

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

UNSTARRED QUESTION NO:1561

ANSWERED ON:06.03.2013

ELECTRONIC GOODS INDUSTRY

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

:

- (a) the demand of electronic goods and the comparative growth rate of electronic industry in the country during the last three years and the current year, year-wise;
- (b) whether the Government has notified a Modified Special Incentives Package Scheme (MSIPS) applicable to 29 categories of electronic products and proposes to establish electronic manufacturer clusters in the country;
- (c) if so, the details thereof and the progress made in this regard so far and the time by which the electronic clusters are likely to be established, State/UT wise;
- (d) whether the Government also proposes to create an Electronic Development Fund to promote manufacturing of electronic goods; and
- (e) if so, the details thereof and other incentives given/likely to be given to boost electronic industry?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIM1LINDDEORA)

(a): As per the report of Task Force to suggest measures to stimulate the growth of IT, ITES and Electronics Hardware Manufacturing in the country, the demand for Electronics Manufacturing System Design (ESDM) in the country was USD 45 Billion in 2008-09 and is projected to increase to USD 400 Billion by 2020 at a growth rate of 22%.The production of Electronics Hardware in the country during last years is given below:

Year	Electronic Production (Rs. in crore)	Growth % (Year on year basis)
2009-10	110,720	13.8
2010-11	128,870	11.40
2011-12#	143,300	11.20

#(Estimated)

(b) and (c): The Government has notified vide Notification No. 24 (10)/2010-IPHW-I dated 27th July 2012 the Modified Special Incentive Package Scheme (MSIPS) applicable to 29 ESDM Verticals. The Guidelines for the Operationlization of MSIPS scheme for Electronics System Design and Manufacturing Sector have been issued. Two proposals have so far been received under the M-SIPS scheme.

Government has notified the Electronics Manufacturing Cluster (EMC) Scheme vide Notification No 8(50)/20n-IPHW dated 22nd October 2012. The Guidelines for notifying Brownfield Electronics Manufacturing cluster for MSIPS scheme have been issued. Five Applications for setting up of Greenfield Electronics Manufacturing Clusters have been received.

(d) and (e): One of the key initiatives to meet the objective of the draft NPE to create a globally competitive electronics design and manufacturing industry is to set up an Electronics Development Fund (EDF) to promote innovation, Indian IP, R&D. product development, commercialization of products, etc. in the ESDM, nano-electronics and IT sectors by providing appropriate funding/incentives to Industry/Academia/R&D institutions.

To promote manufacturing of electronic goods indigenously, Government has notified the National Policy on Electronics (NPE) 2012 for the promotion the Electronics System Design and Manufacturing (ESDM) sector in the country. The Policy envisions creating a globally competitive ESDM industry to meet the country's needs and serve the international market. Parts of the policy such as Modified Special Incentive Package Scheme (M-SIPS) to offset disability and attract investments in ESDM industries; Electronics Manufacturing Clusters (EMC) Scheme to provide world-class infrastructure for the ESDM Sector; Policy for providing preference to domestically manufactured electronic products, in procurement of those electronic products which have security implications for the country and in Government procurement; and Scheme for mandatory registration of identified electronic products for meeting

specified safety standards have already been approved.