

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION NO. 2584
TO BE ANSWERED ON: 11.12.2024

ELECTRONIC COMPONENT MANUFACTURE SCHEME

2584. DR. C M RAMESH:

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

- (a) the aims and objectives of Electronic Component Manufacture Scheme (ECMS) announced by the Government recently;
- (b) whether it is true that the Government is proposing to allocate Rs. 40,000 crores for this scheme;
- (c) the manner in which the said scheme is different from the PLI scheme;
- (d) the anticipated investment that is going to come through ECMS and employment opportunities generated through them; and
- (e) the details of subsidy and capital expenditure out of the proposed Rs. 40,000 crores?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (e): To broaden and deepen the electronics component manufacturing ecosystem, Government of India has launched several schemes, including, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Production Linked Incentive Scheme (PLI) for large scale electronics manufacturing.

As a result of these initiatives, the domestic production of the electronics has grown from INR 5,33,550 Crores in FY 2019-20 to INR 9,52,200 Crores in FY2023-24 with compound annual growth rate ('CAGR') of about 16%. As per industry estimates, approximately 25 lakhs employment (direct and indirect) has been generated in the electronics sector.

SPECS was notified on 1st April 2020 in order to strengthen the electronics manufacturing ecosystem in the country. The scheme provided financial incentive of 25% on the capital expenditure for the identified list of electronic goods that comprises downstream value chain.

Similarly, the PLI for large scale electronics manufacturing for target segment mobile phones and electronic components was notified on 1st April 2020. The scheme extended an incentive of 6% to 4% to the target segments for a period of 5 years. The second round of the PLI scheme with target segment of specified electronic components was launched on 11.03.2021. The scheme extended an incentive of 5% to 3% to the target segment for a period of 4 years.
