

domestic companies in electronics sector resumed production and other associated activities.

(b) and (c) The shutdown of factories for about two months has impacted the domestic electronics manufacturing sector. According to the Indian Cellular & Electronics Association (ICEA), there will be production loss of 20%-25% in 2020-21, compared to 2019-20.

(d) Steps are being taken to broad-base the sources of electronic components/ raw material imports in India while promoting domestic electronics production at the same time, in order to reduce dependency on a single market / geographical region, so that any sudden / abrupt / unforeseen event such as the COVID-19 outbreak in China does not cause large-scale shortage of inventory in the domestic market. To promote domestic electronics manufacturing, Ministry of Electronics and Information Technology (MeitY) has launched three new schemes, viz., Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing, Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) and Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme, on April 1, 2020, to attract and incentivize large investments in the electronics value chain and promote domestic value addition and exports. Further, alternate supply lines are also being explored in coordination with Indian Embassies, Industry Associations and domestic Industry. Electronics industry is also being encouraged to take advantage of the aforementioned new schemes to strengthen the domestic electronics sector.

#### **Focus on indigenous applications in phones**

548. SHRI B. LINGAIAH YADAV: Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the smart phone industry in the country is now focussing on software and applications that go into the device, in addition to hardware, making sure it has 'Indian DNA', if so, the details thereof and progress made; and

(b) the demands of the phone industry and action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI DHOTRE SANJAY SHAMRAO): (a) Presently, the smart phone industry in the country is focusing on increasing the domestic

manufacturing capacity, especially after the launch of the Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing by Ministry of Electronics and Information Technology (MeitY) on 01.04.2020. The Operating System (OS) for smart phones in India is dominated by Android. However, number of applications that go into the smart phone are increasingly being developed by individuals, including Indian Start-ups.

Government of India launched Digital India Aatma Nirbhar Bharat Innovate Challenge to give push to Indian App ecosystem through short listing of the top Indian Apps that have the potential to become global competitors in their respective categories. The Aatma Nirbhar App innovation Challenge was jointly organised by MeitY and Atal Innovation Mission, NITI Aayog with active partnership of MeitY Start up Hub (MSH) and MyGov. All stakeholders were involved from conceptualization to evaluation stage.

(b) MeitY has not received specific demands from the phone industry as far as software and applications for smart phone are concerned. However, to promote the domestic mobile phone manufacturing ecosystem, including smart phones, MeitY has launched three new schemes viz., (i) Production Linked Incentive Scheme (PLI) for Large Scale Electronics Manufacturing; (ii) Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS); and (iii) Modified Electronics Manufacturing Clusters Scheme (EMC 2.0) on 01.04.2020.

#### **Incentives to electronics sector**

549. SHRI B. LINGAIAH VADAV: Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the steps taken to roll out incentives for electronics sector to boost the market; and

(b) the results yielded?

THE MINISTER OF STATE IN THE MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY (SHRI DHOTRE SANJAY SHAMRAO): (a) Steps taken by the Government to promote domestic electronics manufacturing, including the incentives, are given in the Statement (*See below*).

(b) As a result, the domestic production of electronic items has increased substantially from INR 1,90,366 crore in 2014-15 to INR 5,33,550 crore in 2019-20 at a Compound Annual Growth Rate (CAGR) of 23%.