

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

UNSTARRED QUESTION NO:3646

ANSWERED ON:18.03.2015

META RESOURCES

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

- (a) whether the Information Communication Technology and Electronics (ICTE) has come to be accepted as a key enabler in development and is globally being accepted as a 'Meta-Resource';
- (b) if so, whether the demand for electronics hardware is increasing and demand supply gap is widening day by day;
- (c) if so, the facts in this regard;
- (d) whether the value-addition in domestically produced electronic goods is very small;
- (e) if so, whether there is need to attract investments in Electronics System Design and Manufacturing (ESDM) Sector by providing suitable incentives to the sector;
- (f) if so, the steps taken by the Government to provide suitable incentives to the ESDM sector?

Answer

MINISTER FOR COMMUNICATIONS AND INFORMATION TECHNOLOGY
(SHRI RAVI SHANKAR PRASAD)

(a) to (d): World over, Information Communication Technology and Electronics (ICTE) is recognized as a 'Meta-Resource'. It forms part of large number of products cutting across various sectors including Information Technology, Telecom, Broadcasting, Consumer, etc. Sectors which were traditionally mechanical or electrical have since transformed and are powered by electronics e.g. Medical electronics, Automotive electronics, LED lights, Solar Photovoltaic for power generation, Strategic electronics, etc. The demand for electronics hardware is increasing and demand supply gap is widening. The main growth drivers of electronics hardware demand in India are:

- (i) growth in per capita income and corporate spend on electronics;
- (ii) government focus on infrastructure;
- (iii) increasing spend on IT equipment;
- (iv) growing penetration of Internet, including Broadband and Mobile Phones and
- (v) need for innovative products at low cost.

The demand for electronics in the country was USD 45 Billion in 2008-09 and is expected to reach USD 400 Billion by 2020. The domestic production in 2008-09 was about USD 20 Billion and is estimated to be USD 33 Billion in 2013-14. At the current rate of growth, the domestic production would be able to cater to a demand of about USD 100 Billion in 2020 and the rest would have to be met by imports. The value-addition in domestically produced electronic goods is small.

(e): Yes, Sir.

(f): The list of steps taken by the Government to provide suitable incentives to the ESDM sector are enclosed at Annexure.