BHAVYA and RELIEF Schemes

Introduction

For India to transition from a developing economy to a Viksit Bharat by 2047, the manufacturing and export sectors must serve as its twin engines of growth. Recognizing this, the government has recently approved two landmark initiatives- the Bharat Audyogik Vikas Yojna (BHAVYA) and the RELIEF scheme. While BHAVYA focuses on building a futuristic internal industrial backbone, RELIEF provides a protective shield for exporters navigating external geopolitical storms in West Asia.

The BHAVYA Scheme- Developing a Global Manufacturing Hub

The Necessity of BHAVYA

India's manufacturing sector has often been hampered by fragmented infrastructure and high "set-up" costs. Traditional industrial areas frequently lack integrated utilities, leading to delays and increased capital expenditure for businesses.

1. **Plug-and-Play Need-** To attract global investors looking for alternatives to China, India needs "ready-to-move-in" facilities.
2. **Logistical Efficiency-** With India's logistics cost estimated at 7.97% of GDP, there is an urgent need to align industrial parks with PM GatiShakti principles to ensure seamless multimodal connectivity.

Important Components

1. **Scale and Support-** The scheme aims to develop 100 industrial parks ranging from 100 to 1,000 acres each. The Centre provides financial support of up to ₹1 crore per acre.
2. **Integrated Ecosystem-** These parks are not just plots of land; they include factory sheds, testing labs, warehousing, and social infrastructure like worker housing.
3. **Challenge Mode Selection-** Selection is competitive, ensuring only reform-oriented and investment-ready proposals from states are funded.

4. **Nodal Agency-** The National Industrial Corridor Development Corporation (NICDC) spearheads the implementation in a three-way partnership between the Centre, States, and the private sector.

The RELIEF Scheme- Safeguarding the Export Engine

The Necessity of RELIEF

The ongoing war in West Asia has created a "quixotic quagmire" for Indian trade. Exporters are facing a near-doubling of freight and fuel costs, alongside massive logistical delays in the Persian Gulf and Red Sea regions.

1. **Trade Disruption-** Consignments to critical partners like the UAE, Saudi Arabia, and Israel are under pressure.
2. **MSME Vulnerability-** Small exporters often lack the financial cushion to absorb sudden spikes in shipping insurance and freight.
3. **Important Components**
4. The ₹497-crore scheme is implemented under the Export Promotion Mission (EPM) with the ECGC as the nodal agency.
5. **Enhanced Insurance-** Exporters get up to 100% risk coverage for eligible consignments shipped during the peak disruption period (Feb 14 – March 15, 2026) at no extra cost.
6. **Future Shipment Support-** For shipments between March and June 2026, the government supports up to 95% risk coverage.
7. **MSME Specific Relief-** Small exporters without existing insurance can get 50% reimbursement of increased freight costs, capped at ₹50 lakh.

Significance for the Indian Economy

1. **Employment Generation-** BHAVYA is expected to create massive direct and indirect jobs across manufacturing and logistics.
2. **Global Competitiveness-** By reducing logistics costs and improving India's ranking in the Logistics Performance Index, BHAVYA makes "Make in India" products more competitive globally.
3. **Strategic Resilience-** The RELIEF scheme ensures that geopolitical shocks do not lead to a permanent loss of market share for Indian exporters in West Asia.
4. **Sustainable Urbanization-** These industrial parks are designed as "Greenfield Smart Cities," promoting sustainable industrial growth.

Way Forward and Conclusion

1. **Digital Integration-** Leveraging the "Sujalam" style digital frameworks to track industrial utility efficiency in real-time.
2. **Diversification-** While RELIEF manages the West Asia crisis, India must continue to diversify its trade routes (like the IMEC corridor) to reduce long-term dependency on volatile chokepoints.
3. **Skill Development-** Ensuring the local workforce is trained to meet the high-tech requirements of the "plug-and-play" units in BHAVYA parks.

Conclusion

The BHAVYA and RELIEF schemes represent a proactive and two-pronged approach to economic security. While BHAVYA builds the internal capacity to manufacture for the world, RELIEF ensures that our trade remains resilient against external shocks. Together, they embody the spirit of Atmanirbhar Bharat—an India that is not just self-reliant, but also a reliable and efficient partner in the global supply chain.

GS Mains practice Question

"The BHAVYA and RELIEF schemes are essential components of India's strategy to become a global manufacturing and export powerhouse. Discuss their roles in addressing internal structural gaps and external geopolitical challenges." (15 marks)

Answer Guidelines

Introduction- Briefly define BHAVYA (internal infrastructure) and RELIEF (external trade protection).

Body

Paragraph 1 (BHAVYA)- Focus on the "plug-and-play" model, ₹1 crore/acre support, and alignment with PM GatiShakti to reduce logistics costs.

Paragraph 2 (RELIEF)- Discuss the West Asia crisis impact, the role of ECGC, and specific support for MSMEs to handle freight hikes.

Paragraph 3 (Synthesis)- Explain how they together support "Make in India" and ensure the target of being among the top 25 in the Logistics Performance Index.

Conclusion- Summarize the importance of these schemes for achieving the "Viksit Bharat" vision by 2047.