

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:3594

ANSWERED ON:24.08.2011

ELECTRONIC DEVELOPMENT FUND

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) whether there is a huge mismatch between capacity and demand :in the electronic manufacturing in the country;
- (b) if so, the details thereof;
- (c) whether the Government proposes to set up a dedicated `Electronic Development Fund` to encourage indigenous manufacturing of electronic items;
- (d) if so, the details thereof and the action taken by the Government in this regard;
- (e) whether the State Government of Andhra Pradesh has sought assistance from the Union Government for setting up of Fab City in the State to improve the electronic hardware industry; and
- (f) if so, the details thereof and reaction of the Government thereto?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) and (b): As per report of the Task Force to suggest measures to stimulate the growth of IT, ITES and Electronics Hardware Manufacturing industry in India, the rapid growth in the demand for electronics, clubbed with the slow rate of increase in domestic production, has resulted in an increasing demand-supply gap in the industry. While the demand for electronics stood at USD 45 billion in 2008-09, goods worth USD 20 billion were produced in India.

(c) and (d): A Committee comprising of Chairman, National Manufacturing Competitiveness Council (NMCC) and Adviser to Prime Minister on Public Information Infrastructure & Innovation, among others has made five key recommendations to electronics hardware manufacturing in the country. One of the recommendations is to set up an Electronics Development Fund (EDF) to promote innovation, R&D, Indian Intellectual Property and development of Indian Microprocessor. Draft Detailed Project Report (DPR) for setting up of Electronics Development Fund (EDF) is under finalization.

(e) and (f): The Government of Andhra Pradesh has requested that existing hardware clusters such as Fabcity and proposed areas in Andhra Pradesh may be considered for development of electronic manufacturing industry. The policy in this regard is under consideration of Government. Once the policy is finalized, proposals from the Government of Andhra Pradesh will be considered as per terms and conditions of the policy.