

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 6006
TO BE ANSWERED ON 04.04.2018

EMPLOYMENT GENERATION IN IT SECTOR

6006. SHRI NALIN KUMAR KATEEL:
SHRI D.K. SURESH:

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

- (a) the details of the total number of employment generated in the Electronics and IT industry in the country;
- (b) whether it is true that India has become a promising centre for mobile manufacturing in recent years;
- (c) if so, the details of the number of mobile factories set up in the country during the last three years including current year, year and State-wise;
- (d) whether the Government is taking any measures to encourage more mobile manufacturing factories in the country; and
- (e) if so, the response the Government has received in this regard?

ANSWER

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

(a): As per the National Association of Software and Services Companies (NASSCOM), the Information Technology (IT) sector has provided employment to about 39,68,000 persons in the country. As per the Confederation of Indian Industry (CII), the employment in Electronics hardware manufacturing industry in the country is estimated to be about 13,00,000 persons.

(b) and (c): India has become a promising centre for mobile handsets and their parts/ components manufacturing in recent years. The details of the number of mobile handsets and their parts/ components manufacturing factories set up in the country during the last three years, including 2017-18, is given below:

No. of Factories		
1	Mobile Handsets	57
2	Adapter/ Chargers	27
3	Battery Packs	20
4	Mechanical Parts	7
5	Wired Headsets	4
6	USB Cables	3
Total		118

The State-wise breakup of number of factories is as under:

S.No.	State	No. of Factories
1	UP	51
2	Haryana	11
3	Delhi	7
4	Tamil Nadu	7
5	Telangana	7
6	Uttarakhand	6
7	AP	6
8	HP	6
9	Maharashtra	6
10	Karnataka	4
11	Rajasthan	3
12	Daman	2
13	Punjab	1
14	West Bengal	1
Total		118

(d) and (e): Promotion of electronics hardware manufacturing, including mobile handsets and their parts/ components, is one of the pillars of Digital India Programme of the Government and Government is taking several measures to promote electronics hardware manufacturing, including encouraging more mobile handsets and their parts/ components manufacturing factories in the country. These include:

- (i) Modified Special Incentive Package Scheme (MSIPS) provides financial incentives to offset disability and attract investments in the Electronics Systems Design and Manufacturing (ESDM) sector. The scheme is available for both new projects and expansion projects, and is open to receive applications till 31.12.2018.
- (ii) Tariff Structure has been rationalized to promote indigenous manufacturing of electronic goods, including inter-alia manufacturing of mobile handsets and their parts/ components. To promote domestic value addition in mobile handsets and their parts/ components manufacturing, a Phased Manufacturing Programme (PMP) has been notified. As a result, India has rapidly started attracting investments into this sector and significant manufacturing capacities have been set up in the country during the past three years.

As per Indian Cellular Association (ICA), the production of mobile handsets has gone up from about 6 crore units valued at Rs.18,900 crore in 2014-15 to about 22.5 crore units valued at Rs.1,32,000 crore in 2017-18. 118 units manufacturing mobile handsets and components have been set up in the country during the last three years. These units are providing employment to about 4.5 lakh persons (direct and indirect). All major brands (both foreign and Indian) either have already set up their own manufacturing facilities or are in the process of doing so or have sub-contracted manufacturing to Electronics Manufacturing Services (EMS) companies operating within the country.

- (iii) To create and strengthen the infrastructure ecosystem for electronics manufacturing, Electronics Manufacturing Clusters (EMC) are being set up in 15 States.
- (iv) Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.
- (v) For promotion of exports in the electronic hardware manufacturing sector, benefits are available under the Merchandise Exports from India Scheme (MEIS) and Export Promotion Capital Goods (EPCG) Scheme of the Foreign Trade Policy, 2015-20.
