

Ministry of Communications

# Telecom equipment manufacturing sales cross Rs 50,000 crore milestone under PLI Scheme

Due of Government push, telecom equipment exports (Rs 1.49 lakh crore) and imports (Rs 1.53 lakh crore) in FY 2023-24 at similar levels

PLI Schemes contribute to increase in production, employment generation, and economic growth

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Aligning with Prime Minister Shri Narendra Modi's vision of making India 'Atmanirbhar', The Production Linked Incentive (PLI) Scheme for Telecom and Networking Products and for Large Scale Electronic Manufacturing of Electronics have led to a significant increase in production, employment generation, economic growth, and exports in the country.

Within three years of the Telecom PLI scheme, the scheme has attracted an investment of Rs 3,400 crore, the telecom equipment production has exceeded the milestone of Rs 50,000 crore with exports totalling approximately Rs 10,500 crore, creating more than 17,800 direct jobs and many more indirect jobs. This milestone underscores the robust growth and competitiveness of India's telecom manufacturing industry, driven by government initiatives to promote local production and reduce import dependency. The PLI scheme aims to enhance domestic manufacturing capabilities and make India a global hub for telecom equipment production. The scheme also offers financial incentives to manufacturers based on their incremental sales from products manufactured in India.

The Production Linked Incentive Scheme for Large Scale Electronic Manufacturing of Electronics covers the manufacture of mobile phones and its components. As a result of this PLI scheme, both the production and export of mobile phones from India has picked up greatly. India from being a large importer of mobile phones in 2014-15, when only 5.8 crore units were produced in the country, while 21 crore units were imported, in 2023-24, 33 crore units were produced in India and only 0.3 crore units were imported and close to 5 crore units were exported. The value of exports of mobile phones has gone up from Rs 1,556 crore in 2014-15 and just Rs 1,367 crore in 2017-18, to Rs 1,28,982 crore in 2023-24. Import of mobile phones was valued a Rs 48,609 crore in 2014-15 and has dropped to just Rs 7,665 crore in 2023-24.

India has been importing telecom gear for many years, but the balance has changed due to the Make-in-India and PLI scheme, leading to the production of equipment valued at over Rs 50,000 crore in the country.

**Key Highlights Telecom (excluding mobile):**

- **Industry Growth:** The telecom equipment manufacturing sector has demonstrated exceptional growth, with total sales exceeding Rs 50,000 crores by PLI companies. Sales of Telecom & Networking Products by PLI beneficiary companies in FY 2023-24 has increased by 370% vis-a-vis Base Year (FY 2019-20).
- **Job Creation:** The initiative has not only contributed to economic growth but also generated substantial employment opportunities across the value chain, from manufacturing to research and development, creating 17,800+ direct jobs and many more indirect jobs.
- **Reduced Import Dependency:** By encouraging local production, the PLI scheme has significantly reduced the country's reliance on imported telecom equipment, resulting in import substitution of 60% and India has become almost self-reliant in Antennae, GPON (Gigabit Passive Optical Network) & CPE (Customer Premises Equipment). Reducing import dependency has thereby enhanced national security and fostered self-reliance.
- **Global Competitiveness:** Indian manufacturers are increasingly competing on a global scale, offering high-quality products at competitive prices.

Telecom equipment includes intricate items like radios, routers, and network equipment, among others. Furthermore, companies are permitted by the government to avail benefits for producing 5G equipments. 5G Telecom equipment manufactured in India is currently being exported to North America and Europe.

As a result of the PLI Scheme for Telecom and Networking Products and other related initiatives run by both DoT & MeitY, the gap between telecom imports and exports has reduced significantly with the total value of goods (both telecom equipment and mobiles put together) exported is over Rs 1.49 lakh crore as against imports of over Rs 1.53 lakh crore in FY 23-24.

In fact, over the last five years, the trade deficit in telecom (both telecom equipment and mobiles put together) has reduced from Rs 68,000 crore to Rs 4,000 crore and both the PLI Schemes have started to make Indian manufacturers globally competitive, attract investment in the areas of core competency and cutting-edge technology; ensure efficiencies; create economies of scale; enhance exports and make India an integral part of the global value chain. It has transformed India's exports basket from traditional commodities to high value-added products.

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**KSY/DK**

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