

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

**UNSTARRED QUESTION NO. 1322.
TO BE ANSWERED ON FRIDAY, THE 02ND AUGUST, 2024.**

DECLINE IN MANUFACTURING SECTOR

1322 SMT. SULATA DEO:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether Government is aware of the decline in country's manufacturing sector as a share of GDP over the past decade, if so, the details thereof;
- (b) the specific measures undertaken by Government to address legacy constraints hindering the growth of the manufacturing sector; and
- (c) the specific sectors within manufacturing, Government is prioritizing for revitalization, and the criteria for this prioritization?

ANSWER

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

- (a) to (c):** The share of the manufacturing sector as a percentage of total Gross Value Added (GVA) at constant prices increased from 17.2% in 2013-14 to 17.3% in 2023-24, as per the National Accounts Statistics released by Ministry of Statistics and Programme Implementation (MoSPI).

Government of India has taken several measures to promote the growth of the manufacturing sector. 'Make in India' initiative has been launched to make India a hub for manufacturing, design, and innovation. Presently, Make in India focuses on 27 sectors including 15 manufacturing sectors, implemented across various Ministries and Departments and State Governments. Further, keeping in view India's vision of becoming 'Atmanirbhar', Production Linked Incentive (PLI) schemes have been launched for 14 key manufacturing sectors that are crucial for economic growth, technological advancement, and strategic importance. These include mobile and specified electronic components, drug intermediaries & active pharmaceutical ingredients, medical devices, automobiles and auto components, pharmaceuticals drugs, specialty steel, telecom & networking products, electronic/technology products, white goods (ACs and LEDs), food products, textile products, high efficiency solar PV modules, advanced chemistry cell (ACC) battery, and drones and drone components. These schemes have the potential of significantly boosting production, increasing manufacturing output and contributing to faster economic growth in future. There is evidence of increasing foreign investment also in several

PLI sectors. E.g Apple, a global smartphone company, has shifted its suppliers to India viz. Foxconn, Wistron and Pegatron.

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. 7,674 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.

The other major initiatives include Start-up India, National Single Window System (NSWS), GIS enabled Land Bank, Foreign Direct Investment (FDI) policy reforms, PM Gati Shakti National Master Plan for integrated planning of multi-modal infrastructure, Project Monitoring Group to remove bottlenecks in setting up of major infrastructure projects, Special Packages for North Eastern and Himalayan Regions, Setting up of Industrial Park, interventions to improve Ease of Doing Business, measures for reduction in compliance burden, policy measures to boost domestic manufacturing through public procurement orders, and Phased Manufacturing Programme (PMP).
