GOVERNMENT OF INDIA
MINISTRY OF COMMERCE AND INDUSTRY
DEPARTMENT OF COMMERCE
LOK SABHA
STARRED QUESTION NO. *329
ANSWERED ON 11/08/2026

DIVERSIFICATION OF SUPPLY CHAINS IN CRITICAL SECTORS

*329. SHRI SANATAN PANDEY:

Will the Minister of **COMMERCE AND INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

(a) whether the Government has identified the critical sectors whose supply chains require diversification, if so, the details thereof, sector-wise; and
(b) whether the Government has formulated any strategy in this regard, if so, the details and the current status thereof?

ANSWER

वाणिज्य और उद्योग मंत्री (श्री पीयूष गोयल)
THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI PIYUSH GOYAL)

(a) to (b) A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY OF PARTS (a) TO (b) OF LOK SABHA STARRED QUESTION NO. *329 FOR ANSWER ON 11.08.2026 REGARDING 'DIVERSIFICATION OF SUPPLY CHAINS IN CRITICAL SECTORS'

(a) & (b) Yes, the Government has identified critical sectors like energy, fertilisers, electronics and semiconductors, critical minerals, pharmaceuticals and medical devices, and other strategic manufacturing sectors as requiring stronger supply-chain resilience and diversification. India's demand for critical industrial inputs has risen with rapid economic growth, industrialisation, urbanisation, manufacturing and infrastructure expansion, and deeper global value-chain integration. The strategy is to diversify supply sources while augmenting domestic capacity, in line with the Viksit Bharat vision of a developed, self-reliant and globally integrated economy by 2047.

Key measures include Make in India, Production Linked Incentive (PLI) Schemes, India Semiconductor Mission (ISM), National Critical Mineral Mission (NCMM), energy-source diversification, renewable energy and biofuels, strategic petroleum reserves, long-term fertiliser-input arrangements, and trade and investment engagements.

India's growing energy needs reflect sustained economic growth, industrial expansion and rising consumption. The Government is strengthening energy security through domestic production, diversification of sources, refining infrastructure, ethanol blending and biofuels, strategic petroleum reserves, and renewable energy.

In the fertiliser sector, nearly 73% of total requirement was met through domestic production in 2025. The Government is strengthening domestic capacity, entering long-term arrangements for key raw materials and diversifying supply sources to ensure reliable availability to farmers.

India Semiconductor Mission supports semiconductor manufacturing, design, research, innovation and skill development to meet growing demand from electronics, automobiles, telecommunications, energy and defence. India Semiconductor Mission 2.0 seeks to deepen capabilities in equipment, materials, intellectual property and supply chains and develop a globally competitive ecosystem.

Critical minerals—including lithium, cobalt, nickel, graphite, rare-earth elements and copper—are vital for clean-energy technologies, electric vehicles, electronics, semiconductors and advanced manufacturing. National Critical Mineral Mission seeks to secure domestic and overseas supplies and strengthen the value chain from exploration and mining to processing, recycling and advanced manufacturing. Critical minerals are also prioritised in trade and investment engagements, including free trade agreement negotiations.

PLI Schemes for 14 key sectors, with an outlay of ₹1.91 lakh crore, aim to enhance manufacturing, attract investment, promote exports, generate employment and reduce import dependence. As on 31.03.2026, 892 applications had been approved, resulting in actual investment of over ₹2.40 lakh crore, production/sales of over ₹22.66 lakh crore, employment generation of over 14.15 lakh—including 8.4 lakh direct employment—and cumulative incentive disbursement of ₹35,354 crore. Key sectoral outcomes include:

- Mobile-phone production increased around 2.4 times; imports declined about 77%, and around 99.2% of mobile phones used in India are manufactured domestically.
- Pharmaceuticals recorded cumulative sales of over ₹3.64 lakh crore and enabled domestic manufacture of 1,931 products, including 191 bulk drugs for the first time.
- Bulk-drug capacity of about 55,000 MT was established across 26 critical active pharmaceutical ingredients.
- Twenty-two medical-device applicants commenced operations and 55 unique medical devices were commissioned.
- The telecom scheme supported indigenous 4G technology and domestic manufacturing capability for 5G equipment.
- Compressor manufacturing capacity increased from 1 million units in 2021 to 10 million units in 2025–26, alongside greater localisation of critical air-conditioner components.

These measures aim to meet India's development requirements through reliable and diversified supply chains, stronger domestic manufacturing and reduced strategic vulnerabilities.

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