

# PLI schemes only a kickstart, soon industry will have to compete: Goyal

**TO PLAN.** Commerce Minister says despite some hiccups, no delay in implementation of the scheme

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All in all, there is no delay in the implementation of the Production Linked Incentive (PLI) schemes although some sectors seem to be performing better than others because of early start or shorter gestation period, Commerce Minister Piyush Goyal has said. The Minister also emphasised that the PLI scheme was only to give a "kickstart" to the industry and not meant to make businesses dependent on it.

Following a day-long consultation with PLI stakeholders from all the 14 beneficiary sectors, the Minister said that while there were small problems here and there, which were bound to be there in any scheme, by and large the satisfaction level was high. "A lot of suggestions came in. A lot of ideas came in. Certainly, some concerns also came in. But all in all I can assure you that there is no delay in the scheme. However, the understanding of the



**SUPPORT ROLE.** Commerce Minister Piyush Goyal said the Centre was not looking to make the industry dependent on its subsidies PTI

scheme needs to be improved," the Minister said briefing the media after the consultations.

#### **EARLY STARTERS**

In 2021, the government announced PLI schemes for 14 sectors with an outlay of ₹1.97-lakh crore. Till October this fiscal, the government had disbursed only ₹4,415

crore under the schemes for eight sectors, including electronics and pharmaceutical. "There are certain sectors that have taken off fast, but those sectors were also started first. The mobile sector was started a long time back and so was API, probably during Covid. These are sectors where the gestation period is relatively low," the Minister explained.

But if a PLI beneficiary is, for instance, into making of compressors for air-conditioners, things are different. "It is a very competitive technology-based industry. Supply chains have to be set up. Equipment for manufacturing has to be ordered, procured and set up. And, therefore, you have to appreciate that there is a (long) gestation period and post-gestation period..." Goyal said.

In his address to the beneficiaries, the Minister said that the government was not looking to make the industry dependent on government subsidies. "This is only like a kickstart, an initial support. You'll ultimately have to compete," he said.

#### **OUTWARD-LOOKING**

Gradually, the industry must be more outward-looking and get out of the cost comfort of the large domestic market, he added. Under the PLI scheme, a total of 746 applications across 14 sectors have been approved, with expected investments of over ₹3 lakh crore.