



सत्यमेव जयते

Government of Gujarat



iNDEXTb

Industrial Extension Bureau
(A GOVT. OF GUJARAT ORGANISATION)

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This PwC report documents the key discussions held during the seminar.

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05 January 2013

Electronic System Design & Manufacturing: Exploring Opportunities in the Sector

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1. Summary and Way Forward

The following table summarizes the key success parameters of the Seminar:

Parameter	No.
International Speakers	0
International Participants	0
Speakers	15
Participants	180

Way Forward

The Way Forward across different dimensions as suggested by the speakers and participants are mentioned below -

Government

- India needs to focus on Electronics manufacturing sector as Electronics import bill can be higher than Oil import bill by 2020
- Government of Gujarat needs to create a new policy to encourage and incentivise “Electronics and Data manufacturing sector” in the state of Gujarat in line with Automobile, Chemical and Engineering sectors
- Set up a fund of Rs.800 to 1,000 crore to fund capital and other financial requirements of Gujarat Electronics manufacturing sector. This will be in addition to National fund of Rs.10,000 core approved by Central Government in July 2012
- Government should announce single rate of GST, 100% VAT refund to encourage development of ESDM sector with the State
- Creation of Electronic Clusters (E-clusters) and Science parks within the State will lead to the development of the sector

Industry

- Gujarat has strong potential for Medical Tourism and Automotive sector. Both these sectors electronics for medical equipments and automotive appliances can be manufactured in the State.
- Development of Electronics manufacturing sector will give boost to Information, communication and Technology (ICT) sector in Gujarat.
- Need to focus on strengthening – availability of skilled labour, promotion of efficient manufacturing processes and regulatory support to Government

2. Introduction

A Seminar on “Electronic Systems Design and Manufacturing - Exploring new opportunities” was organised by Department of Science and Technology, Government of Gujarat and iNDEXTb jointly with Department of Electronics & Information Technology (DeitY) under the Ministry of Communication & IT, Government of India and the Indian Cellular Association (ICA), in Ahmedabad on 5th January 2013. The seminar was part of the pre-event seminars planned under Vibrant Gujarat – 2013. PricewaterhouseCoopers (PwC) was the Knowledge Partner for this seminar.



The seminar was well attended by around 180 delegates from Indian Electronics industry including Honourable minister of Industry and Mines, representatives of Government of India and Government of Gujarat, private players from the electronics manufacturing industry members of SMEs, Entrepreneurs and consultants. The theme of this event was “**Exploring new opportunities in the Electronics manufacturing sector**”.

3. Inaugural Session

List of dignitaries

Name	Organization	Designation
Mr. Pankaj Mohindroo	Indian Cellular Association	National President
Dr. Ajay Kumar	Department Of Electronics & Information Technology, Ministry of communication & IT, Government Of India	IAS, Joint Secretary
Mr.Ravi S Saxena	Department Of science & Technology, Government Of Gujarat	IAS, Additional Chief Secretary
Honourable Minister Shri. Saurabhbhai Patel	Government of Gujarat	Minster for Industry and Mines, Cabinet Rank, Government of Gujarat
Mr. Sunil Kakkad	President	GESIA

Session Details

Welcome Address by Mr. Pankaj Mohindroo, National President, Indian Cellular Association

Mr. Pankaj Mohindroo, National President, Indian Cellular Association, welcomed the dignitaries on the dais and the participants of the Seminar. He shared insights through facts and figures on the Electronics System Design and Manufacturing industry globally and in India. He mentioned that ESDM is going to be USD 400 billion industry in India & USD 2.4 trillion globally by 2020. He informed that ESDM sector employs 40 million people which is equal to the number of people employed entirely in the manufacturing sector in India. He also added that in 2009-10, a manufacturing advisory committee was set up by the government of India. He expressed that Gujarat is the most favoured destination for setting up base of Electronics Design and Manufacturing in India.



Address by Dr. Ajay Kumar, Joint Secretary, Department of Electronics & Information Technology, Ministry of communication & IT, Government of India

Dr. Ajay Kumar started his discussion by praising Gujarat as a leading business hub. He then shared insights on “National Policy on Electronics 2012 (NPE 2012)”. According to the policy document, he stated that the focus is creating E-clusters (Electronic – clusters) across India. He bifurcated that these clusters are into two category; (i) Greenfield clusters and (ii) Brownfield clusters where as incentives are for both the set of clusters.

Mr. Kumar shared that “National Policy on Electronics 2012” aims to attract investment of USD 100 billion and a turnover of USD 400 billion. Government of India has proposed a slew of incentives to promote electronics sector in India a new Ph.D scheme, preferential market access to firms to name a few.



Address by Mr. Ravi S Saxena, IAS, Additional Chief Secretary, Department of Science & Technology, Government of Gujarat

Mr. Ravi Saxena gave detailed insights on the Electronics Industry Worldwide and in India. He mentioned that Gujarat’s 28% GDP comes from manufacturing sector which is at par with other developed countries.

Further in his presentation he shared that the Global Electronics Industry is over USD 1.75 trillion and India’s electronics market will exceed USD 400 billion by 2020 with India’s domestic demand at USD 51 billion.

He mentioned that why Gujarat has emerged as most preferred destinations in India and has contributed immensely in the growth story of India. He informed the audience that Gujarat has the potential to lead Electronics System Design Manufacturing in India.



Keynote Address by Honourable Minister Mr. Saurabhkhai Patel, Minister for Industry and Mines, Government of Gujarat

Honourable Minister Shri. Saurabhkhai Patel emphasized on the importance of innovation and Research and Development in India. He mentioned



that Gujarat is committed to increase share of manufacturing sector in GDP to 32% which is currently at 27% in next five years. Government of Gujarat has successfully implemented Auto policy, and is now planning to announce spinning and textile policy. Electronics sector policy can be considered for development of electronics sector in Gujarat.

He emphasised that Gujarat has good connectivity through ports, air, railway and by road and a new policy focusing on ESDM sector will boost the sector tremendously within the State.

Concluding remarks by Mr. Sunil Kakkad, President, GESIA

Mr. Sunil Kakkad stated that there is a global phenomenon which has emerged as “**China + 1**” **However, there has been an** over investment in China on account of which the global investor community is looking for an alternate location. Mr. Kakkad expressed optimism that we should work hard to ensure Gujarat and India emerge as the next alternate. He thanked all the key note speakers and guests on the dias for the sharing insights on the sector.



4. Plenary Session-I: Market trends & opportunities around the Electronic System Design & Manufacturing sector

List of Speakers

Name	Organization	Designation
Mr. Arun Sachdeva	Department Of Electronics & Information Technology, Ministry of communication & IT, Government Of India	Senior Director & OSD to Secretary
Mr. S Ramkrishna	Nokia India	Chief Corporate Officer
Mr. Ambrish Bakaya	Samsung	Vice President – Corporate Affairs
Mr. Sunil Kakkad	GESIA	President

Session Proceedings

Presentation by Mr. S. Ramkrishna, Chief Corporate Officer, Nokia India

Mr. S Ramkrishna delivered thought provoking speech. He started with high note that Information Technology has become buzz word in India after liberalisation policy in 1991 however; Government of India could never match up to the speed of the IT industry growth rate in India. He then gave insights on Nokia India's operations and how Nokia in India developed a strong eco system for promoting electronics sector manufacturing in India. Nokia lead the mobile revolution and has substantially invested in India. Nokia has set up India's biggest Electronic SEZ in India in 2005. His advice for the audience was that India should focus on its strengths like availability of skilled manpower, low cost labour, good human resources and over all a very cost competitive destination.



Presentation by Mr. Arun Sachdeva, Senior Director & OSD to Secretary, Department of Electronics & Information Technology, Ministry of communication & IT, Government of India

Mr. Arun Sachdeva started his address with very alarming facts and figures related to electronics industry in India. He shared concerns about India's imports in Electronic sector. He mentioned that Current rate of Electronics production in India is very slow and this rate will lead to Electronic import bill higher than total Oil import bill of India by 2020. Further, he specifically mentioned that competitive manufacturing should be in volumes and should produce in large quantities in order to take benefits of large scale manufacturing. He gave insights on "New policy on Electronics (NPE 2012)" and concluded his speech.



Presentation by Mr. Sunil Kakkad, President, GESIA

Mr. Sunil Kakkad started his address with Gujarat perspective. He mentioned that the state of Gujarat has strong engineering base, chemical base and is on his way to become a big auto base in the country. After development of so many vibrant sectors in the state, there is a dire need to develop a strong Electronics Manufacturing base in the state and state should pro actively announce a supportive policy for the development of Electronics manufacturing sector in the state. He expressed that strong Electronics sector will create a big Electronics industry which in turn will give boost to Information Communication Technology (ICT) industry in the state.

Presentation by Mr. Amrisha Bakaya, Vice President – Corporate Affairs, Samsung

Mr. Amrisha Bakaya gave his speech in brief and addressed the session from finance and tax perspective. He shared that in the country like India, variation in taxes like VAT, customs duty and other taxes remains a big challenge. India should harmonise its tax and regulatory structure in order to ensure smooth running of business. Further, he advocated that India should focus on 3 Ps (i) Ports – Port Development (ii) Power – ensuring uninterrupted energy for all and (iii) People development – Development of skilled manpower.

The group discussed problems of e-waste going forward. There were discussions around SME development in the electronics sector and how Government can provide an impetus on value addition.



5. Plenary Session-II: Challenges & issues around Electronic System Design & Manufacturing sector

List of panellists

Name	Organization	Designation
Mr. Pankaj Mohindroo	Indian Cellular Association	National President
Mr. Gururaja Rao	Chairman-cum-MD	Chairman cum MD, Gujarat Informatics Limited
Mr. Sanjay Kaul	Department Of Electronics & Information Technology, Ministry of Communication & IT, Government Of India	Additional Director
Mrs. Vandana Srivastava	Department Of Electronics & Information Technology, Ministry of Communication & IT, Government Of India	Additional Director
Mr. Arun Roy	Dhirubhai Ambani Institute of Information & Communication Technology	Faculty
Mr. Kaushik Pandya	Federations of Information Technology Associations of Gujarat (FITAG)	Head

Panel Discussion Proceedings for Question & Answers

Mr. Pandya shared his experiences of the sector and discussed challenges SMEs are facing around capital investment and benefits Government can offer to SME players. He is of the opinion that Government's role in promoting SME sector is pivotal.

Mr. Gururaj Rao touched upon the issue of Electronics Manufacturing in India. He advocated a slew of measures for promoting investments in the Sector. Some of them were around revamping ITIs in India, delinking IT and Electronics sector which got clubbed on account of IT revolution in 2000. Mr. Rao mentioned that education, training, standardisation are the challenges for electronics sector though speedy implementation will also be a challenge. There is also a need to open incubation centres to cater needs of the sector.



2.. Presentation by Mr. Sunil Kaul, (Add. Director, Dept. Of Electronics & Information Technology, Ministry of Communication & IT, Govt. O f India)

- The Electronics Manufacturing Clusters (EMCs) scheme aims to minimize the infrastructure short comings. Financial assistance is proposed to be provided for setting up EMCs with world class infrastructure.

- Electronics Manufacturing Clusters (EMC) Scheme is to provide world-class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) Sector
- EMC Scheme aims to encourage manufacturing of specific high priority electronic product lines in India by providing capital grant for creation of electronic manufacturing clusters. Scheme is open for application for a period of 5 years
- To provide assistance for setting up of “Greenfield EMCs” and upgradation of “Brownfield EMCs” with world class logistics and infrastructure and easy to do business facilities

3. Presentation by Mrs. Vandana Srivastva, IAS, (Add. Director, Dept. Of Electronics & Information Technology, Ministry of Communication & IT, Govt. Of India)

Mrs. Vandana Srivastava gave useful information about modified special incentive package scheme (M-SIPS) for the electronics sector notified government of India. Major objective and highlights are of this M-SIPS are as per below

- To attract investments into the ESDM sector
- To provide a level-playing field and achieve competitiveness in the global market.
- To partly offset the limitations being faced by ESDM industry in India like high transactional costs, complex administrative processes and infrastructural deficiencies.

4. Address by Mr. Arun Roy, Faculty, Dhirubhai Ambani Institute of Information & Communication Technology (DA-IICT)

Mr. Roy gave high weightage to technical education in electronics sector. India lacks behind developed countries in the areas of research and development in the technical education. There is a dearth of funds for research and innovation in the electronics and IT sector. India should actively promote research in the electronics sector

Concluding remarks

Mr. Ravi S Saxena

Mr. Ravi Saxena discussed the importance of electronics sector in India. He mentioned that while the growth of the sector has not been at par with the potential it holds; Gujarat is one place where Electronics Sector manufacturing holds tremendous promise.

Mr. Ravi Saxena invited all industrialists, guests and participants to Vibrant Gujarat Summit 2013.

Dr. Ajay Kumar

Dr. Ajay Kumar in his concluding remark thanked GOG, ICA, FICCI. He added that there are many opportunities that are on the anvil. New Electronic Policy, 2012 and big tickets items like M-SIPS will support growth of electronics Industry. There are also training opportunities, skill enhancement opportunities in the electronics industry and participation are welcomed by Government of India from all stakeholders of the industry. Mr. Kumar mentioned that DMIC is a huge opportunity for electronics sector stakeholders and Foreign companies are looking for collaboration to tap the opportunity.



