

# India poised to grow electronics manufacturing to \$300 billion in 3-4 years

## Synopsis

The world is seeking more trusted sources for electronics post-COVID-19 and India has all the key elements in place to grab the opportunity, MoS for Electronics and IT Rajeev Chandrasekhar said.



Post Covid, India has a unique opportunity to gain market share from other geographies to further cement its position as a **electronics manufacturing hub** and government will do "whatever it takes" in order to help attract global value chains (GVC) and manufacturing giants to the country, said minister of electronics and IT, Rajeev **Chandrasekhar**. He was speaking at the launch of a report titled 'Increasing India's electronics exports and share in GVCs on Tuesday. He also said that India's approach should not be just pricing led.

"The country has the ability to use its strengths in electronic design, system design software design, along with electronic manufacturing, which very few other countries have as a competitive advantage," said Chandrasekhar.

MEITY Secretary Ajay Sawhney said that despite the very serious nature of the pandemic and the impact it had across all the industries, India was able to maintain its overall production at \$75 billion in 2021 and aims to reach \$250 billion in five years, with a CAGR of 27%. "And that is where we need to now revisit and reassess what we are attempting to do, how do we change our course? What do we do differently? To be able to sustain this level of growth," said Sawhney.

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The report by ICEA recommends a series of measures including increasing the scale of production and having an export oriented approach along with reducing tariffs for inputs and reducing policy-related operational burden and delays.

Chandrasekhar said that the government is committed to supporting the industry and will "respond very fast" to the industry recommendations. "We will look into this very seriously and (act on) what we believe is important and material to accelerating the growth of electronics." "Our goal on becoming a significant electronics player is a very serious and real one. The opportunity is very serious and real, the timelines are very clearly defined. So whatever it takes to create those investments, to create those jobs, to create that economic activity, we will do," he said.

He also said that rough calculations suggest that only four companies, Dell, Samsung Apple and HP, amount to \$650 billion of total electronics revenues; there is no reason why at least 10% or 20% of that should not come from products manufactured in India. It will help increase the share of electronics to India's GDP from the current 3% today.

"I think we are going to be entering in a very different competitive regime in terms of expanding a product category, in terms of new markets, new types of customers and consumers of our products. And (we have tremendous ability) to gain market share from other geographies and other countries that manufacture those products," said Chandrasekhar.