

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 2966
TO BE ANSWERED ON 11.08.2017

SETTING UP OF ELECTRONIC MANUFACTURING HUBS

2966 SHRI D. KUPENDRA REDDY:

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

- (a) whether Government has taken initiatives to promote the Indian electronic hardware/appliances manufacturing sector and to curb cheap imports;
- (b) if so, the details thereof along with the achievements made therein; and
- (c) whether Government aims to set up electronic manufacturing hubs in the country, if so, the details thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI P.P. CHAUDHARY)

(a) and (b): Ministry of Electronics and Information Technology (MeitY), Government of India has taken various initiatives to create conducive environment to attract global and overseas industries to invest in electronics manufacturing sector in the country. The steps taken by the Government to promote electronics hardware manufacturing in the country are enclosed as Annexure-I.

(c): MeitY is implementing Electronics Manufacturing Cluster (EMC) Scheme to support creation of world-class infrastructure for attracting investments in electronics manufacturing. As of now, under the Scheme, fifteen (15) applications for setting up of Greenfield Electronics Manufacturing Clusters and two (2) applications for setting up of Common Facility Centres (CFCs) in Brownfield Cluster have been accorded final approval. The details of the approved Greenfield and CFCs in Brownfield Electronics Manufacturing Cluster are annexed as Annexure-II.

Annexure-I

Initiatives taken by the Government to promote electronics manufacturing in the country.

1. Promotion of electronics hardware manufacturing is one of the pillars of Digital India campaign of the Government.
2. The National Policy on Electronics (NPE 2012) was notified in October 2012 with the vision to create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market.
3. Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the Electronics Systems Design and Manufacturing (ESDM) sector. The scheme was notified in July 2012 and subsequently modified in August, 2015 and January, 2017. The scheme provides subsidy for investments in capital expenditure - 20% for investments in SEZs and 25% in non-SEZs. The scheme is available for both new projects and expansion projects. For high technology and high capital investment units like Fabs, production subsidy @10% is also provided. Under the scheme, 237 proposals with proposed investments of `1,25,968 Crores have been received. Of these, 97 proposals with proposed investments of `20,698 Crores have been approved.
4. Electronics Manufacturing Clusters (EMC) Scheme provides financial assistance for creating world-class infrastructure for electronics manufacturing units. The assistance for the projects for setting up of Greenfield Electronics Manufacturing Clusters is 50% of the project cost subject to a ceiling of `50 Crores for 100 acres of land. For larger areas, pro-rata ceiling applies. For lower extent, the extent of support is decided by the Steering Committee for Clusters (SCC) subject to the ceiling of `50 Crores. For setting up of Brownfield Electronics Manufacturing Cluster, 75% of the cost of infrastructure, subject to a ceiling of `50 Crores is provided. Under the

scheme, 15 Greenfield EMCs and 2 Common Facility Centres (CFCs) in Brownfield Clusters have been accorded final approval and 10 EMCs have been granted in-principle approval.

5. A policy for providing preference to domestically manufactured electronic products in Government procurement has been implemented. Nine electronics products viz. Desktop PCs, Dot Matrix Printers, Laptop PCs, Tablet PCs, Smart Cards, LED Products, Biometric Access Control, Biometric Finger Print Sensor, Biometric Iris Sensor have been notified.
6. Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.
7. For promotion of exports in the sector, Merchandise Exports from India Scheme (MEIS) and Export Promotion Capital Goods (EPCG) Scheme are available under the Foreign Trade Policy, 2015-20. MEIS offers export incentives so as to offset disabilities of manufacturing. The export incentive for electronic goods is available @ 2% of FOB value of export. Zero duty EPCG scheme allows import of capital goods at zero customs duty, subject to specified export obligation.
8. Tariff Structure has been rationalized to promote indigenous manufacturing of electronic goods, including inter-alia Mobile Handsets, Televisions, Electronic Components, Set Top Boxes, LED Products, Medical Electronics, Solar PV Cells and Microwave Ovens. As a result, the production of LCD/LED TVs has gone up from 0.87 crore units in 2014-15 to 1.2 Crore units in 2015-16 and is estimated to be 1.5 Crore units in 2016-17. The production of Light Emitting Diode (LED) products has gone up from ` 2,172 Crores in 2014-15 to ` 5,092 Crores in 2015-16 and is estimated to be ` 7,134 Crores in 2016-17. The production of Mobile Handsets has gone up from 6 Crore units in 2014-15 to 11 Crore units in 2015-16 and is estimated to be 17.5 Crore units in 2016-17.
9. With the introduction of the Phased Manufacturing Programme (PMP) in the Budget 2015-16, significant manufacturing capacities have been set up in India during the past two years. Approximately 70 new plants for manufacturing of mobile handsets and components have been set up and the sector has already generated about 1 Lakh direct and 2 Lakh indirect employment opportunities.
10. To promote indigenous manufacturing of Televisions, baggage rules have been amended to ban duty free import of Flat Panel Television Sets w.e.f. August 2014 under the baggage allowance.
11. Mandatory compliance to safety standards has been notified for identified Electronic Products with the objective to curb import of sub-standard and unsafe electronics goods. As of now, 30 electronic products are under the ambit of this Order. The Compulsory Registration Scheme has resulted in high compliance of notified electronic goods to Indian safety standards and over 9466 registrations have been granted by BIS. The Indian Language support for Mobile Phones as per IS 16333 (Part 3) has been added to the schedule of Compulsory Registration Order.

Annexure-II

Details of EMCs accorded final approval (As on 07.08.2017)

#	State	Location of EMC	Area (Acres)	Chief Promoter/SPV	Financial out lay (` in crore)	
					Project Cost	Grant-in-aid
1	Andhra Pradesh	Chilamathur, Anantapur District	47.32	ELCINA RAAGA MAYURI Electronics Park Private Limited	52.13	23.00
2	Andhra Pradesh	Village-Cherivi, Satyavedu Mandal, Chittoor District	94	Sri City Pvt. Ltd.	56.75	27.34
3	Andhra Pradesh	Vikruthamala Village, Yerpada Mandal, Chittoor District	501.40	Andhra Pradesh Industrial Infrastructure Corporation Ltd. (APIIC)	339.80	111.42
4	Chhattisgarh	Village-Tuta, Sector-22, Naya Raipur, Tehsil-Abhanpur, Raipur District	69.98	Chhattisgarh State Industrial Development Corporation Ltd. (CSIDC)	89.23	43.08
5	Gujarat	Village-Tunda, Taluka-Mundra, District-Kutch	631.38	Mundra Solar Techno park Private Limited (MSTPL)	745.14	315.69

6	Goa	Village-Tuem , Taluka-Pernem Goa	147.55	Department of Information and Technology, Government of Goa	161.32	73.77
7	Jharkhand	Adityapur, Saraikela-Kharsawan District	82.49	Adityapur Industrial Area Development Authority (AIADA)	97.88	41.48
8	Kerala	Kakkanad Village, Kanayannur Taluk, Ernakulam District	66.87	Kerala Industrial Infrastructure Development Corporation (KINFRA)	140.01	50
9	Madhya Pradesh	Badwai-Bhopal	50	Madhya Pradesh State Electronics Development Corporation Ltd.(MPSEDC)	46.16	20.86
10	Madhya Pradesh	Purva-Jabalpur	40		38.01	17.76
11	Odisha	Infovalley, Bhubaneswar Industrial Area, Khurda District	203.37	Odisha Industrial development Corporation (IDCO)	200.76	93.09
12	Rajasthan	SPL-1, Salarpur, Khushkera, Bhiwadi	50.3	ELCINA Electronics Manufacturing Cluster Pvt. Ltd (EEMCPL)	46.09	20.24
13	Telangana	E-city, Fab City, Hyderabad	603.52	Telangana State Industrial Infrastructure Corporation (TSIIC)	667	252.42
14	West Bengal	Sector-IV & V, Falta Industrial Centre, P.S Ramnagar, District South 24 Parganas	58.04	West Bengal Electronics Industry Development Corporation Limited (WEBEL)	58.86	26.52
15	West Bengal	Naihati town, North 24 Parganas district	70		58.31	25.70
16	Karnataka (CFC)	Plot No. 360, KIADB Industrial Area, Hebbal, Hottagalli, Mysore	1.11	Mysore ESDM Cluster Private Limited	29.53	21.31
17	Maharashtra	Shendra Five Star Industrial Area, Aurangabad	1.98	Deogiri Electronics Cluster Private Limited	27.24	20.58
