India’s Construction and Infrastructure Equipment (CIE) Manufacturing Ecosystem

Prelims: *Current events of National and International Importance| Schemes*

Why in News?

The Union Cabinet has approved the Scheme for Enhancement of Construction and Infrastructure Equipment (CIE) Manufacturing Ecosystem, implemented by the Ministry of Heavy Industries over eight years (FY2026–27 to FY2033–34) to cut import reliance and boost domestic production.

- **Total Outlay & Duration-** Rs.11,000 crore over eight years (FY2026–27 to FY2033–34).
- **Timeline Structure-** Two-year gestation period (FY2026–27 to FY2027–28) for setting up manufacturing facilities, five years of incentive disbursements (FY2028–29 to FY2032–33), and FY2033–34 for final settlement of FY2032–33 sales.
- **Sales-Linked Incentives (SLI)-** Graded incentives of **8% to 13%** on incremental sales value over five years for eligible Original Equipment Manufacturers (OEMs) and component manufacturers.
- **Testing Facility Grant-** Up to Rs.**375 crore** as Viability Gap Funding to build a dedicated domestic CIE testing facility.

Targeted Equipment & Components

- **Equipment Categories (7)-** Includes tunnel boring machines, ship-to-shore cranes, hydraulic excavators, off-highway trucks, loaders, piling/pile-driving rigs, and drilling machines.
- **Component Categories (5)-** Covers hydraulic systems, transmissions, drive systems, undercarriages, and related components.

Market Context & Local Relevance

- **Market Growth-** India's CIE sector—currently the world's third largest after China and the US—was valued at around Rs.97,500 crore in FY2024–25 and is projected to exceed Rs.2,28,100 crore by FY2029–30.
- **Regional Link in Tamil Nadu-** Alongside the CIE scheme, the Union Cabinet approved developing the Second Container Terminal at Kamarajar Port in Tamil Nadu under a PPP model at an estimated cost of over Rs.4,288 crore, supporting port and logistics infrastructure growth in the region.

Reference

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