (Infrastructure, Social, and Economic) have been developed and integrated with NMP. 22 Social Sector Ministries have been onboarded on PM GatiShakti with over 200 data layers mapped on NMP (like Primary Healthcare Facilities, Post Office, Hostels, Colleges, PVTG- Particularly Vulnerable Tribal Groups, etc).

State Master Plan (SMP) portals for 36 States/UTs have been developed for mapping and synchronised integration of infrastructure assets. Five Regional Workshops on PM GatiShakti was conducted between February and April this year, covering all 36 States/UTs for larger sensitization, exchange of knowledge, and demonstration of use cases by Ministries and the States/UTs.

To integrate GatiShakti further in all infrastructure works in the States, Department of Expenditure (DoE) directed to utilize NMP for mapping and planning all the infrastructure projects proposed under the Scheme for Special Assistance to States for Capital Investments for 2023-24 of Rs. 1.3 lakh crores. On 11 July 2023, DoE issued the notification for all State Governments to map and plan the capital investment projects approved under the Scheme using the PM GatiShakti platform. This will give further fillip to usage of PM GatiShakti NMP.

Logistics Ease Across Different States (LEADS)

The 5th edition of LEADS annual exercise - LEADS 2023 report was released by the Union Minister for Commerce and Industry, Shri Piyush Goyal on 16th December, 2023.

National Logistics Policy, 2022

On completion of one year of launch of National Logistics Policy significant progress has been made to achieve NLP targets, viz. reduction in logistics cost, improvement in India's ranking in the Logistics Performance Index (LPI), and create data-driven decision support mechanism for an efficient logistics ecosystem.

Progress made on the eight action areas under the Comprehensive Logistics Action Plan (CLAP), defined under the NLP, is as follows:

- The Service Improvement Group (SIG) is well established with the involvement of more than 30 business associations in the field of logistics; critical issues concerning logistics services are raised by business associations on the E-LoGS platform. SIG and E-LoGS have together established a robust mechanism to address and resolve logistics issues/ promote logistics efficiency.
- 7 SIG and 1 special SIG meetings with Customs and a meeting with Member Customs have been conducted.
- 108 logistics-related issues were received on E-LoGS platform, of which 16 issues were resolved, 58 are in progress, 19 are under review, and 15 are not admissible.
- A NPG meeting was held to discuss Sectoral Plan for Efficient Logistics (SPEL) by individual line Ministries/Departments on 16th November 2023 for prioritizing cross-sectoral cooperation and to focus on the optimization of modal mix for holistic planning.
- Progress made in implementation of the Comprehensive Logistics Action Plan (CLAP) is as below:
 - i. Infrastructure gaps are being addressed and digital initiatives undertaken (under National Committee on Trade Facilitation).
 - ii. To bring holistic focus on 'logistics' in public policy at State level, States/UTs are developing State Logistics Plans (SLPs) aligned with NLP. **So far, 23 States have notified their respective State Logistics policies.**
 - iii. Draft Sector Specific Plans developed by M/o Coal and discussed in 6th EGoS.

Human Resource Development and Capacity Building:

To further give traction to training and capacity building in Logistics and Infrastructure Development, *Syllabus and training modules* are being developed with the Capacity Building Commission (CBC), which will be imparted through webinars, workshops, digital training, physical

training, integrating courses with the existing curriculum of Central Training Institutes (CTIs) and Administrative Training Institutes (ATIs).

A webinar on PM GatiShakti was held on 04 August 2023 with CBC for all Ministries and Business/Trade Associations, etc. As on date, 17 CTIs and 19 State ATIs have appointed Nodal officers for the same.

MoU signed between Logistics Division of DPIIT and GatiShakti Vishwavidyalaya (Ministry of Railways) on 4th October 2023 for capacity building, outreach, knowledge sharing, and related aspects on PM GatiShakti.

Progress on Unified Logistics Interface Platform (ULIP):

The integration of ULIP with 35 systems of 08 different Ministries through 113 APIs, covering 1,800+ fields has been completed. 699 industry players have been registered on ULIP. Over 125 private companies have signed NDA, and this will enhance supply chain visibility and boost trade. Over 65 applications have been made live. GST data is being integrated with ULIP to provide end-to-end multimodal tracking of cargo and demand-supply mapping for trade.

Project Monitoring Group (PMG)

The PMG portal has been upgraded from an issue-based resolution mechanism to a Milestone-based monitoring system. The new system will ensure proactive monitoring of projects and will help in initiating course correction measures in time. This will put the Project Monitoring Group at the forefront of driving transformational change in the infrastructure space.

Till November, 2023 PMG Portal has on-boarded 2426 projects of worth Rs 61.90 lakh crore. These include all important mega infrastructure projects including high impact GatiShakti projects and critical infrastructure gap projects. PMG has facilitated resolution of 6978 issues worth Rs. 51.90 lakh crore.

Industrial Corridor Programme

The Programme aims to develop futuristic industrial cities in India at par with the world's best manufacturing and investment destinations. It will create employment opportunities and economic growth leading to overall socio-economic development. Few approved projects are: Dholera Special Investment Region (Gujarat), Shendra Bidkin Industrial Area (Aurangabad), Integrated Industrial Township, Vikram Udyogpuri etc. A total of 274 Plots (1,707 acre) allotted till November, 2023, attracting investments from companies of South Korea, Russia, China, UK, Japan as well as from India including MSMEs.

Industrial Performance

Industrial production as measured by Index of Industrial Production (IIP) expanded by 6.9% during April-October 2023-24 over the corresponding period last year on the back of broad-based growth. All three sectors — Mining, Manufacturing and Electricity - recorded robust growth during the period.

There has been a consistent recovery after COVID-19 pandemic. In the FY 2021-22, industrial production recovered from the COVID pandemic and registered a double-digit growth of 11.4%. Industrial production further expanded by 5.2% in FY 2022-23. During April to October period of FY 2023-24, IIP registered cumulative growth of 6.9% over the corresponding period of previous year. Index of Manufacturing, Mining and Electricity sector grew by 6.4%, 9.4% and 8.0% respectively during the aforesaid period.

Trends in Growth of Eight Core Industries

The Index of Eight Core Industries (ICI) measures the performance of eight core industries i.e. Cement, Coal, Crude Oil, Electricity, Fertilizers, Natural Gas, Petroleum Refinery Products, and Steel. The industries included in the ICI comprise 40.27 % weight in the Index of Industrial Production (IIP). During 2022-23, the ICI recorded an annual growth of 7.8% compared to average growth rate of 1.5% during the last 3 years i.e. 2019-20 to 2021-22. During Apr - Oct 2023 in the current Financial Year 2023-24, output of core industries further increased by 8.6% over the corresponding period last year. Among the eight core industries, Steel, Coal and Cement registered double-digit growth of 14.5%, 13.1% & 12.2% respectively.

Foreign Direct Investment

India is one of the most attractive FDI destinations in the world today. The Government has put in place an investor friendly Foreign Direct Investment (FDI) policy under which most sectors except certain strategically important sectors are open for 100% FDI under the automatic route.

Measures taken by the Government on FDI Policy reforms have resulted in increased FDI inflow in the country. FDI inflow in India stood at USD 36 billion in 2013-14 and registered its highest ever annual FDI inflow of USD 85 billion in the financial year 2021-22. During FY 2022-23, FDI inflow of USD 71 billion (provisional figure) has been reported. During the current financial year, 2023-24 (up-to September 2023) FDI worth USD 33 billion has been reported.

FDI inflow in the last 9 financial years (2014-23: USD 596 billion) has increased by 100% over the previous 9 financial years (2005-14: USD 298 billion) and is nearly 65% of the total FDI reported in the last 23 years (USD 920 billion). FDI equity inflow in the manufacturing sectors in the last 9 financial years (2014-23) (USD 149 billion) has increased by 55% over the corresponding period of the previous nine years (2005-14) (USD 96 billion). These trends in India's FDI are an endorsement of its status as a preferred investment destination amongst global investors.

IPR Strengthening

Various Policy and Legislative reforms have been undertaken in last 9 years in the area of institutional strengthening and process digitalization. India's rank in the **Global Innovation Index (GII)** amongst 132 economies has improved from 81st in 2015 to 40th in GII 2022 ranking and in 2023 India has retained its 40th position.

The number of Patents granted has seen an eight-fold growth from 5978 in 2014-15 to 47735 in 2023-24 (upto 30th Nov, 2023). Number of Designs registered has recorded a two-fold increase from 7147 in 2014-15 to 15506 in 2023-24 (upto 30th Nov, 2023). Patents filed by women have seen a rise of more than 345 times, from 15 in 2014-15 to 5183 in 2023- 24 (upto 30th Nov, 2023).