

For Immediate Release

Roadmap for \$300 Billion Electronics Manufacturing by 2026: Report by ICEA

- ◆ ICEA released the Vision Document Volume 2.0
- ◆ The domestic market is expected to increase from \$65 billion to \$180 billion over the next 5 years.
- ◆ The **\$10 billion** PLI Scheme announced by GOI would propel forward the Semiconductor and Display ecosystem.
- ◆ The Vision Document 2.0 strongly recommends focusing on aggregate domestic value addition in the electronics sector.

New Delhi, 24th January 2022: MeitY, in association with India Cellular And Electronics Association(ICEA), released a 5-year roadmap and Vision Document for the electronics sector today, titled “\$300 bn Sustainable Electronics Manufacturing & Exports by 2026.” This roadmap is the second volume of a two-part Vision Document titled “Increasing India’s Electronics Exports and Share in GVCs” and was released in November 2021.

This report provides a year-wise break-up and production projections for the various products that will transform India into a **\$300 billion** electronics manufacturing powerhouse from the current **\$75 billion**. Amongst the essential products that are expected to lead India’s growth in electronics manufacturing include Mobile Phones, IT Hardware (laptops, tablets), Consumer electronics (TV and audio), Industrial electronics, Auto electronics, Electronic components, LED Lighting, Strategic electronics, PCBA, Wearables and hear-ables, and Telecom equipment (*see chart*). Mobile manufacturing is expected to cross **\$100 billion** annual production - up from the current \$30 billion and constitute nearly 40% of this ambitious growth.

Shri Rajeev Chandrasekhar, Hon’ble Minister of State, Electronics & IT and Skill Development & Entrepreneurship, while releasing the Vision Document 2.0, titled **\$300 bn Sustainable Electronics Manufacturing & Exports by 2026**, said,

“The 1000-days plan has now been charted down. We have broadened and listed our thoughts to achieve \$300 bn by 2026. To make India stand out as an electronics export & manufacturing hub globally, our focus has to be on building electronics manufacturing exports, share in the Global Value Chain, and promoting Indian champions. Our domestic players also bring the experience of setting up production, production processes, operating high-tech manufacturing with customized machinery, and supply chain procurement experience. This Vision Document 2.0 has also highlighted the key product drivers such as Mobile Handsets, IT hardware Laptop & Tablets), Consumer electronics, electronic components, etc. These would play an important role in achieving our target and thrust India’s growth in electronics manufacturing. As our Hon’ble Prime Minister’s vision has been crystal clear towards ‘Atmanirbhar Bharat and to make India as the largest electronics manufacturing hub globally.”

At the launch of Vision Document, Volume 2, Mr. Pankaj Mohindroo, Chairman, India Cellular & Electronics Association (ICEA), said, “ This report (Vision Document 2.0) captures all the key points for year-wise break-up and production projections for the various products that will lead India’s transformation into a \$300 billion electronics manufacturing powerhouse. The Electronics Manufacturing in India is showing growth with an overwhelming force. The PLI schemes and supporting policies from the Government of India is also playing an important role and has given a thrust towards the Electronics Manufacturing Industry. To witness India's top ranking Globally in the Electronics Industry, we need tactical and strategic steps for each product line and supportive directions to our domestic players / Indian Champions to meet our Hon’ble Prime Minister’s Vision 'Atmanirbhar Bharat.' We have figured out the issues and the solutions. Now, it's time to execute.”

The domestic market is expected to increase from **\$65 billion** to **\$180 billion** over the next 5 years. This will make electronics amongst India’s 2-3 top-ranking exports by 2026. Of the **\$300 billion**, exports are expected to increase from the projected **\$15 billion** in 2021-22 to **\$120 billion** by 2026.

The five-part strategy to reach the **\$300 billion** goals, based on an “all of the government” approach, sharply focuses on broadening and deepening electronics manufacturing in India. This, by building competitiveness and scale by attracting global electronics manufacturers/brands, shifting and developing sub-assemblies and component ecosystems, building a design ecosystem, nurturing Indian champions, and steadily removing cost disabilities faced by India.

The **\$300 billion** electronics manufacturing comes on the back of **the \$10 billion** PLI Scheme announced by the government to propel the Semiconductor and Display ecosystem. The government has committed nearly **\$17 billion** over the next 6 years across four PLI Schemes – Semiconductor and Design, Smartphones, IT Hardware, and Components. The Vision Document makes a strong recommendation on the need to focus on aggregate domestic value addition in the electronics sector as India transforms from its current state to one that is gearing to compete with the likes of China and Vietnam. It also details the importance of the critical role Indian champions will play in global companies – both of whom are already part of the PLI Schemes.

The report seeks a competitive tariff structure on electronic components and removal of all regulatory uncertainty to put India on the path to \$300 billion in electronics manufacturing. The report recommends a “winner takes all” strategy backed by economies of scale and global competitiveness, new and revised incentive schemes for some sectors, and the need to address issues of sustainability and ease of doing business.

Chart: Roadmap to manufacture \$300 billion Electronic Products

Product segment	2020-21	2025-26
Mobile Phones	30	126
IT Hardware (laptops, tablets)	3	25
Consumer electronics (TV and audio)	9.5	23
Strategic electronics	4	12
Industrial electronics	10.5	25
Wearables and hearables	-	8
PCBA	0.5	12
Auto electronics	6	23
LED Lighting	2.2	16
Telecom equipment	-	12
Electronic components	9	18
Total	74.7	300