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**EDITORIAL ANALYSIS**

# BHAVYA Scheme — Can 100 Industrial Parks Finally Deliver India's Manufacturing Push?

 **BUSINESS STANDARD**

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**SUBJECTS COVERED****ECONOMY****GS PAPERS****GS3****CURATED & WRITTEN BY****Bharat Choudhary**

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# BHAVYA Scheme — Can 100 Industrial Parks Finally Deliver India's Manufacturing Push?

Business Standard

24 March 2026

GS3

BS

Business Standard

MAINS RELEVANCE:

GS Paper 3



## INTERVIEW ANGLE

"India has announced many industrial park schemes before. What makes BHAVYA different, and what execution challenges must it overcome?"

## BHAVYA Scheme — Can 100 Industrial Parks Finally Deliver India's Manufacturing Push?

*Business Standard's editorial examines the Cabinet's approval of the Rs 33,660 crore Bharat Audyogik Vikas Yojana (BHAVYA) scheme to develop 100 plug-and-play industrial parks across India. While the scheme's ambition is laudable — covering 33,000 acres with expected creation of 1.5 million direct jobs — BS warns that execution has historically lagged ambition in India's industrial park story.*

### THE BHAVYA SCHEME — KEY FEATURES

FEATURE	DETAIL
Full name	Bharat Audyogik Vikas Yojana (BHAVYA)
Approved by	Union Cabinet
Total outlay	Rs 33,660 crore
Target	100 plug-and-play industrial parks
Total area	33,000 acres
Financial assistance	Up to Rs 1 crore per acre
Expected direct jobs	1.5 million
Model	Plug-and-play (pre-approved clearances, ready infrastructure)

### What "Plug-and-Play" Means

Unlike traditional industrial zones where investors spend years obtaining clearances and building basic infrastructure, plug-and-play parks offer:

- **Pre-approved environmental and building clearances**
- **Ready-to-use plots** with power, water, roads, and drainage
- **Single-window clearance** for all state and central permits
- **Common facilities:** testing labs, warehousing, logistics hubs
- **Digital connectivity:** Broadband and 5G infrastructure

## INDIA'S MANUFACTURING CHALLENGE

India's manufacturing sector has stagnated at **15-17% of GDP** for over a decade, despite multiple policy interventions:

INITIATIVE	YEAR	TARGET	STATUS
Make in India	2014	Boost manufacturing to 25% of GDP	17% (stagnant)
PLI Scheme	2020	Production-Linked Incentives in 14 sectors	Mixed results
National Industrial Corridor	2007	DMIC + 4 more corridors	Slow progress
SEZ Act	2005	Special Economic Zones	Many underperforming
BHAVYA	2026	100 plug-and-play parks	New — execution awaited

The editorial notes that India has **over 3,500 industrial clusters** but many lack basic infrastructure — intermittent power, poor road connectivity, inadequate water supply, and no waste treatment.

## WHY PREVIOUS ATTEMPTS FAILED

### 1. Infrastructure Gaps

- **Power reliability:** Many industrial areas face 4-8 hours of daily outages
- **Water scarcity:** Industrial zones in Rajasthan, Gujarat, and Maharashtra face chronic water stress
- **Road connectivity:** Last-mile connectivity to highways remains poor
- **Waste management:** No common effluent treatment plants (CETPs) in most zones

### 2. Land Acquisition Delays

- RFCTLARR Act, 2013 (Right to Fair Compensation and Transparency in Land Acquisition) has made land acquisition lengthy

- Social Impact Assessment requirements add 12-18 months
- Farmer resistance and litigation common
- State governments struggle with land banks

### 3. Inter-Agency Coordination Failure

Industrial parks require coordination between:

- State industrial development corporations
- Power distribution companies
- Water supply authorities
- PWD for roads
- Pollution control boards
- Customs and port authorities

Poor coordination means even approved parks take 5-7 years to become functional.

### 4. Underutilisation

- Many existing parks operate at **40-60% capacity**
- DMIC (Delhi-Mumbai Industrial Corridor): Conceived in 2007, first node (Dholera SIR) still ramping up after 19 years
- Several SEZs have been de-notified or converted to domestic tariff areas

## WHAT BHAVYA MUST GET RIGHT

The editorial recommends:

- 1 **Integration with logistics networks:** Every park must be within 50 km of a National Highway and ideally connected to PM GatiShakti master plan
- 2 **Guaranteed power supply:** 24/7 power through dedicated feeders or captive renewable generation
- 3 **Water security:** Treated wastewater recycling and rainwater harvesting mandated
- 4 **Single-window actually working:** States must empower the single-window system with real authority, not just a portal that routes applications to multiple departments
- 5 **Anchor tenant strategy:** Attract 2-3 large anchor manufacturers first; MSME clusters follow naturally
- 6 **Monitoring framework:** Quarterly progress reviews with clear milestones and accountability

## COMPARISON: INDIA VS COMPETITORS

PARAMETER	INDIA	VIETNAM	BANGLADESH	CHINA
Manufacturing (% of GDP)	17%	24%	21%	28%
Industrial park readiness	3-5 years	1-2 years	2-3 years	6-12 months
Power reliability (hours/day)	20-22	23-24	18-20	24
Time to start business	14 days	16 days	22 days	9 days

Vietnam's industrial parks, built around FDI magnets like Samsung and Foxconn, have absorbed significant investment that might otherwise have come to India.

### UPSC RELEVANCE

BHAVYA scheme, PLI scheme, DMIC, SEZ Act 2005, PM GatiShakti, RFCTLARR Act 2013

### MAINS GS-III:

Industrial policy, manufacturing sector, infrastructure, employment generation, ease of doing business

### INTERVIEW:

India has announced dozens of industrial initiatives since 1991. Why has manufacturing not crossed 17% of GDP?

## ★ FACTS CORNER — KNOWLEDGE PEDIA

### BHAVYA SCHEME:

Full name: Bharat Audyogik Vikas Yojana

Outlay: Rs 33,660 crore

Target: 100 plug-and-play industrial parks

Area: 33,000 acres

Financial assistance: Up to Rs 1 crore/acre

Expected jobs: 1.5 million direct

### INDIA'S MANUFACTURING SECTOR:

Manufacturing % of GDP: ~17% (stagnant for a decade)

Target: 25% of GDP (Make in India, 2014)

Industrial clusters: 3,500+

PLI scheme sectors: 14 (electronics, pharma, auto, textiles etc.)

Total PLI outlay: ~Rs 1.97 lakh crore

### INDUSTRIAL CORRIDORS:

DMIC: Delhi-Mumbai Industrial Corridor (with Japan, 2007)

CBIC: Chennai-Bengaluru Industrial Corridor

AKIC: Amritsar-Kolkata Industrial Corridor

BMEC: Bengaluru-Mumbai Economic Corridor

VCIC: Vizag-Chennai Industrial Corridor

### OTHER RELEVANT FACTS:

SEZ Act 2005: 268 operational SEZs (out of 425 approved)

PM GatiShakti: Integrated multimodal logistics master plan (2021)

RFCTLARR Act 2013: Land acquisition, rehabilitation, resettlement

DPIIT: Department for Promotion of Industry and Internal Trade

Invest India: National Investment Promotion and Facilitation Agency

India's Ease of Doing Business: 63rd (WB 2020)

Sources: [Business Standard](#) , [PIB](#)

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