



Time To Shift Focus To “Make in India For The World” : ICEA - McKinsey Report 2018

New Delhi, 1st November 2018: The India Cellular & Electronics Association (ICEA) along with McKinsey have undertaken a commendable impact analysis study ***“Making India the Global manufacturing Powerhouse for Mobile Handsets and Components”***. This was released during a Media Conference held at Hotel Lalit on 1st November 2018. The Report has made an important and pertinent attempt focusing on identifying the gaps/ challenges and coming up with important recommendations about how to rejuvenate and transform the resurgent mobile manufacturing eco-system in India and make it achieve the Global Powerhouse status.

The mobile handset and its components manufacturing eco-system in India has undoubtedly become the shining star under the flagship “Make in India” program of the Government with over 127 new factories been set up and employment to the tune of 4.5 lakhs been generated already during the past 3-4 years. India has overtaken Vietnam in 2017-18 to become the No. 2 mobile handset manufacturing destination Globally with approx. 225 mn handsets got produced in India during this period.

While the successes achieved in this sector during the past 3-4 years was quite appreciable in terms of no. of new factories being set up, new employment generated and the overall socio-economic benefits that this sector has been producing for the country and the economy. As per the ICEA – McKinsey Impact Analysis Report, the country has the greatest ever opportunity to grow to substantial heights with possibility for coming closer to fulfillment of the vision of becoming the Global Manufacturing Powerhouse for mobile handsets and components during the next decade.

The Report majorly focusses on analyzing the preparedness of India to undertake large scale exports in terms of whether a sound regulatory and incentivization policy framework exists or not vis-à-vis competing geographies such as China and Vietnam. The ICEA – McKinsey Report has also come up with pertinent and forward-looking recommendations for policy and strategy point of view.

“We are confident that the ICEA - McKinsey impact analysis study and the Report findings/ recommendations will definitely go a long way to accentuate India’s historic opportunity to establish itself as the Global manufacturing Powerhouse for mobile handsets and components. Needless to say, one of the major focus of this study was to understand how to enhance the country’s prospects for fueling growth of exports in the contemporary trade and regulatory environment. This is especially when initial green shoots have already started appearing in the mobile manufacturing landscape of the nation and this needs to be further accelerated with a major focus on exports”, **Mr. Pankaj Mohindroo, Chairman, ICEA**, said.

Mr. Mohindroo, further added, “I would like to personally thank PMO, MeitY, DIPP, Department of Commerce, Niti Aayog and DoT for their continual support and guidance to enable us to complete this important impact analysis study and arriving at major recommendations to translate our objectives into reality. I would also like to thank the



Mckinsey team members and ICEA Secretariat for their strenuous efforts and support during the entire duration of this study. I am very confident and sure that this report would definitely enlighten the relevant stakeholders and add to their knowledge base and outlook regarding where the land lies currently and all important and newer interventions are required to be undertaken to ensure that India reaches out to meet its goal in becoming the Global manufacturing Powerhouse sooner rather than later.”

The event was attended by **Mr. Ajay Prakash Sawhney, Secretary MeitY**, Government of India (GOI) who was the chief guest along with Mr. Rajiv Agarwal, Joint Secretary – DIPP, several other senior officials both from MeitY, DoT, DoR, DoC, DIPP and Niti Aayog. The event was also attended by eminent members from the Press and Electronics media and Industry leaders.

The report mentions the following eight pillars to achieve the manufacturing objectives of India:

1. Duty differential through Phased Manufacturing Program
2. Export incentives by the Government
3. Easier setup and expansion of manufacturing capacity
4. Competitive direct tax policy
5. Amendments in labour laws
6. Ease of doing business
7. Effective outreach efforts
8. Robust design ecosystem

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.

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