

Manufacturing Laptops and Tablets in India **- A \$100 Bn opportunity by 2026: ICEA Report**

New Delhi, 10th November, 2020: ICEA, India's leading industry association representing mobile, electronics and component manufacturers such as Apple, Xiaomi, Motorola, Nokia, Foxconn, Wistron, Flextronics, Lava, Vivo, Motorola, Oppo, Real Me, Micromax, Dixon, Salcomp and others, today unveiled its report

“Aatmanirbhar Bharat India's turning point an agenda for manufacturing laptops and tablets for India and the world 2021-26 US\$ 100 bn opportunity.”

The global market for electronics is approximately US\$ 2.1 trillion. Among electronic products, mobile phones, laptops, and tablets serve as the primary instruments for communication. While several policy measures have been taken recently to promote the manufacturing and export of mobile phones, this report discusses about laptops and tablets in particular. The global market for these two products is expected to be around US\$ 220 billion per year over the next five years while In India, the market size is estimated to continue to be around US\$ 7 billion for the same period. These devices fall under the category of Information Technology Agreement-I (ITA-1) products. Thus, the Basic Customs Duty (BCD) on their import is zero. Duties cannot be imposed on such imports as there is an inherent cost arbitrage and benefit to importing these devices as against their manufacturing in India. Therefore, unless exports are promoted, it is unlikely that the domestic market will offer any additional growth for companies aspiring to manufacture in India.

India's import of laptops has increased by 42%—from US\$ 2.97 billion to US\$ 4.21 billion¹¹—in value terms, in the last five years—87% of which continues to come from China. In absolute terms, India's dependency on China is very high—it has increased from US\$ 2.83 billion to US\$ 3.65 billion during the last five years. For the year ending March 2021, India's import of laptops is estimated to reach close to US\$ 5 billion out of which imports from China is US\$ 4.35 billion

As per estimates, the global market for laptops, tablets and desktop computers has grown from US\$ 229.38 billion in 2018 to US\$ 240.99 billion in 2019 and is expected to stabilize around US\$ 220 billion by 2025. Only 6 global players comprise 89% of the market shipments for laptops and 81% for tablets. United States and European Union together represent more than 40% of the global market.

The global manufacturing hubs are limited to a handful of countries with China being the predominant supplier to the world 66% market share (2019); US\$ 100 billion in value).

This shows that there is tremendous scope for policy intervention to start manufacturing of Laptops and Tablets in India for domestic as well the global market.

“This presents an opportunity for India to ramp up the export of ‘Made in India’ laptops and tablets. By making in India for the world and obtain a sizable share of the global market will give us a manufacturing value of US\$ 100 billion by 2025. It will also create 5 lakh additional jobs and a cumulative inflow of foreign exchange to the tune of US\$ 75 billion; and investment of over US\$ 1 billion. At the same time, it would negate imports of targeted products from China leading to reduced trade deficit and greater self-reliance” said **Mr. Pankaj Mohindroo, Chairman, ICEA (India Cellular & Electronics Association)**.

He also emphasized that “To reach the NPE,2019 targets and for turning into the global manufacturing hub, We cannot depend on Mobile phones manufacturing alone. We need to focus on overall electronic sector and personal computing devices present an excellent opportunity.

Given the present geo-political situation, India has a strong opportunity to become a significant part of the global supply chain in electronics. This strategic objective may be achieved by becoming the hub for Laptops and Tablets and capturing 18% of the global exports.

As per the report, and appropriate incentive focused on export-oriented manufacturing of Laptops and tablets should be offered and calibrated focused policy interventions need to be made for the sector. And this will help in offsetting the disabilities vis-à-vis China and Vietnam and encourage industry players to set-up manufacturing facilities in India. It would be instrumental to achieve ‘**Atmanirbhar Bharat**’ and ‘**Make in India**’ for the world and reduce dependency on China

About ICEA: ICEA is the apex industry body for mobile and electronics industry comprising of manufacturers, brand owners, technology providers, VAS application & solution providers, distributors and retail chains of mobile handsets and electronics. ICEA is committed to carrying forward its vision of building Indian manufacturing and design in verticals other than mobile handsets while consolidating the gains made in the mobile handset and components industry. ICEA is fully devoted towards improving the competitiveness and growth of the industry by closely working with the ministries of the Government for creating a robust, legal and ethical electronics industry, thereby creating an innovative market environment in the country.