

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 1776
TO BE ANSWERED ON 21.09.2020

BAN ON IMPORTS OF CHINESE EQUIPMENT

1776. ADV. EAN KURIAKOSE:

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

- (a) the details of the recent Production Linked Incentive (PLI) scheme announced by the Government for the Electronic Manufacturing Sector;
- (b) the investment commitment by various electronic companies and the details thereof;
- (c) the percentage of value addition it would bring to the our country as compared to before;
- (d) whether the Government proposes to ban import of electronic equipment and parts thereof from China and if so, the details thereof; and
- (e) the steps taken by the Government to tide over the expected shortfall of essential electronic parts that originated in China and the proposal if any, made by the Government in this regard?

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

- (a): To boost domestic manufacturing and attract large investments in the electronics value chain, the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing was granted Cabinet Approval on 20.03.2020 and notified vide Gazette Notification No. CG-DL-E-01042020-218990 dated 01.04.2020. (available at the link: <https://www.meity.gov.in/esdm/pli>)
- (b): Under the PLI Scheme, cumulative investment of approximately INR 11,000 crore is projected over 5 years.
- (c): As a result of the aforesaid PLI Scheme, the Domestic Value Addition is expected to grow from the current 15% - 20% to 35 - 40% in case of Mobile Phones and from 35%- 40% to 45% - 50% for electronic components.
- (d): The Government has not proposed to ban the import of electronic equipment and parts thereof from China.
- (e): 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 (SPECES) 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.
