**MANUFACTURING**

**Market Size**

**SECTOR COMPOSITION**

**Key Trends**

- Robust demand: The appliances and consumer electronics (ACE) market in India is expected to grow to US$ 21.18 billion by 2025 from US$ 10.93 billion in 2019.
- Increasing Investment: In the first half of FY21, India received ~US$ 30 billion worth of funds through foreign direct investment, a 13% increase over the same period last year. On November 19, 2021, Prime Minister, Mr. Narendra Modi laid the foundation stone for the Uttar Pradesh Defence Industrial Corridor project worth Rs. 400 crore (US$ 53.73 million) in Jhansi.
- Policy support: In May 2021, the government approved a PLI scheme worth Rs. 18,000 crore (US$ 2.47 billion) for production of advanced chemical cell (ACC) batteries; this is expected to attract investments worth Rs. 45,000 crore (US$ 6.18 billion) in the country. In September 2021, the government approved PLI scheme worth Rs. 26,058 crore (US$ 3.53 billion) for auto industry and drone industry to boost India’s manufacturing capabilities.
- Competitive Advantage: India has potential to become a global manufacturing hub and by 2030, it can add more than US$ 500 billion annually to the global economy.

**Quarterly estimates of GVA at current prices (US$ billion)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>GVA (US$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1’20</td>
<td>620.7</td>
</tr>
<tr>
<td>Q1’21</td>
<td>495.3</td>
</tr>
<tr>
<td>Q1’22</td>
<td>626.5</td>
</tr>
</tbody>
</table>

**Total FDI equity inflow in the manufacturing subsectors between April 2000 and June 2021 (US$ billion)**

- Automobile Industry
- Chemicals (other than fertilizers)
- Drugs & Pharmaceuticals
- Food Processing Industries
- Electrical Equipments
- Cement and Gypsum Products
- Textiles (including dyed, printed)
- Electronics

**Annual Growth Rates of IIP (%) at Sectoral level**

- Mining: -9.9% (Apr 2020 - Sep 2020), -13.4% (Apr 2021 - Sep 2021)
- Manufacturing: 14.2% (Apr 2020 - Sep 2020), 14.3% (Apr 2021 - Sep 2021)
- Electricity: 8.5% (Apr 2020 - Sep 2020)

**Capacity Utilisation in Manufacturing Sector (%)**

- Q2FY20: 65.1%
- Q2FY21: 63.3%
- Q2FY22: 72.0%

**Make in India**

**Skill India**

**National Manufacturing Policy**

**Advantage India**