

Production linked subsidy (PLI) scheme is a way to make India a global manufacturing hub by incentivising companies for raising production.

Under manufacturing policy, India set targets to increase share of manufacturing from 16-17% of GDP to 25% of GDP, and provide extra 100mn jobs. And in the tune of Atmanirbhar Bharat, PLI scheme can help to achieve these targets through

(i) prioritising sectors with present scenario - like solar photovoltaic module Advanced cell batteries etc.

The Defence procurement policy and electronic manufacturing policy also contain PLI to raise these specific sectors.

(ii) Bringing investment - These champion sectors will bring investment cum technology from domestic as well as foreign sources.

(iii) 3D's → Demography → 60% workforce
below 25 year age

→ Demand and Democracy makes perfect opportunity for such policy to provide jobs to unemployed 5.8% population.

(iv) Formalisation of workforce currently varied between 5-6% to again 25% in China and 54% in USA.

v) Global value chains can be effectively linked by Indian units to through PLI since it provides competition edge in sectors like Food Processing where India's cheap labour can be utilised.

Government should link PLI with Export Incentive Schemes (MEIS - RoDTEP).

PLI provides a roadmap to Indian manufacturers to contribute towards

Atmanirbhar Bharat, while government

need to protect small and sunrise

industries to survive competition.