

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

UNSTARRED QUESTION NO:4157
ANSWERED ON:19.02.2014
ELECTRONIC MANUFACTURING
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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- (a) the present status of Preferential Market Access (PMA) Policy and the number of Indian industries accepted or approved by the Government for procurement of electronic goods;
- (b) whether there were strong protests from international trade associations at the draft notification of PMA policy;
- (c) if so, the details thereof along with the reaction of the Government thereto;
- (d) whether the US and Japan are likely to make a long term investment in India for manufacturing hub for electronic systems and designs with technology transfer and if so, the details thereof;
- (e) whether a separate desk has been proposed to be set up to speed up the process and the progress made in this regard, so far; and
- (f) the present status of FDI in domestic manufacturing taking into account of the security concerns of the nation?

Answer

MINISTER OF STATE FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI MTLIND DEORA)

(a): The revised policy Notification for providing preference to domestically manufactured electronic products in Government procurement, has been issued vide DeitY Notification No.33(3)/20-13-rpHW dated 23.12.2013.

(b) and (c): Earlier, Government had notified a policy for providing preference to domestically manufactured electronic goods vide Notification No.8(78)/2010-IPHW dated 10.2.2012. This policy was applicable to the following:

- (i) Procurement by all Ministries/Departments (except Defence) and their agencies for electronic products purchased for Governmental purposes and not with a view to commercial resale or with a view to use in the production of goods for commercial sale.
- (ii) Electronic product or products having security implications.

Several representations were received by the Government both in favour of and against the policy, especially in relation to its applicability to electronic products having security implications. After considering the pros and cons of alternative approaches to handling security related products, the Government had decided to review the policy especially in relation to its applicability to electronic products with security implications.

(d) and (e): DeitY is making efforts to attract investment from US and Japan in Electronic? System Design and Manufacturing. The National Policy on Electronics has been notified on 19.11.2012. Several schemes such as Electronics Manufacturing Clusters (EMC), Modified Special Incentive Package Scheme (M-SEPS) and policy for providing preference to domestically manufactured electronic products have been notified. A separate Help Desk for Japan has been created within DeitY to facilitate the Japanese companies in Electronics sector in India. A Sub-Group on US-India Bilateral Electronic Hardware Manufacturing Dialogue has also been constituted in order to inter-alia promote investment in Electronics System Design and Manufacturing sector in two countries.

(f): The Information is being collected.