

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

- (a) the details of branded electronic products manufactured indigenously in the country;
- (b) whether domestic production of electronic products is not sufficient to meet the indigenous demand;
- (c) if so, the details thereof and the steps taken by the Government to promote indigenous research and development in order to increase production of electronic items in the country;
- (d) whether any efforts have been made by the Government to promote research and development in the field of electronics and information technology during the last three years; and
- (e) if so, the details thereof and the action taken in this regard so far?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI K. J. ALPHONS)

(a): Indigenously manufactured branded (Foreign and Indian) electronic products are available across all sub-sectors viz., Consumer Electronics; Mobile Handsets; Industrial electronics; Computers, peripherals & related products; Communication & Broadcasting equipment; Strategic electronics and Components. The major brands which are involved in indigenous manufacturing of some of the key segments of electronic goods are given below:

- Consumer electronic goods: LG, Samsung, Panasonic, Haier, Philips, Videocon, Onida, T-Series, Onkyo, Sonodyne, Ahuja, Ajanta, etc.
- Mobile handsets: Apple, Samsung, Nokia (TNS), Lava, Vivo, Oppo, Huawei, Micromax, Sony, LG, HTC, Karbonn, Xiaomi, Lenovo, Motorola, Intex, etc.
- Computers, peripherals & related products: Acer, HP, Dell, Lenovo, Cisco, Samsung, Datamini, LG, Lipi, TVSE, Smart Link, Prysm, etc.

(b), (c), (d) and (e): While the domestic production of electronic products is not sufficient to meet the indigenous demand, it is increasingly being met out of domestic production. As a result of initiatives taken by the Government under the aegis of National Policy on Electronics, 2012, the domestic production of electronic goods has increased substantially and the growth rate of import of electronic goods has come down during the last three years, as detailed at **Annexure**.

Government has taken following steps to promote indigenous research and development (R&D), including in the field of electronics and information technology, in order to increase production of electronic items in the country:

- (i) MeitY provides grant-in-aid support to institutes of higher learning like IITs, IISc, Central Universities and R&D Organizations to conduct research in identified thrust areas. These research programmes are aimed to deliver proof of concept, technology/ product development and transfer of technology. During the last three years, several research initiatives have been taken in the above areas. These research programmes also result in generation of specialized manpower to support “Make in India”.
- (ii) As per extant FDI policy, FDI upto 100% under the automatic route is permitted for electronic product manufacturing, including R&D therein under the default clause, subject to applicable laws/ regulations; security and other conditions.
- (iii) Keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector, a Conditional Access System, entitled iCAS has been developed in Public-Private Partnership mode to promote indigenous manufacturing of Set Top Boxes (STBs). The iCAS is available to domestic STB manufacturers at a price of USD 0.5 per license for a period of three years as against market price of USD 3-5 per license for other competing products. The implementation of iCAS in the cable networks is underway.
- (iv) An Electropreneur park has been set up in New Delhi for providing incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.
- (v) National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) has been set up in IIT-Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.

- (vi) National Centre of Excellence for Technology on Internal Security (NCETIS) has been set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.
- (vii) Centre for Excellence on Internet of Things (IoT) has been set up in Bengaluru jointly with NASSCOM.
- (viii) An Incubation centre with focus on medical electronics has been set up at IIT-Patna.
- (ix) An Incubation Centre with focus on consumer electronics has been set up at Indira Institute of Technology and Management (IIITM), Kochi.
- (x) Electronics Development Fund (EDF) has been set up as a “Fund of Funds” to participate in professionally managed “Daughter Funds” which in turn will provide risk capital to companies developing new technologies in the area of electronics, nano-electronics and Information Technology (IT). This fund is expected to foster R&D and innovation in these technology sectors. Twenty two Daughter Funds have been approved for investment through EDF.
- (xi) Government also initiated Visvesvaraya PhD Scheme in the Electronics System Design and Manufacturing (ESDM) and IT/ ITES areas to give thrust to research & development, create an innovative ecosystem and enhance India’s competitiveness in these knowledge intensive sectors. The Scheme was initiated in the Year 2014 with a budget outlay of Rs.466 crores for nine years. At present, 968 Full Time and 183 Part-Time PhD Scholars at 91 academic institutions across the country are pursuing PhD under the Scheme.
- (xii) To offset disability and attract investments in electronics manufacturing, Modified Special Incentive Package Scheme (M-SIPS) was launched by the Government in July 2012. The scheme has been suitably amended from time to time. The scheme mainly provides 20-25% subsidy for investments in capital expenditure for setting up of an electronic manufacturing facility (20% for SEZ Units and 25% for non-SEZ Units). The incentives are available for 44 categories of electronic products and product components. Under the scheme, expenditure on captive research and development including associated software costs and software license fees; purchase of technology, IPRs, patents, copyrights is treated as part of the capital expenditure.

Year	Production	Y-o-Y Growth	Import*	Y-o-Y Growth	Export*	Y-o-Y Growth	NET Import = (Import - Export)
1	2	3	4	5	6	7	8
2013-14	180,454	-	216,053.01	-	50,979		165,074
2014-15	190,366	5.49	244,009.94	12.94	40,695	-20.17	203,315
2015-16	243,263	27.79	266,108.83	9.06	38,737	-4.81	227,372
2016-17	317,331	30.45	278,712.78	4.74	38,759	0.06	239,954

Notes:

1) * Conversion rate: 1 USD = Rs.65/-

2) Source: for (4) & (6) - DGCIS; for (2) - AR 2016-17 of MeitY and actual figures from Industry Association

