



KAMARAJ IAS ACADEMY
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PLI-Auto Scheme

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Why is in news? Ministry of Heavy Industries to organise a Conference on “Review of PLI-Auto Scheme - Excellence through Aatmanirbharta” tomorrow

Ministry of Heavy Industries (MHI) is organizing a conference on “Review of PLI-Auto Scheme - Excellence through Aatmanirbharta” on 29th August’2023 at India Habitat Centre.

The conference will be chaired by Union Minister for Heavy Industries. The event **aims to bring together stakeholders** viz. PLI-Auto applicants, PMA, Test Agencies etc. to review the performance of the scheme, to share their knowledge & experiences and address all concerns & challenges. The event shall have special focus on understanding the opportunities available through this scheme.

About:

It **excludes conventional petrol, diesel and CNG segments** (Internal Combustion Engine) since it has sufficient capacity in India.

It is incentivizing **only advanced automotive technologies or auto components** whose supply chains are weak, dormant, or non-existing.

It is aimed at **boosting new technology** and the economy of clean fuels.

Components:

Champion OEM (Original Equipment Manufacturers) Scheme: It is a sales value linked plan, applicable to Battery Electric and Hydrogen Fuel Cell Vehicles of all segments.

Champion Incentive Scheme: It is a Sales Value Linked plan for advanced technology components, Complete and Semi-Knocked Down (CKD/SKD) kits, vehicle aggregates of 2-wheelers, 3-wheelers, passenger vehicles, commercial vehicles and tractors.

Significance:

This scheme along with the already launched PLI for FAME Scheme will give a **big boost to the manufacture of Electric Vehicles**.

It will contribute **towards reducing carbon emissions and oil imports**.

It will **encourage production of auto components** using advanced technologies that will boost localisation, domestic manufacturing and also attract foreign investments.

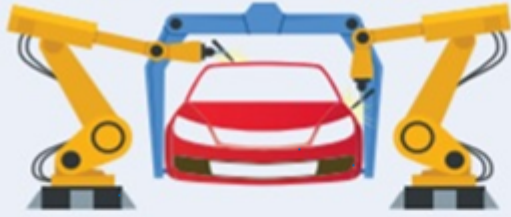
It will help setting up new facilities and create more jobs. It is expected to generate 7.5 lakh jobs for the auto sector.

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Takeaways



Auto

- Incentives worth ₹26,058 crore to be provided over five years
- To attract fresh investments of over ₹42,500 crore
- Incremental production of ₹2.3 lakh crore
- Job creation for 7.6 lakh people
- To help promote advance automotive technologies, clean energy
- Open to existing automotive companies and new investors

Drone

- Drone industry to be allocated ₹120 crore, over three years
- Expected to bring fresh investments of over ₹5,000 crore
- Incremental production of over ₹1,500 crore likely



PLI Scheme:

PLI scheme is an initiative that **provides incentives to domestic industries** to boost local production.

Through this scheme the Government aims to give companies incentives on incremental sales from products manufactured in domestic units.

PLI has been introduced to **boost domestic manufacturing** and cut down on import bills.