

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 2437.
TO BE ANSWERED ON TUESDAY, THE 10TH DECEMBER, 2024.**

MAKE IN INDIA INITIATIVE FOR ELECTRONIC FIRMS

2437. SHRI MANICKAM TAGORE B:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) the details of data on the exact reduction in imports achieved under the 'Make in India' initiative for electronic firms in Financial Year 2023-24;
- (b) the extent to which the Government ensured that local manufacturing promotes quality and affordability in consumer electronics, if so, the details thereof;
- (c) the details of percentage of components are currently sourced locally for mobile phones and home appliances;
- (d) whether the Government is having outline plans to increase localisation in critical components like semiconductors and display panels, if so, the details thereof;
- (e) the details of incentives have been provided to electronics companies to promote local manufacturing under the Production-Linked Incentive (PLI) scheme;
- (f) the extent to which the Government support Small and Medium Enterprises (SMEs) in the electronics sector to enhance local production, if so, the details thereof;
- (g) the details of initiatives have been taken by the Government to enhance skill development and employment opportunities in the electronics manufacturing sector; and
- (h) whether the Government provide data on job creation in the electronics industry since the launch of 'Make in India' and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a) to (d):** 'Make in India' Initiative was launched on 25th September, 2014 to facilitate Investment, foster Innovation, build best in class Infrastructure, and make India a hub for manufacturing, design, and innovation. It is one of the unique 'Vocal for Local' Initiatives that promoted India's manufacturing domain to the world. Investment outreach is being done through Ministries, State Governments and Indian Missions abroad for enhancing International co-

operation for promoting Domestic and Foreign Direct Investment (FDI) in the country. Presently, Make in India 2.0 focuses on 27 sectors implemented across various Ministries/ Departments and State Governments.

India's electronics sector has experienced rapid growth, reaching USD 155 billion in FY 2023-24. Production has nearly doubled from USD 48 billion in FY 2017-18 to USD 101 billion in FY2023-24, driven primarily by mobile phones, which now constitute 43% of total electronics production. India has significantly reduced its reliance on smartphone imports, now manufacturing 99% domestically. Initiatives like Make in India and Digital India, improved infrastructure and ease of doing business, supported by various incentives, have stimulated domestic manufacturing and attracted foreign investments.

Ministry of Electronics and Information Technology (MEiTY) has notified "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2012" (CRO) now renotified as "Electronics and Information Technology Goods (Requirement of Compulsory Registration) Order, 2021" mandating Indian Safety/security Standards/Essential Requirements for notified electronic product categories. At present, 64 Product Categories and Essential Security requirements for CCTVs have been notified under the CRO. The Compulsory Registration Order has resulted in high compliance of notified electronic goods to Indian safety standards and better quality of electronic products.

The initiatives taken by the Government have led to decline in dependency on imports in several sectors. For example, the import of mobile phones has decreased from Rs 48,609 cr. in 2014-15 to Rs. 7,665 cr. in 2023-24. On the other hand, the export of mobile phones has increased from Rs. 1,566 cr. in 2014-15 to more than Rs.1,28,982 cr. in 2023-24. As regards local component sourcing, it varies from mobile to mobile and model to model depending on the company. However, broadly there is 18-20% Domestic value addition (DVA) in mobile manufacturing in the country.

Government has approved Semicon India programme with a total outlay of Rs 76,000 crore for the development of semiconductor and display manufacturing ecosystem in the country. This programme provides fiscal support of (i) 50% of the project cost on pari-passu basis for setting up of Silicon Complementary Metal-Oxide-Semiconductor (CMOS) based Semiconductor Fabs in India, (ii) 50% of Project Cost on pari-passu basis for setting up of Display Fabs in India, (iii) 50% of the Capital Expenditure on pari-passu basis for setting up of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including Micro-Electro-Mechanical Systems) Fab/ Discrete Semiconductor Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) facilities in India. The programme also provides Product Design

Linked Incentive of up to 50% of the eligible expenditure subject to a ceiling of ₹15 Crore per application and also “Deployment Linked Incentive” of 6% to 4% of net sales turnover over 5 years subject to a ceiling of ₹30 Crore per application for incentivising chip design. Government has also approved modernisation of Semi-Conductor Laboratory, Mohali to enhance efficiency and cycle time.

Under Semicon India Programme, Government has approved 5 semiconductor projects with cumulative investment of around Rs. 1 lakh 52 thousand crore. Further, 15 semiconductor design companies have also been approved under the Design Linked Incentive Scheme to design chips for Indian products. Additionally, 41 semiconductor design companies have been approved for access of the tools required for designing the chips (called EDA tools) which is being made available by National EDA Tool Grid setup at ChipIN Centre at C-DAC Bengaluru.

(e) to (h): Under the PLI Scheme for LSEM and IT Hardware, till November, 2024, incentives of INR 7680 crore and Rs. 58.45 crore have been disbursed respectively. MSMEs can also avail support under these schemes i.e. PLI, EMC, MSIPS, SPECS and Semicon.

The Government of India has approved two schemes for Skill Development in ESDM Sector viz. “Scheme for Financial Assistance to select States/UTs for Skill Development in Electronics System Design and Manufacturing (ESDM) sector” (Scheme-1) and “Skill Development in ESDM for Digital India” (Scheme-2) to facilitate creation of an eco-system for development of ESDM Sector in the entire country. Both these Schemes are being implemented by the Key Implementing Agencies i.e. Electronics Sector Skill Council of India (ESSCI), Telecom Sector Skill Council (TSSC), National Institute of Electronics and Information Technology (NIELIT) in coordination with Training Partners affiliated with them. Under these Schemes, so far, 4,93,926 candidates have been trained, out of which, 3,72,834 candidates have been certified. Out of total certified candidates 1,44,051 are women. As per the industry estimates, around 2.5 mn (25 lakh) direct & indirect jobs have been created in the Electronics Sector till FY 2023-24.
