Electronics System Design and Manufacturing (ESDM) in India: A USD 120 Bn Market Opportunity

By Mishika Nayyar, Strategic Investment Research Unit, Invest India & Daya Uppal, ESDM/TMT Sector Team, Invest India
The ESDM sector in India has witnessed exponential growth in the past five years, and is estimated to generate USD 100-130 Bn in economic value by 2025. The Government of India has taken various initiatives to promote electronics manufacturing in the country, with a target of achieving positive net exports by 2025.

India is one of the biggest and fastest-growing digital markets in the world. The country is set to cross 900 Mn internet subscribers by 2025. Large-scale digital adoption has been triggered through governmental efforts – over 1.2 Bn Indians are registered on Aadhaar and over 870 Mn of these citizens have Aadhaar-linked bank accounts. Around 98 Mn e-government transactions take place daily. Significant government investment in these foundational platforms has helped accelerate the pace of digital adoption. By 2025, India’s digital economy could contribute 18–23% of overall economic activity – indicating the best is yet to come.

To realise the vision of our Hon’ble Prime Minister Narendra Modi of making India a global hub for electronics manufacturing, three schemes – namely the Production Linked Incentive (PLI) Scheme, Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors (SPECS), and Modified Electronics Manufacturing Cluster (EMC 2.0) were recently notified on April 1st, 2020. These schemes will attract new investments in electronics manufacturing, pushing us toward realising a USD 1 Trn digital economy.

The Government of India continues to support the development of a vibrant electronics manufacturing ecosystem in the country. In this regard, I congratulate Invest India for conceiving this report on the electronics market opportunity in India.

Ajay Prakash Sawhney, Secretary, Ministry of Electronics and Information Technology (MeitY)
The world’s fastest growing industry, Electronics System Design and Manufacturing (ESDM) continues to transform lives, businesses, and economies across the globe. The global electronics market is estimated to be over USD 2 Trn. India’s share in global electronics manufacturing has grown from 1.3% in 2012 to 3.0% in 2018. The electronics manufacturing sector accounts for 2.5% of India’s GDP, and employs over 13 Mn people are through directly and indirect jobs.

India houses one-sixth of the world’s population, of which 1.2 Bn are mobile subscribers and 661 Mn are internet users. With per capita disposable income and private consumption having doubled in past 7 years, India has emerged as one of the largest markets for electronic products in the world (See Figure 3). India also ranks in the top 3 global economies in terms of number of digital consumers and is slated to have a digital economy of over USD 1Trn by 2025. Therefore, building a vibrant electronics manufacturing ecosystem is central to the “Make in Digital India, Make for India, Make for the world” goal set forth by the Government of India.

**Sector Snapshots**

- ~ 2.5% Contribution to GDP
- ~ 13% of Domestic Production (USD 8.8 Bn in 2018-19) Exports
- ~13 Mn jobs (direct and indirect) Employment
- USD 120 Bn (2018-19) Indian Electronics Market
- USD 70 Bn (2018-19) Contribution to GDP

“”

We’re manufacturing quality products not only for India but for the world. India is becoming a global hub, especially in field of electronics and automobile manufacturing. We’re rapidly moving towards being No. 1 in mobile phones manufacturing

Prime Minister of India
Narendra Modi

INVEST INDIA.GOV.IN
India emerged as the second largest manufacturer of mobile phones in the world in 2018. The production value of mobile devices has gone up from about USD 3 Bn in 2014-15 to USD 30 Bn in 2019-20.

With over 2x growth, electronics production output increased from USD 29 Bn in 2014-15 to USD 70 Bn in 2018-19 (See Figure 1).
The ESDM industry in India is further segmented as follows

**Consumer Electronics**
- Desktops
- Notebooks
- Tablets
- Servers, storage flash memory cards, USB drives and printers/Multi-Function Devices (MFDs)

**Communication and Broadcast Electronics**
- Mobile telecommunication equipment
- Modems
- Routers
- Switches

**Industrial Electronics**
- Power electronics
- LED lighting
- Energy meters
- Inverters
- Weighing scales and power supplies

**Automotive Electronics**
- Electric vehicles
- Two-wheeler (2W) ignition units
- Regulators
- Instrument clusters
- Engine management systems

**Computer Hardware**
- Desktops
- Notebooks
- Tablets
- Servers, storage flash memory cards, USB drives and printers/Multi-Function Devices (MFDs)

**Electronics Components**
- TVs (CRT and FPD)
- Audio equipment
- Digital cameras
- Household appliances
Strategic electronics
(Aerospace and Defence)
- Military communication systems
- Radars and sonars
- Electronic warfare systems
- Weapon systems
- Satellite based communication
- Disaster management systems and internal security systems

Electronics components
• Semiconductors
• Electromechanical components
• Passive Components
• Active Components

India Electronics Market (2018-19):
A USD 120 Bn Opportunity

Components Market (USD 31.7 Bn)


*Industrial Electronics includes Auto Electronics, Medical Electronics and Other Industrial Electronic Products
A growing middle-class population, rising disposable income, and declining electronics prices have led to an uptick in consumption of electronics devices in India. Quick technology transitions such as the rollout of 5G and Internet of Things (IoT) are ushering a new era for electronic products.

India is undoubtedly undergoing a digital revolution, and India has experienced large-scale digital adoption between 2013 and 2018. Digital transactions have increased 10x in 5 years (See Figure 4). Aadhaar, India’s unique digital identity programme, covers more than 1.2 Bn people, the largest system of its type globally; 870 Mn individuals have Aadhar-linked bank accounts, of which more than 325 million were added due to the Jan Dhan scheme for financial inclusion, launched in 2014 (See figure 5). Unified Payments Interface (UPI), enables all bank account holders to send and receive money instantly using smartphones and has clocked 3.2 Bn transactions between January 2018 - December 2019.

Per Capita Disposable Income and Consumption doubled in last 7 years

Figure 3

Source: Reserve Bank of India (RBI), World Bank
Digital Transactions increased
~10x in 5 years

Figure 4

Source: Reserve Bank of India (RBI)

Mission India

Figure 5

**Aadhar**
- 1.2 Bn Enrolments

**Jan Dhan Yojana**
- 375 Mn New Bank Accounts

**Mobile Phones**
- 1.2 Bn Mobile Subscribers

**Digital India**
- 661 Mn Internet Users

**Startup India**
- Fastest Growing Ecosystem

**Goods & Services Tax**
- 17+ Indirect Taxes subsumed
ESDM landscape in India:

According to estimates from a research initiative conceived by the Ministry of Electronics and Information Technology (MeitY), domestic electronics manufacturing could generate an economic value of USD 100 Bn to USD 130 Bn in 2025. Domestic electronics manufacturing has already witnessed unprecedented growth over the past five years.

Key Clusters/ Hubs
1. NCR - Noida, Greater Noida, Gurugram
2. Tamil Nadu - Chennai, Sriperumbudur
3. Andhra Pradesh - Tirupati, SriCity
4. Maharashtra - Pune
5. Karnataka - Bengaluru, Mysuru
6. Telangana - Hyderabad
Government Policy, Incentives and Initiatives–Make in India:

**Key initiatives**

**Phased Manufacturing Programme (PMP)**
A Phased Manufacturing Programme is essentially a roadmap for tariff rationalization wherein duty differentials are created to incentivize domestic manufacturing. To promote depth in manufacturing, the roadmap is prepared keeping in view the state of the design/manufacturing ecosystem in India to substantially increase value addition.

**GST Implementation**
The Goods and Services Tax (GST) in India is a comprehensive, multi-stage, destination-based tax that is levied on every stage of value addition. Notably, GST is one indirect tax for the entire country, and has subsumed almost all the indirect taxes that previously existed in India.

**Electronics Development Fund (EDF)**
An initiative of MEITY to create a “fund of funds” which will work with venture capitalists (VCs) to promote innovation, IP creation, Research & Development (R&D) and commercialization. USD 101.38 Mn is committed through EDF to 11 ‘Daughter Funds’, which in turn will provide risk capital to companies developing new technologies in areas including electronics, nano-electronics and information technology. The targeted corpus from EDF outlay is USD 846 Mn.

**Public Procurement Order (PPO), 2017**
The government issued Public Procurement (Preference to Make in India) Order, 2017 as part of the policy to encourage ‘Make in India’ of goods and services, with a view to enhancing income and employment. Eleven electronic products have been notified under PPO, 2017 to facilitate procurement of domestically manufactured products.

### Tax Reforms Figure 6

<table>
<thead>
<tr>
<th>Before</th>
<th>After</th>
<th>Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CORPORATE TAX</strong></td>
<td><strong>CORPORATE TAX</strong></td>
<td><strong>ADVANCED AUTHORIZATION</strong></td>
</tr>
<tr>
<td>25% - Revenue &lt; USD 60 Mn</td>
<td>15% - New Manufacturing Units*</td>
<td>• Duty free import of inputs for export products</td>
</tr>
<tr>
<td>30% - Revenue &gt; USD 60 Mn</td>
<td>22% - Domestic Companies*</td>
<td>• Necessitates exports with minimum value addition of 15%</td>
</tr>
<tr>
<td><strong>MINIMUM ALTERNATE TAX</strong></td>
<td><strong>MINIMUM ALTERNATE TAX</strong></td>
<td></td>
</tr>
<tr>
<td>18.5%</td>
<td>15%</td>
<td></td>
</tr>
</tbody>
</table>

USD 20.7 Bn **Tax Revenue Forgone**
Previous schemes for Promotion of Electronics Manufacturing:

Modified Special Incentive Package Scheme (MSIPS)

Introduced in 2012 to offset disability and attract investments in electronics manufacturing, the scheme provided a capital subsidy of 20% in Special Economic Zones (SEZs) and 25% in Domestic Tariff Area (DTA). Reimbursement of central taxes and duties is provided for some high capital investment projects like semiconductors, conductor fabrication plants. Over 400 applications have been received under MSIPS with proposed investments of over USD 15 Bn. MSIPS expired on December 2018.

Electronics Manufacturing Clusters Scheme (EMC) Scheme

Introduced in 2012, the scheme was intended to develop basic infrastructure, amenities, and other common facilities for ESDM units. 23 projects across 15 states – 20 greenfield EMCs and 3 Common Facility Centers (CFCs) were approved under the EMC Scheme, and 3,561 acres of fully developed land has been made available as a result. Building on EMC's success, the Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) has been introduced to further strengthen the infrastructural base for electronics manufacturing in India.

New Schemes for Promotion of Electronics Manufacturing

- Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing
- Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)
- Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)

In order to position India as a global hub for ESDM and push further the vision of the National Policy on Electronics (NPE) 2019, three schemes namely the Production Linked Incentive Scheme (PLI), Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) were notified by the government on April 1, 2020 (See Figure 7,8)
Production Linked Incentive Scheme (PLI)
The Production Linked Incentive Scheme (PLI) for large scale electronics manufacturing proposes a financial incentive to boost domestic manufacturing and attract large investments in the electronics value chain including mobile phones and specified electronic components (See Figure 9).

Production Linked Incentive Scheme (PLI)
Incentive Mechanism
- Minimum Thresholds of Investment and Production per Company for eligibility
- Ceiling on Annual and Total Incentive per Company

Target Segments
- Mobile Phones and Electronic Components

Outlay
- ~USD 5.3 Bn

Outlay of USD 6.7 Bn over 8 years

New Schemes for Electronics Manufacturing – Notifed 01.04.20 Figure 8

- Production linked incentive Scheme (PLI)
- Scheme for Promotion of Manufacturing of Components and Semiconductors (SPECS)
- Electronics Manufacturing Cluster Scheme (EMC 2.0)
- Large Scale Mobile Manufacturing
- Domestic Electronics Supply Chain of Components
- Infrastructure and Common Facilities for Large Manufacturers and Value Chain Companies

Figure 9

INVEST INDIA.GOV.IN
Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS)

Aims to strengthen the manufacturing ecosystem for electronic components and semiconductors to help meet domestic demand, increase value addition, and promote employment opportunities in this sector. Incentives of up to USD 434 Mn will be awarded under the scheme over a period of 8 years (See Figure 10).

**Scheme for Promotion of Electronic Component Manufacturing and Semiconductors (SPECS)**  
*Figure 10*

<table>
<thead>
<tr>
<th>Incentives (~USD 500 Mn)</th>
<th>Financial Incentive of 25% on Capital Expenditure, on reimbursement basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenure</td>
<td>3 Years for Filing Applications, 5 Years for Investment</td>
</tr>
<tr>
<td>Coverage</td>
<td>Active and Passive Components, Semiconductors (Final Products excluded)</td>
</tr>
<tr>
<td>Eligible Capex</td>
<td>Plant, Machinery, Equipment, R&amp;D (Land and Building excluded)</td>
</tr>
<tr>
<td>Minimum Investment Threshold</td>
<td>Ranges from USD 700 K to 140 Mn</td>
</tr>
</tbody>
</table>
Modified Electronics Manufacturing Clusters Scheme (EMC 2.0)

The scheme seeks to strengthen the infrastructure base for the electronics industry and deepen the electronics value chain in India. The development of industry-specific facilities like CFCs, ready built factory sheds/plug and play facilities will not only strengthen supply chain responsiveness and promote the consolidation of suppliers but also decrease time-to-market and lower logistics costs. EMC 2.0, therefore, provides financial incentives for creating quality infrastructure as well as common facilities and amenities for electronics manufacturers. Financial Incentives of up to USD 497 Mn will be disbursed over a period of 8 years. (See Figure 11)

Key Features:
- Large Electronics Manufacturing Clusters (Min. land area 200+ acres)
- Anchor Units (Commitment: 20% Land Area, USD 40 Mn + Investment)
- Plug & Play Infrastructure
- Common Facility Centres
- Project Implementation Agency – Government Agencies or Industrial Development Corporations

EMC Projects
- 50% of project cost
- Ceiling: USD 10 Mn for every 100 acres

Common Facility Centre (CFC)
- 75% of the project costs to be awarded
Indian Entities Out-Performing Global Parent Companies

Deepening global production capacity and exploring new opportunities for growth within the country has led several Indian subsidiaries to outperform their global parents. In the case of Suzuki and Standard Life, subsidiaries in the fast-growing Indian market reported a 12.6% increase in revenue, while global parents’ revenue declined 6.9% between 2012-2017. Net profits for Indian subsidiaries increased by 30.6%, while global parents’ revenue declined 4.4% during the same five-year period. The average internal rate of return (IRR) of India, too, was recorded at 14.4% — 2.5% higher than the average IRR of all-Asia based funds during the same time period. In terms of market capitalization, Suzuki outperformed its global parent by about USD 8.5 Bn, and Standard Life did so with a difference of almost USD 9.4 Bn. (See Figure 12)
Leap of 79 ranks in Ease of Doing Business Rankings (2014-19)

India soared from 142nd to 63rd spot in the World Bank’s Ease of Doing Business Index in just five years. On the Global Innovation Index, India has jumped from 81st to 52nd position, and is 10 places up on the Logistics Performance Index. (See Figure 13)
Robust Research & Development (R&D) Ecosystem

R&D support for concept-to-market innovation can add immense value in all subsectors of electronics along with simplified clearance procedures for import of goods required for R&D. Therefore, the Government of India has been actively collaborating with industry players, institutions and academia to support and produce world-class research and facilities. Currently, over 1,140 centers in India are dedicated to product development and R&D and employ over 9,00,000 professionals.

Amplifying the R&D ecosystem for the Indian electronics sector will be crucial for the development of indigenous technology, transfer to industry for commercialization, and creation of Intellectual Property (IP) within the country. The government must continually invest in R&D and innovation to help industry develop capabilities in emerging technologies and enable it to create breakthrough software products that generate their own demand.

India: #1 R&D Destination  Figure 14
1140 R&D Centres of MNCs in India | 900,000 Professionals

INTEL
Largest R&D centre outside of USA

GOOGLE, AMAZON, APPLE
Plan to have their 2nd largest R&D centres outside of USA

SAMSUNG
Largest R&D centre outside South Korea

Philips to invest USD 396 Mn in India

Coming at a time when many companies are re-evaluating their capex plans due to the impact of COVID-19, healthcare and consumer electronics company Philips announced its investment plan of USD 396 Mn over the next three years to boost its manufacturing and R&D facilities in India. The company also intends to hire 1,000 people over the next two to three years, adding to its existing workforce of over 6,000 people.
Infrastructure

To make India a global hub for manufacturing, the government has dedicated a significant proportion of fiscal stimulus to infrastructure spending, awarding USD 66 Bn worth of highway contracts, totaling about 50,000 kilometer (km) to build national highways and expressways. Strategic focus on economic corridors, investments in high speed rail, and dedicated freight corridors are causing India to undergo an unprecedented physical transformation. The National Infrastructure Pipeline (NIP) is a major step in that direction, with investments over USD 1364 Bn to be made by the government to build world-class infrastructural facilities.

National Industrial Corridor Programme

Government of India has taken up development of five industrial corridors

- Delhi Mumbai Industrial Corridor (DMIC)
- Bengaluru Mumbai Economic Corridor (BMEC)
- Chennai Bengaluru Industrial Corridor (CBIC)
- Vizag Chennai Industrial Corridor [Phase-1 of East Coast Economic Corridor (ECEC)]
- Amritsar – Kolkata (AKIC)

---

GDP
Manufacturing
Employment
Exports
Urbanisation
Sustainability

INVEST INDIA.GOV.IN
India has the world’s fourth largest rail network spanning a route of 67,415 km and the second largest road network in the world, covering 5.5 Mn km. The ‘Bharatmala’ scheme aims to construct over 60,000 kms of national highways, develop 50 new national corridors, and connect 550 districts in India through national highway linkages. Creation of logistic parks for which 35 locations has been prioritized accounting for 50% of the total freight movement.

**Dedicated Freight Corridors**

**Project Map**

<table>
<thead>
<tr>
<th>Corridor</th>
<th>From-To</th>
<th>Corridor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Corridor</td>
<td>Sanehwal To Dankuni</td>
<td>1,856 Kms</td>
</tr>
<tr>
<td>Western Corridor</td>
<td>Dadri To Mumbai (JNPT)</td>
<td>1,504 Kms</td>
</tr>
<tr>
<td>East-West Corridor</td>
<td>Kolkata To Mumbai</td>
<td>2,328 Kms</td>
</tr>
<tr>
<td>North-South Corridor</td>
<td>Delhi To Chennai</td>
<td>2,327 Kms</td>
</tr>
<tr>
<td>East Coast Corridor</td>
<td>Kharagpur To Vijayawada</td>
<td>1,114 Kms</td>
</tr>
<tr>
<td>Southern Corridor</td>
<td>Chennai To Goa</td>
<td>829 Kms</td>
</tr>
</tbody>
</table>
The Indian maritime industry supports 90% of India’s trade by volume. Having a coastline of 7,517 km, with potentially navigable waterways of 14,500 km, India has 12 major and 200 non-major ports dotted along the coast. The ‘Sagarmala’ programme aims to accelerate port development and modernization. Additionally, proposed investments in major ports by 2021 is expected to be USD 18.6 Bn, while those in non-major ports is expected at USD 28.5 Bn.

Key Ports

**JAWAHARLAL NEHRU PORT CONTAINER TERMINAL**

**NAVASHEVA INTERNATIONAL CONTAINER TERMINAL**

- Closest Highway: NH348
- Dedicated Freight Corridor: Western Dedicated Freight Corridor from JNPT to Dadri, UP (under construction)
- Logistics Park Integration: Multimodal Logistics Park (proposed by NHAI)

**CHENNAI INTERNATIONAL TERMINAL**

**CHENNAI CONTAINER TERMINAL**

- Closest Highway: NH4, NH5, NH45
- Dedicated Freight Corridor: North-South Dedicated Corridor (proposed)
- Logistics Park Integration: Multimodal Logistics Park (proposed by NHAI)

**KRISHNAPATNAM PORT CONTAINER TERMINAL**

- Closest Highway: NH67
- Dedicated Freight Corridor: Hyderabad Krishnapatnam Dedicated Freight Corridor (Planned by Sagarmala Development Company)
- Logistics Park Integration: Multimodal Logistics Park (proposed by NHAI)
Following the outbreak of COVID-19, the International Monetary Fund (IMF) announced lowering of global GDP by 3% in 2020. Subdued global demand has created a vicious cycle of economic loss. Brands and manufacturers have reduced production and postponed the introduction of new products which, in turn, has caused disruptions in the supply chain. Global FDI inflows have declined, and a significant decrease in global credit risk instruments have led to stressed corporate balance sheets and an increase in non-performing assets (NPAs).

**COVID-19: Comparative Effect on Manufacturing**

*Figure 15*

**Manufacturing Purchasing Managers Indices (PMI)**

<table>
<thead>
<tr>
<th>Month</th>
<th>China</th>
<th>Japan</th>
<th>South Korea</th>
<th>India</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec-19</td>
<td>52.7</td>
<td>50.2</td>
<td>49.8</td>
<td>52.5</td>
</tr>
<tr>
<td>Jan-20</td>
<td>52.5</td>
<td>52.7</td>
<td>48.8</td>
<td>51.1</td>
</tr>
<tr>
<td>Feb-20</td>
<td>55.3</td>
<td>51.1</td>
<td>48.7</td>
<td>54.5</td>
</tr>
<tr>
<td>Mar-20</td>
<td>54.5</td>
<td>48.7</td>
<td>47.8</td>
<td>51.8</td>
</tr>
</tbody>
</table>

Source: tradingeconomics.com
**Figure 16**

**Extent of impact on manufacturing operations**

- **84%** Completely Shutdown
- **16%** Operating Partially (10-50% Capacity)

**Figure 17**

**Impact on Quarter 1 Financial (FY 2020-21)**

- **No Impact**: 3%
- **10%-25%**: 22%
- **>25%**: 76%

**Key expectations for support from government**

- **57%** Urgent Financial support by grants and funding for reducing burden of payment to workers
- **46%** Fiscal support by waiver and deferment of State and Central Taxes
- **41%** Fiscal support by waiver of minimum charges/Fixed payment for Utilities

Source: ELCINA Analysis - COVID 19 Impact on Electronics Component Manufacturers
**Figure 18**

**Impact on Financials**

**FY 2020-21**

- **Time taken to return to normal operations assuming that Lockdown will be lifted by end of May and Covid-19 threat will be controlled by end of June 2020**

- **3-6 Months**
  - 16% (by Sep-Dec 2020)
- **6-9 Months**
  - 30% (by Dec 2020 to Mar 2021)
- **9-12 Months**
  - 54% (by Mar 2021 to June 2021)

**Anticipated Loss of Revenue**

- No Impact: 12%
- 10%-25%: 29%
- >25%: 59%

**Anticipated Rise in Direct Manufacturing Costs**

- 10%: 33%
- 10%-15%: 39%
- >25%: 27%

Source: ELCINA Analysis - COVID 19 Impact on Electronics Component Manufacturers

**Figure 19**

**Impact**

- **0-3 Months**
  - Immediate
    - Fluctuations in input price and availability
    - Low stock of raw material inventory
    - Labour shortage

- **3-6 Months**
  - Short Term
    - Limited export opportunities
    - Cash flow constraints
    - Increased default risk on loads

- **6-12 Months**
  - Medium Term
    - Manufacturing bases will be established across the globe to minimize business risk
The Way Forward

Immediate Measures
• Take measures to improve short-term liquidity (low interest loans, government backed loans) and set up a Credit Enhancement Fund
• Issuance of GST and other tax refunds
• Ensure expedited implementation of PLI, SPECS and EMC 2.0 Schemes to promote domestic manufacturing

Short Term Measures
• Encourage exports through measures like export credit
• Relaxation in interest repayment
• Scheme for setting up Semiconductor FAB Facility

Medium Term Measures
• Set up common facilities for testing
• Reform public procurement
• Promote Digital India initiatives
• Public Digital Platforms in Major Sectors
• Har Ghar Fibre – Fibre to the Home (FTTH)
In April 2020, the Government of India approved three schemes to boost large-scale electronics manufacturing. Along with the recent ‘Atmanirbhar Bharat Abhiyan’, these can be the catalysts for India to become a global hub for electronics manufacturing.

Half of the USD 1 Trn of potential value in 2025 could come from growth in existing electronics ecosystem (digital payments, e-commerce, electronics manufacturing, information technology and business process management (IT-BPM), digital communication services and direct benefit transfer), while the rest could be generated by new digital ecosystems in sectors such as agriculture, education, financial services, energy, healthcare, and logistics. The power of these digital ecosystems can be best harnessed through public digital platforms.

During the COVID-19 pandemic, digital transformation is taking place at an accelerated rate – forming the bedrock of India’s digitally enabled lives in a post-COVID-19 world order. Moving forward, our problems will be viewed with a digitally empowered lens, thereby unleashing the true potential of electronics domestically as well as globally. The digitization of manufacturing operations and management, and the creation of optimized supply chains is simply the beginning of the digital transformation of a ‘New India’.

Road Ahead
Testimonials

**FOXCONN**

“I think the energy which Invest India brings - the motivation, the commitment, the sincerity - it will take India into a better stratosphere.”

said Josh Foulger, managing director of Foxconn International.

**PHILIPS**

“Even as we work through the current crisis, we are focused on the future and are investing towards it. Covid-19 is not stopping us from our plans as we double down on our investments and focus on India.”

said Daniel Mazon, vice chairman and managing director for Indian subcontinent at Philips India in light of the May 12, 2020 announcement by Philips to invest USD 396 M in India manufacturing and R&D.

**SILICON POWER**

“I’m very optimistic about the market potential that India offers, and I’m committed to bring India those technologies and resources to the Indian economy for everyone’s benefit.”

said Dr. Harshad Mehta, president and founder of Silicon Power Corporation. Dr. Mehta also spoke about COVID-19 —

“I believe in doing my duty – every single second, every single day. Supporting my customers as well as my employees, while complying with all the government regulations relating to the corona pandemic. I truly appreciate the support that Invest India has provided. It’s critical support in this difficult time - to maintain a platform that would provide business.”
We had around 600-650 employees in China for product design. Now we have shifted designing to India. Our sales requirements for India were met from our local plant. We used to partially export mobile phones from China to the rest of the world, which will now happen from India.

said Hari Om Rai, chairman and managing director of Lava International in light of the May 15, 2020 announcement by the company to invest USD 105 Mn over the next five years to scale up its mobile phone development and manufacturing operations in India manufacturing and R&D.
Sources

- https://www.thehindubusinessline.com/info-tech/extend-pli-to-all-electronics-manufacturing-says-industry/article31459697.ece
- https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CD-DP03062019634B00EF3F7144C3B65360B280E420AC.PDF
- https://knowledge.insead.edu/blog/insead-blog/indias-quiet-digital-revolution-12956
- https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CD-DP03062019634B00EF3F7144C3B65360B280E420AC.PDF