

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO.547
TO BE ANSWERED ON 17.09.2020

IMPACT OF COVID-19 PANDEMIC ON ELECTRONICS SECTOR

547 SHRI PRABHAKAR REDDY VEMIREDDY:

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

- (a) Since how many days the electronics sector is not getting raw material and other components from China due to COVID-19 pandemic.
- (b) Whether any assessment has been made on the impact of COVID-19 pandemic on Indian electronics sector;
- (c) If so, the details thereof; and
- (d) What alternative mechanism the Ministry is considering to protect the electronics sector?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI SANJAY DHOTRE)

(a): The outbreak of COVID-19 in China coincided with the Chinese New Year festivities which extended till Mid-February 2020. Indian electronics companies had already stocked raw material / components till end-February 2020. Though most factories in China were able to resume operations and achieve around 50% capacity utilization by mid-March 2020, the virus had spread in other parts of the world, including India, by such time. The lockdown led to a halt in all production activities, including electronics manufacturing, with the exception of few companies who were manufacturing electronic components for essential medical equipment such as ventilators. After the lockdown was lifted, the domestic companies in electronics sector resumed production and other associated activities.

(b) and (c): The shutdown of factories for about two months has impacted the domestic electronics manufacturing sector. According to the Indian Cellular & Electronics Association (ICEA), there will be production loss of 20%-25% in 2020-21, compared to 2019-20.

(d): Steps are being taken to broad-base the sources of electronic components / raw material imports in India while promoting domestic electronics production at the same time, in order to reduce dependency on a single market / geographical region, so that any sudden / abrupt / unforeseen event such as the COVID-19 outbreak in China does not cause large-scale shortage of inventory in the domestic market. To promote domestic electronics manufacturing, Ministry of Electronics and Information Technology (MeitY) has launched three new schemes, viz., Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing

Clusters (EMC 2.0) Scheme, on April 1, 2020, to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports. Further, alternate supply lines are also being explored in coordination with Indian Embassies, Industry Associations and domestic Industry. Electronics industry is also being encouraged to take advantage of the aforementioned new schemes to strengthen the domestic electronics sector.
