

Telecom manufacturing to reach global scale in India

India launches PLI scheme to become hub of global telecom manufacturing

PLI Scheme for Telecom Sector will boost telecom and networking equipment manufacturing in India

Telecom manufacturing to get boost with outlay of Rs. 12195 crore over five years leading to enhanced production of more than Rs. 2 lakh crore

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The Union Cabinet, chaired by the Prime Minister, Shri Narendra Modi, has approved Production Linked Incentive (PLI) Scheme for Telecom and Networking Products with a budgetary outlay of Rs. 12,195 crore.

The Production Linked Incentive (PLI) Scheme intends to promote manufacture of Telecom and Networking Products in India and proposes a financial incentive to boost domestic manufacturing and attract investments in the target segments of telecom and networking products in order to encourage Make in India. The scheme will also encourage exports of telecom and networking products 'Made in India'.

Support under the Scheme will be provided to companies/entities engaged in manufacturing of specified telecom and networking products in India. Eligibility will be further subject to achievement of a minimum threshold of cumulative incremental investment over a period of four years and incremental sales of manufactured goods net of taxes (as distinct from traded goods) over the Base Year 2019-2020. The cumulative investment can be made at one go, subject to annual cumulative threshold as prescribed for four years being met.

Globally Telecom and Networking Products exports represent an US\$100 billion market opportunity, which can be exploited by India. With support under the scheme, India will augment capacities by attracting large investments from global players and at the same time encourage promising domestic champion companies to seize the emerging opportunities and become big players in the export market.

In continuation of "Atmanirbhar Bharat-Strategies for enhancing India's Manufacturing capabilities and enhancing exports", this scheme is part of the umbrella scheme approved by the cabinet in November 2020 for implementation of PLI under various Ministries/ Departments including Department of Telecommunications (DoT).

There will be a minimum investment threshold of Rs.10 crore for MSME with incentives from 7% to 4 % and Rs. 100 crore for others with incentives from 6% to 4 % over 5 year above Base Year. The applicants with higher investments than specified threshold under MSME and Non MSME categories will be selected through transparent process.

With this scheme, India will be well positioned as a global hub for manufacturing of Telecom and Networking Products. Incremental production around Rs. 2 Lakh crore is expected to be achieved over 5 years. India will improve its competitiveness in manufacturing with increased value addition.

It is expected that scheme will bring more than Rs. 3,000 crore investment and generate huge direct and indirect employments.

Through this policy, India will move towards self-reliance. By incentivizing large scale manufacturing in India, domestic value addition will increase gradually. Provision of higher incentive to MSME will encourage domestic telecom manufacturers to become part of the global supply chain.

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