

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

UNSTARRED QUESTION NO:1399
ANSWERED ON:29.07.2015
Promotion of Electronics Hardware Manufacturing
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

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

- (a) whether the Government has made any action plan about promotion of electronics hardware manufacturing and IT-ITes industry;
- (b) if so, the details thereof and the action taken and funds allocated by the Government thereon; and
- (c) if not, the reasons therefor?

Answer

ANSWER

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

(a) and (b): The electronics manufacturing is one of the pillars of Digital India programme. In this regard, various initiatives have been taken that are holistic, investor friendly and market driven towards creating conducive environment to attract global and domestic companies to invest in electronics manufacturing sector in the country. The initiatives taken for promotion of electronics hardware manufacturing are annexed as Annexure. Under the Digital India Programme, to promote the IT and ITes industry, a North East BPO Promotion Scheme (NEBPS) has been notified on 30th January 2015 to incentivize BPO Operations in the North East Region (NER), for creation of employment opportunities for the youth and growth of IT-ITES Industry, by the establishment of 5000 seats with an outlay of Rs. 50 crore for the remaining period of 12th Five Year Plan i.e. 31.03.2017, with capital support in the form of Viability Gap Funding (VGF). Further, another Scheme is for promotion of BPO Operations, for other parts of the country is contemplated for creation of employment opportunities and growth of IT-ITES Industry. The proposed Scheme would be operationalized, after obtaining necessary approvals of the Competent Authority. The budget provision for financial year 2015-16 for "Promotion of IT & ITes Industries/Electronics and IT Hardware Manufacturing" is Rs. 74 crore.

(c): Does not arise.

Annexure

Subject: Steps being taken to promote of Electronics/IT Hardware Manufacturing

â€¢ Promotion of electronics hardware manufacturing is one of the pillars of Digital India campaign of the Government.

â€¢ Modified Special Incentive Package Scheme (M-SIPS) provides financial incentives to offset disability and attract investments in the sector.

â€¢ Policy for providing preference to domestically manufactured electronic products in Government procurement is under implementation.

â€¢ Electronics Manufacturing Clusters (EMC) Scheme provides financial assistance for creating world-class infrastructure for electronics manufacturing units.

â€¢ Electronic Development Fund (EDF) policy has been approved to support Daughter Funds including Early Stage Angel Funds and Venture Funds in the area of Electronics System Design and Manufacturing, Nano-electronics and IT. The supported Daughter Funds will promote innovation, R&D, product development and within the country.

â€¢ A meeting of State IT Ministers and State Government Officials was held on 26.08.2014 to encourage them to actively promote electronics manufacturing. Several States have shown keen interest.

â€¢ Approvals for all foreign direct investment up-to 100% in the electronic hardware manufacturing sector are under the automatic route.

â€¢ Under the Electronics Hardware Technology Park (EHTP) Scheme, approved units are allowed duty free import of goods required by them for carrying on export activities, CST reimbursement and excise duty exemption on procurement of indigenously available goods, as per the Foreign Trade Policy.

â€¢ Tariff Structure has been rationalized to promote indigenous manufacturing of electronic items.

â€¢ Mandatory compliance to safety standards has been notified for identified Electronic Products with the objective to curb import of sub-standard and unsafe electronics goods.

â€¢ Two Schemes for skill development of 90,000 and 3,28,000 persons, respectively in the electronics sector has been approved to provide human resource for the industry.

â€¢ Government has approved setting up of two semiconductor wafer fabrication (FAB) manufacturing facilities in India.

â€¢ The 'Scheme to enhance the number of PhDs in the Electronic System Design and Manufacturing (ESDM) and IT/IT Enabled Services (ITES) sectors has been approved. 3000 PhDs are proposed to be supported under the Scheme.

â€¢ To promote Innovation, IP, R&D and commercialization of products, etc. in the ESDM sector by providing funding support to an Industry, for doing collaborative research with an Academic Institute in the priority areas, a proposal submitted by Global Innovation and Technology Alliance (GITA) has been approved.

â€¢ Taken steps for the development and implementation of the Indian Conditional Access System (CAS) to promote indigenous manufacturing of Set Top Box (STB) for Cable / DTH TV, keeping in view the huge indigenous requirement on account of roadmap for digitalization of the broadcasting sector.

â€¢ An Electropreneur park providing Incubation for development of ESDM sector which will contribute IP creation and Product Development in the sector.

â€¢ To promote scientific and technological research in Medical Electronics sector in India a proposal submitted by Biotechnology Industry Research Assistance Council (BIRAC) has been approved with the aim to fund a portfolio of Indian led pilot projects that seems to target innovations in the multi-disciplinary areas comprising of electronics, engineering, medical devices, healthcare, software, algorithms and information technology.

â€¢ National Centre of Excellence in Large Area Flexible Electronics (NCFLEX) is being set up in IIT Kanpur with the objectives to promote R&D; Manufacturing; Ecosystems; Entrepreneurship; International Partnerships and Human Resources and develop prototypes in collaboration with industry for commercialization.

â€¢ National Centre of Excellence for Technology on Internal Security(NCETIS) is being set up at IIT-Bombay with the objective to address the internal security needs of the nation on continuous basis by delivering technology prototypes required for internal security and to promote domestic industry in internal security.

â€¢ Centre for Excellence on Internet of Things(IoT) is being set up in Bangluru jointly with Nasscom.

â€¢ To strengthen the conformity assessment infrastructure, DeitY notified "Scheme for setting up / up-gradation of Electronic product testing / Quality Control Laboratories" on 25th August 2013 to encourage setting up testing facilities by Central / State / Academic Institutions which will be used for evaluating goods under the "Electronics and Information Technology Goods (Compulsory Registration Order, 2012).

â€¢ The Department of Electronics and Information Technology (DeitY) provides funding under several schemes for promotion of R&D, including support for International Patents in Electronics & IT (SIP-EIT); Multiplier Grants Scheme and Scheme for Technology Incubation and Development of Entrepreneurs (TIDE) in the area of Electronics, ICT and Management.

â€¢ A project for Setting up of Incubation center with focus on medical electronics at Indian Institute of Technology (IIT-Patna).
