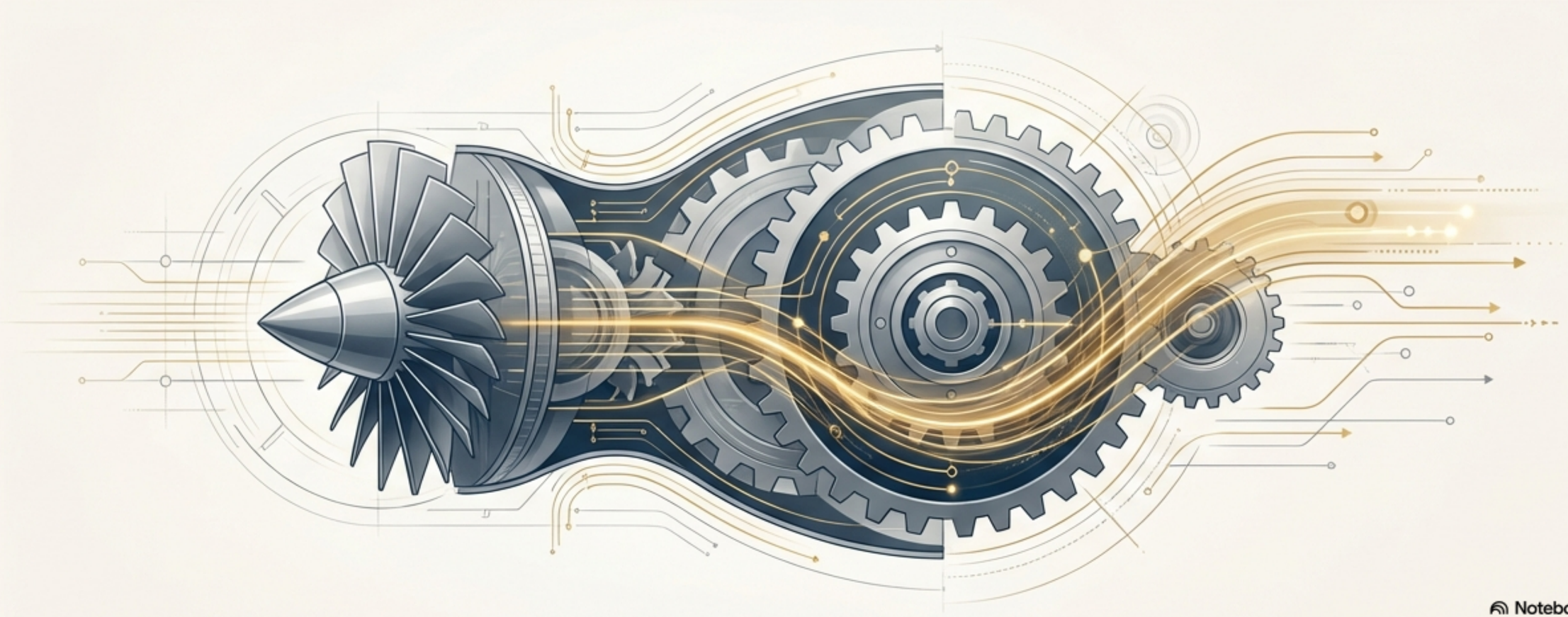
The India Manufacturing Surge

Forging a New Engine for Economic Transformation (2025 Report)
IBM Plex Sans (#212121)



A Confluence of Forces is Igniting Igniting India's Industrial Core

This is not just cyclical growth; it is a strategic realignment of capital, global supply chains, and human talent.

Unprecedented Capital

Record Foreign Direct Investment is fueling expansion.

$81.04 Billion

Total FDI (FY25)

+18%

Manufacturing FDI Surge (YoY)

Global Strategic Shifts

India is capitalizing on the "China+1" strategy as firms de-risk their supply chains.

A Homecoming of Talent

A "reverse brain drain" is injecting high-skilled expertise into critical sectors.

Data synthesized from economic indicators as of December 2025.

A Historic Influx of Capital is Fueling the Engine

$19.04 Billion

Manufacturing FDI in FY25

+18%

Year-on-Year Growth

$184 Billion

Cumulative Manufacturing Investment since 2014

Driven by strategic initiatives like **Make in India** and global diversification, foreign investment is pivoting decisively towards manufacturing.

CONFIRMING THE REBOUND

Industrial output reached a 25-month high in November 2025, rising 6.7%.

The Mobile Manufacturing Revolution: From Importer to Global Powerhouse

2016

Near-Zero

Mobile Phone Exports

2024

$20.5 Billion

In Exports

- ✓ **Catalyst:** The **Production Linked Incentive (PLI) Scheme**.
- ✓ **Domestic Impact:** **99%** of phones for local sale are now produced domestically.
- ✓ **Job Creation:** Employment in the sector has increased by **200%** since 2022.
- ✓ **Value Addition:** Local value addition has risen from **30% to 70%**.

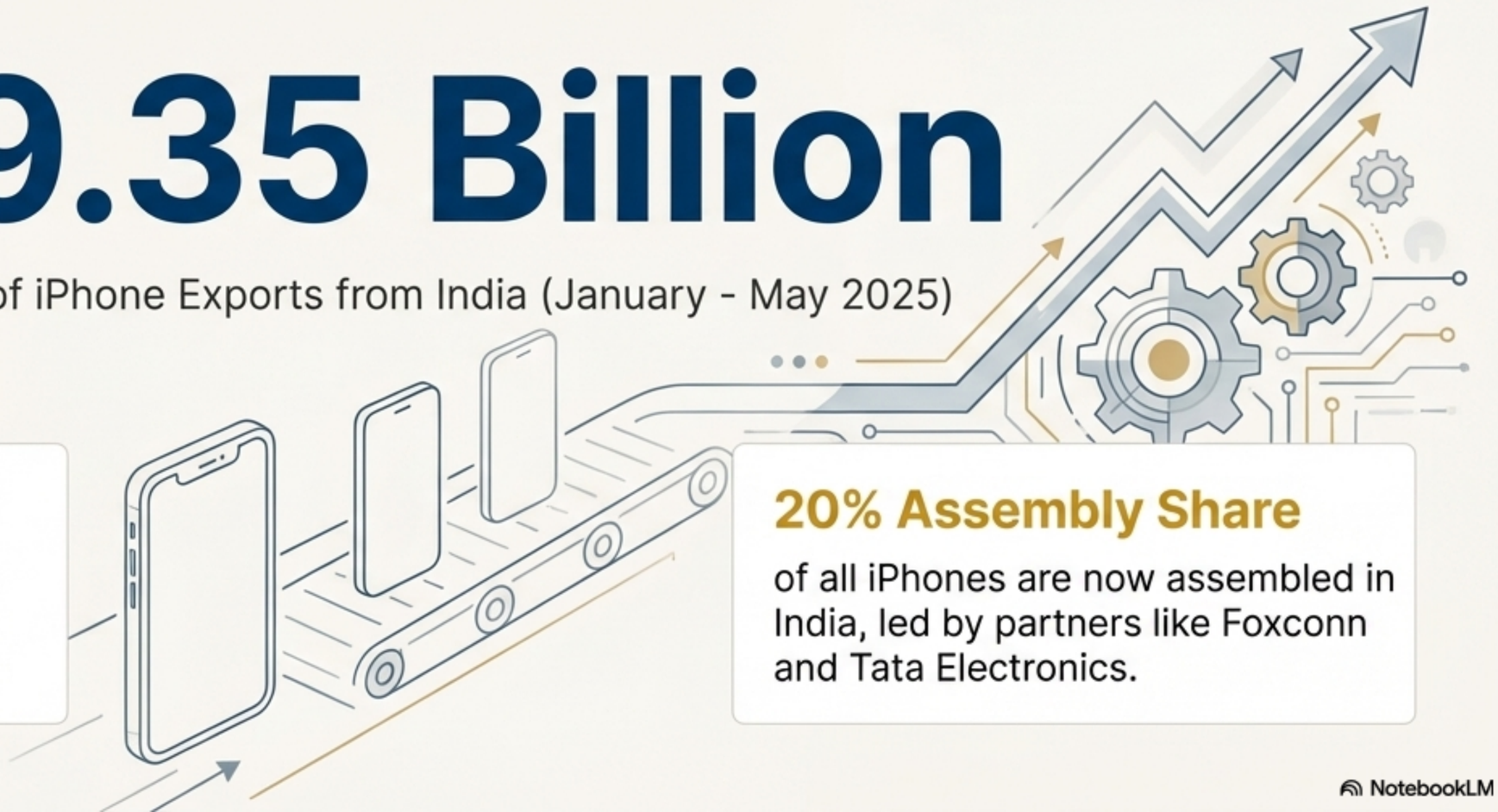
The 'Apple Effect': A Tectonic Shift in High-Value Electronics

3x Increase

over the same period in the previous year.

$9.35 Billion

Value of iPhone Exports from India (January - May 2025)



Global Leadership

By mid-2025, India surpassed China in smartphone shipments to the U.S.

20% Assembly Share

of all iPhones are now assembled in India, led by partners like Foxconn and Tata Electronics.

The Reverse Brain Drain: India's Greatest Talent Opportunity

A confluence of restrictive U.S. visa policies, global tech layoffs, and proactive domestic recruitment is attracting high-skilled Indian professionals back home.

KEY DRIVERS

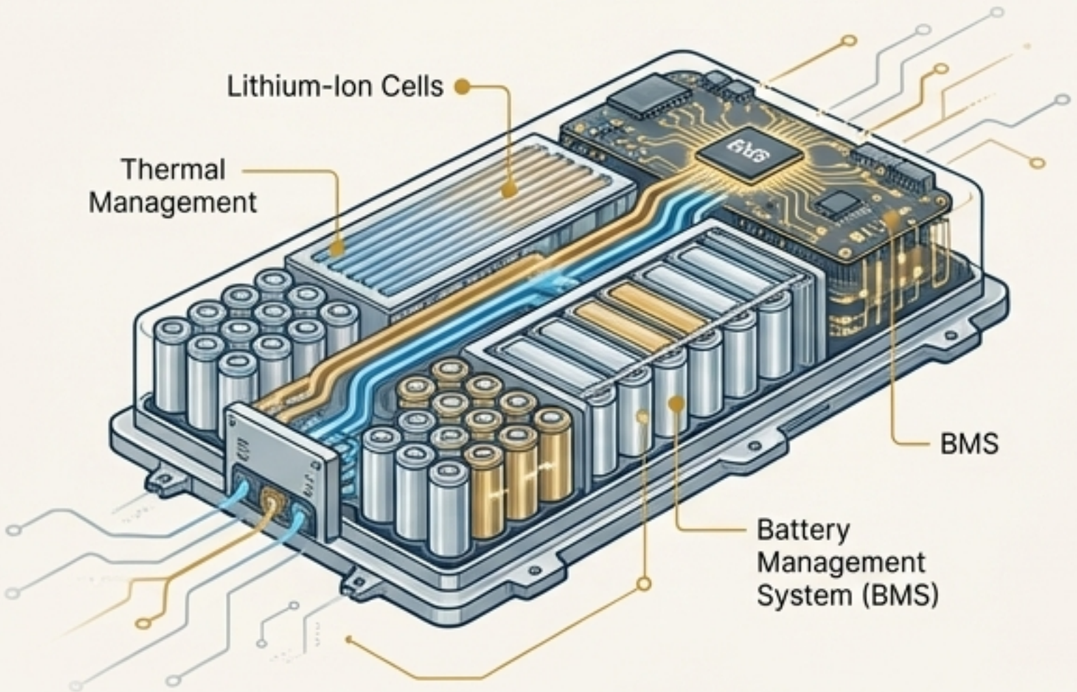
- Restrictive U.S. H-1B visa policy changes, including a new **$100,000 fee** on applications.
- Proactive recruitment by states, such as Tamil Nadu's **₹100 crore** fund for overseas researchers.

IMPACT

- This talent influx is fueling innovation in high-growth sectors like **EVs, Semiconductors, and Electronics**.

Powering the Future: Building an End-to-End EV Ecosystem

THE CORE TECHNOLOGY



THE FINAL PRODUCT

KEY PROJECTIONS & INVESTMENTS

Battery Production

Output is tripling to **377,000 units** in 2025 (from 130,000 in 2024), driven by glgafactories from Ola Electric, Amara Raja, and Exide.

Demand Projection

A 14-fold increase to **256.3 GWh** is projected by 2032.

Major Investment

Ashok Leyland is investing **$571 million** in EV battery technology.

National Goal

Achieve **30% EV penetration** for private cars by 2030.

Forging the Core: The India Semiconductor Mission

A multi-billion dollar national effort is underway to reduce critical import reliance and establish India as a global semiconductor player.

$18.2 Billion

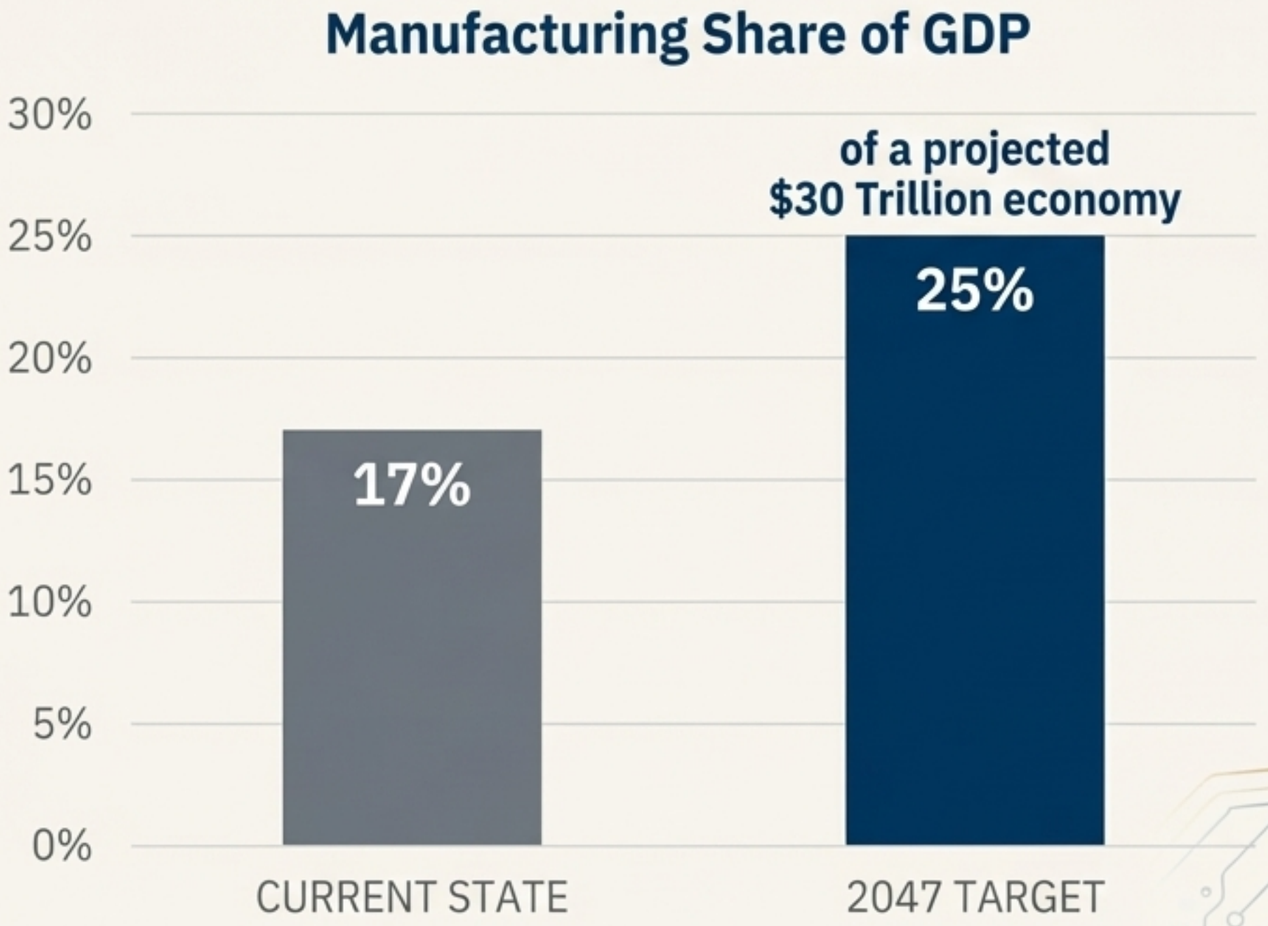
Value of 10 Approved Semiconductor Projects

- **Anchor Project:** **Tata's $11 Billion fab** in partnership with Taiwan's PSMC.
- **Government Support:** Over **$7 Billion** in subsidies to de-risk investment.
- **Ecosystem Development:** **23 chip design startups** are being actively supported.

Commercial production from these projects is set to begin by the end of 2025.

The Grand Ambition: Charting the Path to a $30 Trillion Economy

Elevate Manufacturing's contribution from 17% of GDP to 25% by 2047.



THE CHALLENGE

Achieving this target requires sustained annual growth of **7.8%**.

This addresses a potential **$5.1 Trillion** gap compared to current growth trends.

Realizing the Vision Requires Tackling Systemic Bottlenecks

Infrastructure & Logistics

Logistics costs are **14-18% of GDP**, more than double the global benchmark of 8%.

The **National Infrastructure Pipeline** is a key initiative to close this gap.

Human Capital

A persistent need for advanced skilling to meet the demands of high-tech manufacturing in sectors like semiconductors and EVs.

Global Market Share

India's global manufacturing export share is currently only **1.8%**, indicating significant headroom and a need for greater competitiveness.

The Verdict: A Sustainable Surge Built on Strategic Intent

Drivers in Place

Record FDI, Favorable Global Policy, Talent Inflow

Proof of Concept

Mobile Export Dominance, The “Apple Effect”, EV Momentum

Future Foundation

The India Semiconductor Mission, National Infrastructure Goals

The **confluence of global shifts** and **decisive domestic policy** has ignited a manufacturing surge. Sustaining this momentum hinges on **relentlessly bridging the infrastructure and skill gaps** to secure India’s position as a long-term global manufacturing leader.

Appendix: Key Government Initiatives & Enabling Policies

- Make in India
- Production Linked Incentive (PLI) Scheme
- India Semiconductor Mission (ISM)
- Invest India
- National Infrastructure Pipeline

Thank You.