

Centre may ease public sourcing for some sectors

Investments under PLI may hit ₹2 trn by next year, says Goyal

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The government is looking to liberalise public procurement rules for production of new and innovative products, in line with its focus on the Make in India programme that completed ten years last week.

“In government procurement, there could be few amendments required sectorally. There are certain sectors where the ecosystem takes time to develop. Initially the value added is less, but gradually it goes up. We are examining if we can have a road map for these sectors so that they could transition to become class 1 or class 2 suppliers,” Commerce and Industry Minister Piyush Goyal said on Sunday.

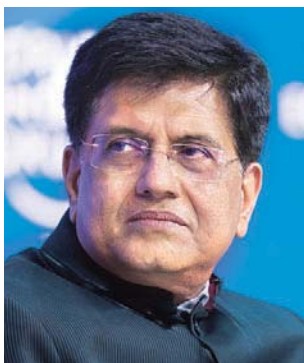
The items to be included in the list of new and innovative products will be ascertained after the inter-ministerial meeting.

“(Based on the industry recommendation) another thing that is being considered is procurement rules for manufacturers that produce a product for the first time in India. Normally, in procurement there is a requirement of prior experience. We are looking at means to make them eligible for supply by laboratory testing or other ways,” Goyal said.

These suggestions came up during the minister’s interaction with the chief executive officers (CEOs) of over 140 production-linked incentive (PLI) beneficiary companies, including Samsung, Reliance Industries, JSW Steel, Dixon, Sun Pharmaceuticals, Daikin, among others.

At present, firms that produce goods, services, or works with at least 50 per cent local content are called Class-I local suppliers. They are given the highest preference in public procurement.

A Class-II local supplier’s goods, services, or works have 20-50 per cent local content. A non-local supplier is one with less than 20 per cent local content. This class is generally the least preferred in public procurement under the Public Procurement Order, unless there are no available Class-I or -II local suppliers for a specific requirement.



Commerce and Industry Minister Piyush Goyal on Sunday engaged with CEOs of 140 PLI beneficiary companies, including Samsung, RIL, and Sun Pharma

FILE PHOTO

India, US to enhance critical minerals ties during Goyal’s visit from today

India and the US are negotiating a pact to enhance collaboration in essential critical minerals, and the issue will figure during the visit of Commerce and Industry Minister Piyush Goyal to Washington this week. At the invitation of the US Secretary of Commerce Gina Raimondo, Goyal will undertake a visit from September 30–October 3. The commerce ministry said, in a statement on Sunday, that Goyal and Raimondo will also discuss steps to expand and diversify critical minerals supply chains between India and the US.

PTI

PLI’s growth push

Investments in the 14 sectors under the production-linked incentive (PLI) schemes are expected to reach an estimated ₹2 trillion by next year from ₹1.46 trillion now.

This has resulted in sales worth ₹12.5 trillion, with 950,000 direct and indirect jobs created. The latter tally is expected to reach 1.2 million soon.

Exports have exceeded ₹4 trillion, with substantial contribution from key sectors such as electronics, pharmaceuticals & food processing. The government is also fast-tracking necessary approvals related to PLI industries and also handholding them to achieve greater market access, the minister said after the interaction with the CEOs of PLI beneficiary firms.