GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTIONNO. 1195
TO BE ANSWERED ON 11.02.2022

INCREASE IN MANUFACTURING AND EXPORT OF ELECTRONICS

1195. SHRI RAJENDRA GEHLOT:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that there has been an increase in the manufacturing and export of electronics in the country during the last three years, if so, the year-wise details thereof;

(b) whether Government proposes to promote the manufacturing of electronics in the country, if so, the year-wise details of the steps taken in this regard, and financial assistance provided for this purpose during last three years; and

(c) whether Government has prepared any action plan to involve the unemployed youth of the country in manufacturing of electronics, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): Government of India's goal is to make India a significant design and manufacturing hub as part of its AtmaNirbhar Bharat economic policies. In this regard, we are broadening and deepening our electronic manufacturing ecosystem. Over the last three years, theproduction and export of electronic goods is as under:

(**Values in Rs. Crore)**

Electronic Goods	**2018-19**	**2019-20**	**2020-21**
****Production**	4,58,006	5,33,550	5,33,670
***Export**	65,779	87,169	82,645

*Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)
**Source: Annual Report of Ministry of Electronics and Information Technology

There has been an increase in manufacturing of electronic goods in the country in last three years. The export of electronic goods has increased by 25 percent from 2018-19 to 2019-20 and decreased slightly by 5 percent from 2019-20 to 2020-21. However, in this year, for the corresponding period (April to December), the export of electronic goods has already surpassed the exports of last year (Rs. 55,188 crore) and stands at Rs. 81,376 crore.

(b): Yes, Sir. Government of India's goal is to make India a significant design and manufacturing hub. The steps taken by Government for the expansion of electronics manufacturing in the country are at **Annexure**.

The year-wise expenditure incurred by government on the Promotion of Electronics is as under:

(Values in Rs. Crore)

Schemes / Programmes	**2018-19**	**2019-20**	**2020-21**
Promotion of Electronics	727.35	655.08	478.62

The expenditure is expected to go up due to launch of Production Linked Incentive Schemes for Large Scale Electronics (including Mobile Phones and Components), IT Hardware etc.

(c): Government has approved following two schemes for Skill Development in ESDM Sector to facilitate creation of an eco-system for development of ESDM Sector in the entire country:

(i) Scheme for Financial Assistance to select States/UTs for Skill Development in Electronics System Design and Manufacturing (ESDM) sector (Scheme-1) and
(ii) Skill Development in ESDM for Digital India (Scheme-2)

Both the Schemes are being implemented through Training Partners (TPs) affiliated with Key Implementing Agencies viz. Electronics Sector Skill Council of India (ESSCI), Telecom Sector Skill Council (TSSC), Healthcare Sector Skill Council (HSSC) and National Institute of Electronics & IT (NIELIT). Both the above Schemes are being implemented concurrently. The schemes are aimed at facilitating creation of an eco-system for development of ESDM Sector in the entire country by training 4.18 lakh beneficiaries. There are a total of 65 National Skills Qualifications Framework (NSQF) compliant courses, out of which 23 courses pertain to the manufacturing domain. Under the above schemes, a total of 4.21 lakh candidates have been enrolled, 4.14 lakh candidates have been trained and 2.92 lakh candidates have been certified.

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Annexure

Steps taken by Government for the expansion of electronics manufacturing in the country:

1. **National Policy on Electronics 2019:** The National Policy on Electronics 2019(NPE2019)hasbeennotifiedon25.02.2019.ThevisionofNPE2019 is to position India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the countryfordevelopingcorecomponents,includingchipsets,andcreatingan enabling environment for the industry to competeglobally.
2. **100% FDI:** As per extant Foreign Direct Investment (FDI) policy, FDI up- to 100% under the automatic route is permitted for electronics manufacturing (except from countries sharing land border with India), subject to applicable laws / regulations; security and otherconditions.
3. **Electronics Manufacturing Clusters (EMC) Scheme:** Electronics Manufacturing Clusters Scheme was notified on 22nd October, 2012 to provide support for creation of world-class infrastructure along with common facilities and amenities for attracting investment. Under the Scheme, 19 Greenfield EMCs and 3 Common Facility Centres (CFCs) measuring an area of 3,464 acres with total project cost of INR 3,762 crore including Government Grant-in-Aid of INR 1,538 crore have been approved.
4. **Electronics Development Fund (EDF):** Electronics Development Fund (EDF) has been set up as a "Fund of Funds" to participate in professionally managed"DaughterFunds"whichinturnwillprovideriskcapitaltostartups and companies developing new technologies in the area of electronics and InformationTechnology(IT).ThisfundisexpectedtofosterR&Dandinnovation in these technology sectors. INR 409 crore has been committed throughEDFto9DaughterFundswithatargetedcorpusofINR2,626crore.
5. **Phased Manufacturing Programme (PMP)** has been notified to promote domestic value addition in mobile phones and their sub-assemblies / parts manufacturing. As a result, India has rapidly started attracting investments into this sector and significant manufacturing capacities have been set up in the country. The manufacturing of mobile phones has been steadily moving from Semi Knocked Down (SKD) to Completely Knocked Down (CKD) level, thereby progressively increasing the domestic valueaddition.
6. **Tariff Structure has been rationalized** to promote domestic manufacturing of electronic goods, including, inter-alia, Cellular mobile phones, Televisions, Electronic components, Set Top Boxes for TV, LED products and Medical electronicsequipment.
7. **Exemption from Basic Customs Duty on capital goods:** Notified capital goodsformanufactureofspecifiedelectronicgoodsarepermittedforimport at "NIL" Basic CustomsDuty.
8. **Simplifiedimportofusedplantandmachinery:**Theimportofusedplant and machinery having a residual life of at least 5 years for use by the electronics manufacturing industry has been simplified through the amendment of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, vide Ministry of Environment, Forest and Climate Change Notification dated11.06.2018.
9. **Relaxing the ageing restriction:** The Department of Revenue vide Notification No.60/2018-Customs dated 11.09.2018 has amended the Notification No.158/95-Customs

dated 14.11.1995, relaxing the ageing restriction from 3 years to 7 years for specified electronic goods manufactured in India and re-imported into India for repairs or reconditioning.

10. **Public Procurement (Preference to Make in India) Order 2017:** To encourage'MakeinIndia'andtopromotemanufacturingandproductionof goods and services in India with a view to enhancing income and employment,theGovernmenthasissuedPublicProcurement(Preferenceto Make in India) Order 2017 vide the Department for Promotion of Industry and Internal Trade (DPIIT) Order dated 15.06.2017 and subsequent revisions vide Orders dated 28.05.2018, 29.05.2019, 04.06.2020 and 16.09.2020. In furtherance of the aforesaid Order,

    MeitY has notified mechanism for calculating local content for 13 Electronic Products viz., (i) DesktopPCs,(ii)ThinClients,(iii)ComputerMonitors,(iv)LaptopPCs, (v)TabletPCs,(vi)DotMatrixPrinters,(vii)ContactandContactlessSmart Cards, (viii) LED Products, (ix) Biometric Access Control / Authentication Devices,(x)BiometricFingerPrintSensors,(xi)BiometricIrisSensors, (xii)Servers,and(xiii)CellularMobilePhones,forprocurementtobemade from localsuppliers.
11. **Compulsory Registration Order (CRO):** MeitY has notified "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012" for mandatory compliance to ensure safety of Indiancitizensbycurbingimportofsubstandardandunsafeelectronicgoods intoIndia.63ProductCategorieshavebeennotifiedundertheCROandthe order is applicable on 63 productcategories.
12. **Establishment of Gallium Nitride (GaN) Ecosystem Enabling Centre and Incubator:** The project for "Establishment of Gallium Nitride (GaN) Ecosystem Enabling Centre and Incubator for High Power and High Frequency Electronics" has been approved. The project is being implemented by Society for Innovation and Development (SID), Centre for Nano Science and Engineering (CeNSE), IIScBengaluru.

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