

# Govt clears ₹23k cr sops for electronics component mfg

## ‘Move To Create Nearly 92K Jobs, Attract ₹59K Cr Investment’

TIMES NEWS NETWORK

**New Delhi:** From lithium-ion batteries and capital goods used for electronics to cameras and printed circuit boards (PCBs), the Centre on Friday announced incentives of Rs 23,000 crore for component manufacturing in India, a move that is aimed at strengthening the domestic manufacturing ecosystem.

While there has been a sharp increase in domestic manufacturing of electronic items, especially mobile phones, component manufacturers have so far remained largely focused on China, which offers much higher volumes. With govt expanding the focus to include computers and laptops and cameras, the idea is to have the full spectrum of component manufacturing in India. For instance, even now nearly 90% of the PCBs are imported into the country.

### BOOSTING LOCAL PRODUCTION

▶ Govt aims to strengthen domestic component manufacturing ecosystem

▶ The scheme is spread over six years and expected to lead to production of ₹4.6 lakh crore, said Ashwini Vaishnaw, electronics and IT minister



▶ It will meet requirements of multiple sectors, including telecom, consumer electronics, automobile, medical devices, power sector, he added

▶ The scheme also signals govt's continued focus on domestic production to lower dependence on Chinese imports

If production linked incentives (PLIs) did the trick for mobile phones, the new scheme also marks a shift, with the package including turnover-based incentives as well as those linked to capital expenditure. The scheme is spread over six years.

Electronics and IT minister Ashwini Vaishnaw told reporters that the scheme will create direct employment for 91,600 people and attract investment of around Rs 59,350 crore. “Passive

components are approved under the electronics component scheme. It has a total package of Rs 22,919 crore. This will be for over six years,” he said, adding that the scheme will meet the requirements of multiple sectors, including telecom, consumer electronics, automobile, medical devices, power sector, etc.

Vaishnaw said the scheme is expected to lead to production of Rs 4.6 lakh crore.

The announcement of

the scheme, which has been in the works for several months, signals govt's continued focus on domestic production to lower the dependence on Chinese imports, despite a section of the domestic industry seeking that some of the barriers erected after tension flared up in Ladhak should be withdrawn.

Given the large Chinese presence in the components eco-system, govt's Press Note 3, which provides for case-by-case approval for companies that share a land border with India will be tested. In recent years, Chinese companies have sought to partner with Indian entities and set up joint ventures to overcome the FDI checks, often unsuccessfully.

The ministry of electronics and IT has, however, devised ways to ensure that the components used are from secure sources by specifying standards.