

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

UNSTARRED QUESTION NO:4000
ANSWERED ON:17.12.2014
PREFERENCE TO DOMESTIC MANUFACTURERS
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Government has made it mandatory to give some preference in percentage term to domestic manufacturers;
- (b) if so, the details thereof along with the goods / items notified under this policy;
- (c) the criteria adopted for including the items therein;
- (d) whether foreign companies have raised objections to the preferential policy of the Government; and
- (e) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a) and (b): Government has notified the policy for providing preference to Domestically Manufactured Electronic Products (DMEPs) in Government procurement vide Notification No. 33(3)/2013-IPHW dated 23.12.2013. The policy is applicable to all Ministries / Departments (except Ministry of Defence) and their agencies for electronic products purchased for Governmental purposes. As per the policy, the notification issued by each Ministry / Department for providing preference to domestically manufactured electronic product(s) would specify the percentage of procurement to be made from domestically manufactured electronic products(s), which shall not be less than 30% of the total procurement value of that electronic products(s). The electronic products to be notified under this policy shall meet the domestic value addition (DVA) in terms of Bill of Material (BOM) going up from 25% in Year 1 to 45% in Year 5 from the domestic manufacturers. So far, DeitY has notified 9 electronic products viz. Desktop PCs, Dot Matrix Printers, Laptop PCs, Tablet PCs, Smart Cards, LED Products, Biometric Access Control/ Authentication Devices, Biometric Finger Print Sensors & Biometric Iris Sensors and Department of Telecommunications (DoT) has notified 23 telecom products.

(c): The criteria adopted for notifying the electronic products in furtherance of the policy are as under:

- i. Identification of Electronic / Telecom products to be notified under the policy based on significant demand in Government.
- ii. Finalising the domestic value addition norms for the identified electronic products after stakeholder consultation taking into account the domestic manufacturing base and eco-system.

(d) and (e): After issuance of revised policy for providing preference to domestically manufactured electronic products in Government procurement dated 23.12.2013, no significant objections have been raised by foreign companies.