

GOVERNMENT OF INDIA  
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY  
**LOK SABHA**  
**STARRED QUESTION NO.\*220**  
TO BE ANSWERED ON 26.12.2018

**NATIONAL ELECTRONICS POLICY**

**\*220. DR. P. VENUGOPAL:**

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

- (a) whether it is a fact that the Government has released a draft National Electronics Policy under which it is targeting a turnover of US \$ 400 billion for the electronic system design and manufacturing sector;
- (b) if so, the details thereof;
- (c) whether it is also true that the draft policy also suggests replacing the Modified Special Incentive Package Scheme with ones that are easier to implement such as interest subsidy and credit default guarantee to encourage new units and expansion of existing ones in the electronics manufacturing sector; and
- (d) if so, the details thereof?

**ANSWER**

MINISTER OF ELECTRONICS AND INFORMATION TECHNOLOGY  
(SHRI RAVI SHANKAR PRASAD)

(a) to (d): A statement is laid on the Table of the House.

**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED  
QUESTION NO.\*220 FOR 26.12.2018 REGARDING NATIONAL ELECTRONICS  
POLICY**

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(a): Yes, Sir. The draft National Policy on Electronics 2018 (NPE 2018), released for public consultation, has targeted a turnover of USD 400 billion for the Electronics System Design and Manufacturing (ESDM) sector by 2025.

(b): Salient features of the draft NPE 2018 are given in **Annexure**.

(c): Yes, Sir. The draft NPE 2018 that was released for public consultation did envisage replacing the Modified Special Incentive Package Scheme with schemes that are easier to implement such as interest subsidy scheme and credit default guarantee scheme to encourage new units and expansion of existing ones in the electronics manufacturing sector. However, based on the comments received, the formulation of the relevant paragraph has been revised as under:

“Formulate suitable schemes and incentive mechanisms to encourage new units and expansion of existing units in electronics manufacturing sector”.

(d): Subsequently, drafts of Interest Subvention Scheme and Credit Guarantee Fund Scheme for Electronics Sector have been circulated for stakeholder consultation.

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**National Policy on Electronics 2018 (NPE 2018)**

The Ministry of Electronics and Information Technology (MeitY) has formulated the National Policy on Electronics 2018 (NPE 2018), which envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) by encouraging and driving capabilities in the country for developing core components, including chipsets, and creating an enabling environment for the industry to compete globally.

The salient features of the policy include:

1. **Creating eco-system for globally competitive ESDM sector:** Promoting domestic manufacturing and export in the entire value-chain of ESDM for economic development to achieve a turnover of USD 400 billion by 2025. This will include targeted production of 1.0 billion mobile handsets by 2025, valued at USD 190 billion (approx. INR 13 lakh crore), including 600 million mobile handsets valued at USD 110 billion (approx. INR 7 lakh crore) for export.
2. **Promotion of Electronic Components Manufacturing Ecosystem:** Provide incentives and support for manufacturing of core electronic components (both active and passive, including bare PCBs, PCB laminates, chip components, connectors, wound components, switches, relays, ferrites, etc.), lithium-ion cells (and such other cells that may be commercialized in future with advancement of technology) for electronics/ EV applications, fuel cells, preform of silica, optical fibre, solar cells, raw materials for electronic components, etc., and ATMP of semiconductors.
3. **Mega Projects:** Provide special package of incentives for mega projects which are extremely high-tech and entail huge investments, such as semiconductor facilities (including trusted foundries), display fabrication, photonics and LED chip fabrication units, including according infrastructure status to these units.
4. Formulate suitable schemes and incentive mechanisms to encourage new units and expansion of existing units in electronics manufacturing sector.
5. Focus on Phased Manufacturing Programmes (PMP) for various electronic goods, on the lines of PMP for Mobile Phones and sub-assemblies thereof.
6. **Focus on encouraging Industry-led R&D and Innovation in all sub-sectors of electronics:** Promote path-breaking research, grass root level innovations and early stage Start-ups in emerging technology areas such as 5G, IoT/ Sensors, Artificial Intelligence (AI), Machine Learning, Augmented Reality (AR) and Virtual Reality (VR), Drones, Robotics, Additive Manufacturing, Gaming and Entertainment, Photonics, Nano-based devices, as well as thrust areas such as medical electronics, defence electronics, automotive electronics, cyber security, strategic electronics, power electronics and automation, having major economic potential, with a special focus on applying the outcomes, including frugal solutions, to solve real-life problems. Towards this, in addition to premier institutes like IITs, NITs, IIITs, and Central Universities, the institutes in small cities shall also be encouraged. Chairs in premier institutions will be established for focused research in the aforesaid emerging technology areas and thrust areas of electronics, including setting up framework for creation of an ecosystem for promoting design and IP in the country.
7. Promote and create a framework for comprehensive start-up eco-system in aforementioned emerging technology areas.
8. Improve ease-of-doing Business for the ESDM Industry.
9. Provide incentives and support for significantly enhancing availability of skilled manpower in the ESDM sector.
10. Promote research, innovation and support to industry for green processes and sustainable e-Waste management, including *inter-alia* facilitation of citizen engagement programmes for safe disposal of e-Waste in an environment friendly manner, development of e-Waste recycling industry and adoption of best practices in e-Waste management.
11. Develop manufacturing capacities for high performance computing.
12. Provide support for Micro, Small and Medium Enterprises (MSME) in ESDM sector.
13. **Special thrust on:**
  - Fabless Chip Design Industry
  - Medical Electronic Devices Industry
  - Automotive Electronics Industry and Power Electronics for Mobility
  - Strategic Electronics Industry
14. Emulation/ rapid prototyping infrastructure at certain locations that are accessible to all fabless start-ups in the country.
15. **Emphasis on Cyber Security:**
  - Enhance understanding of cyber security issues/ concerns, risks and mitigation measures thereof pertaining to electronic products.
  - Encourage development of adequate capacities for testing.

- Encourage use of IT products tested and evaluated for security, based on standards like Common Criteria/ ISO 15408.
  - Promote the use of secure chips to reduce cyber security risks.
  - Promote start-up eco-system for development of photonics, nano-based devices and cyber security products.
16. Promote trusted electronics value chain initiatives to improve India's national cyber security profile and control its supply chain across national defence (military, intelligence, space) and critical national infrastructure (energy grids, communication networks, digital economy, etc.).
  17. Exploring the possibility of leveraging Defence Offsets, in consultation with the Department of Defence Production (DDP), for development of electronic components manufacturing.
  18. Create Sovereign Patent Fund (SPF) to promote the development and acquisition of IPs in ESDM sector.

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