

## PM PITCHES PLI PLAN TO GLOBAL BUSINESSES

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Industry & Services Sector incl. MSMEs and PSUs

Prime Minister [Narendra Modi](#) on Thursday invited global firms to take advantage of the \$26 billion worth production-linked incentive (PLI) scheme announced by the government and expand their manufacturing in India, assuring that India's aspiration to become self-reliant will strengthen globalism.

"In the \$26 billion worth PLI scheme, you get incentive on incremental production. And these incentives are worth 5% of the production value. This means that due to the PLI scheme, around \$520 billion worth of production is going to happen in India." Modi told top global CEOs at the Davos Dialogue 2021 through a video conference organized by the World Economic Forum.

Last March, the government announced PLI schemes for three sectors—mobile manufacturing and specified electronics components, drug intermediates and active pharmaceutical ingredients, and medical devices—worth 51,355 crore. In November, it added 10 sectors to the list with additional committed incentive worth 1.46 trillion in a bid to boost local manufacturing.

Modi said the Atmanirbhar Bharat programme that India is running is committed to strengthening the global supply chain. "We are moving ahead with the promise of becoming self-reliant. India's aspiration to become self-reliant will strengthen globalism in new ways. India has the capacity, capability as well as reliability to strengthen the global supply chain. India has a very large consumer base and the more it expands, the better it is for the global economy," he added.

Ahead of the FY22 budget, to be presented on 1 February, Modi said he wants to assure the business world that the situation will now change rapidly for India on the economic front. "During the time of corona also, by starting infrastructure projects worth trillions of rupees, by running special schemes for employment, India had maintained economic activity. While at that time we emphasized on saving each life, now India is dedicatedly focused on utilizing each life for the progress of the country," he added.

The International Monetary Fund on Tuesday upgraded its FY22 growth projection for India to 11.5% from 8.8% estimated earlier, citing a faster-than-expected economic recovery in the September quarter.

India's economy contracted 7.5% at a slower-than-expected pace in the September quarter after shrinking 23.9% in the preceding three months. The economy is officially projected to shrink by a record 7.7% for the full year, the first contraction in 41 years, with the National Statistical Office assuming 0.6% growth in the second half (October-March) of FY21.

Modi said India has started the world's largest coronavirus vaccination programme. "In the first phase, we are vaccinating 30 million health and frontline workers. You can take a guess about the speed from the fact that only in 12 days, we have already vaccinated 2.3 million health workers. In next few months, we will vaccinate 300 million old people and people with co-morbidities," he added.

Talking about India's efforts to help its neighbours tackle the pandemic, Modi said while there are only two made-in-India coronavirus vaccines, in the coming days many more vaccines will be launched from India. "These vaccines will help other countries with faster speed and in greater scale," he added.

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