

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 1444
TO BE ANSWERED ON: 27.12.2017

INDIAN IT COMPANIES

1444. DR. P. VENUGOPAL:

Will the Minister of Electronics & Information Technology be pleased to state: -

- (a) whether it is a fact that Indian Info Tech companies are not stealing American jobs but are creating employment avenues in the world's largest economy and if so, the details thereof;
- (b) whether it is true that the domestic IT companies are present in 200 cities in 80 countries and if so, the details thereof;
- (c) whether it is also true that the Government's objective is to make India the electronic hub of the world; and
- (d) if so, the details thereof and the steps taken by the Government in this regard?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI ALPHONS KANNANTHANAM)

(a): Yes, Sir. Indian IT companies are net creators of jobs in the USA. The Indian IT companies supported over 4, 00,000 (both direct & indirect) jobs in the US in 2015.

(b): Yes, Sir. Global operating model of Indian IT industry has over 700 global Delivery Centres across 80 countries and offers flexibility in terms of business and pricing models.

(c) and (d): Yes, Sir. Government's objective is to make India the electronics hub of the world. Some of the steps taken by the Government in this regard is as follows :

- 1) 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.
- 2) 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. 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.
- 3) Electronics Manufacturing Clusters (EMC) are being set up in the country.
- 4) Notifications for 10 electronic products in furtherance of the Department of Industrial Policy and Promotion's Public Procurement (Preference to Make in India) Order 2017 have been issued on 14.9.17.
- 5) 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.
- 6) Under the Electronics Hardware Technology Park (EHTP) Scheme, approved units are allowed duty free import of goods required by them for carrying on export activities.
- 7) Under Foreign Trade Policy CST reimbursement and excise duty exemption on procurement of indigenously available goods.

- 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. To promote domestic value addition in mobile handsets manufacturing, a Phased Manufacturing Programme(PMP) has been notified.
- 9) 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, 43 electronic products are under the ambit of this Order.
