

'Rs 76,000-cr chip package to recreate Indian brands'

TNN | Dec 17, 2021, 07:27 AM IST



BENGALURU: There was a time when computers meant HCL, Wipro, Zenith. TVs meant BPL, Onida, Weston, Dyanora, Beltek. In mobiles, while Indian brands like Micromax, Karbonn and Lava were not dominant, they had substantial presence.

Many of these brands no longer exist. If they do, few buy them. "We are a colony of China," said Ajai Chowdhry, co-founder & former chairman of HCL, a man whom some call the father of Indian hardware. China's phenomenal advances in electronics manufacturing, and that of Taiwan and South Korea in semiconductors, and the absence of any serious effort by India to match it led to Indian brands being destroyed by those from these countries.

The massive Rs 76,000-crore incentive scheme for semiconductors the government announced on Wednesday - on top of the previous production-linked incentives for electronics - has raised hopes in the Indian electronics and semiconductor space. "This is what I have been waiting for since 2009. We can now recreate Indian electronics with Indian brands," said Chowdhry.

IT industry body Nasscom said, over the next six years, "this programme will form the foundation of a new era in electronics manufacturing and a vital pillar of the government's Atmanirbhar Bharat (self-reliant) vision".

Rajen Vagadia, president for India at US semiconductor major Qualcomm, said the programme "has a holistic long-term vision and includes several critical aspects aside from manufacturing, like growing the pool of skilled engineering talent in India via the Chips to Startups (C2S) scheme and support to design firms and startups through the Design-Linked Incentive (DLI) scheme, which will further propel local innovation and IPR within the India ecosystem".

Semiconductors are at the core of electronics. Global device makers in the US, China and South Korea normally source semiconductor chips designed in their own countries. Even when they manufacture their final products in India, the chips are imported. Domestic industry believes it is vital to design chips and manufacture them locally in order to create a vibrant local domestic electronics industry. It's also the area where the highest value-addition happens.

"The most important part of the policy is the incentives for design. We have world-class designers. HCL alone has 5,000-10,000 (chip design) engineers, but they are all now designing for the world," Chowdhry said.