Electronics India

The Second Sunrise
Content

• Why India?
• Emerging Opportunities
• Policy Environment
Why India?

1. Huge Market

2. Large Talent Pool

3. Conducive Policy

4. Low Operating Costs
Electronics Market in India

Burgeoning Needs, Emerging Opportunities
## India: 2020

### Electronics Market by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Market Size *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telecom Equipment</td>
<td>34</td>
</tr>
<tr>
<td>Laptops, Desktops, Tablets</td>
<td>34</td>
</tr>
<tr>
<td>LED</td>
<td>35</td>
</tr>
<tr>
<td>Consumer Electronics</td>
<td>29</td>
</tr>
<tr>
<td>Set Top Boxes</td>
<td>10</td>
</tr>
<tr>
<td>Automotive Electronics</td>
<td>10</td>
</tr>
<tr>
<td>Medical Electronics</td>
<td>8.5</td>
</tr>
</tbody>
</table>

* US$ Billions
Conducive Policy Environment

Infrastructure, Incentives, Innovation
National Policy on Electronics, 2012

Holistic, Investor-friendly, Market-driven
NPE Vision 2020

“To create a globally competitive electronics design and manufacturing industry to meet the country's needs and serve the international market”

<table>
<thead>
<tr>
<th>Investment</th>
<th>US$ 100 Bil</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>US$ 400 Bil</td>
</tr>
<tr>
<td>Employment</td>
<td>28 Mil</td>
</tr>
<tr>
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</tr>
<tr>
<td>I</td>
<td>Electronics Manufacturing Cluster Scheme (EMC)</td>
</tr>
<tr>
<td>II</td>
<td>Modified Special Package Incentive Scheme (M-SIPS)</td>
</tr>
<tr>
<td>III</td>
<td>Setting up of Semi-conductor Wafer Fab in India</td>
</tr>
<tr>
<td>IV</td>
<td>Preferential Market Access</td>
</tr>
<tr>
<td>V</td>
<td>Electronics Development Fund (EDF)</td>
</tr>
<tr>
<td>VI</td>
<td>Mandating Safety Standards</td>
</tr>
<tr>
<td>VII</td>
<td>Human Resource Development</td>
</tr>
</tbody>
</table>
Electronics Manufacturing Clusters

Infrastructure Development
- Roads
- Power
- Water
- ETP’s
- Testing facilities
- Social Infrastructure

Subsidy of 50-75%

- Subsidy upto ~USD 10 mil per 100 acres of land
- Applicable to both Greenfield and Brownfield projects
- Targeting 10 Clusters in 2013, and 200 by 2020
Substantial CAPEX subsidy

Subsidy of 20-25%

• Reimbursement of CVD/excise for capital equipment in non-SEZ units
• Reimbursement of Central taxes and duties for 10 years in select high tech units like fabs and ATMPs
• Available for entire value chain of identified electronics products
• Incentives available for 10 years from the date of approval

Modified SIPS
Government has approved setting up of two semiconductor fabrication units

- India: Latest destination for Chip manufacturing based on strength of Chip design
Preferential Market Access (PMA)

- Enabling framework
- WTO compatible
- No discrimination between foreign and Indian companies

- Preference to domestically manufactured electronic goods in Government procurement
- Extent of Government procurement from domestic manufacturers will not be less than 30% of the total procurement.
Electronics Development Fund (Proposed)

Size of EDF

**US$ 2 Bil**

- Fund to promote Innovation and IP and R&D, product commercialization, etc in ESDM, nano-electronics & IT sectors
- Comprises of “Daughter Funds” of size US$ 20 Mil - 100 Mil
- Each fund to have Govt. share from 25% - 75%; remaining from private and financial institutions
• 15 electronics products notified under safety standards on October 3, 2012
• Allows Self registration
• BIS accredited labs to test the goods

Order comes into effect from July, 2013
Export Incentives on FOB Value

2-5%

- Focus Product Scheme -2% duty credit scrip
- Special Focus Product Scheme-5% duty credit scrip
- Focus Market Scheme
Electronics and Telecom Sector Skill Council set up
31 ICT and Electronics Academies-Scheme under approval
Skill Development for 1 mn persons
Special Manpower Development Programme-Phase III for VLSI and chip design for 10,000 students.

PhDs in Electronics by 2020
2500 annually
Electronics?

Think India !