

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 550
TO BE ANSWERED ON 07.02.2025

**STATUS OF MOBILE HANDSET MANUFACTURING CAPACITY
AND ITS USAGE**

550. SHRI YERRAM VENKATA SUBBA REDDY:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether it is a fact that 50 percent of mobile handset manufacturing capacity in the country is lying idle and out of 500 million installed handset manufacturing capacity only 250 million was actual output in 2024;
- (b) if so, the reasons therefor;
- (c) whether the Government thinks that there is a need to tweak Production Linked Incentive (PLI) Scheme;
- (d) the manner in which Government looks at small players producing mainly for domestic market are repurposing a major portion of their assembly lines to make telecom and other products; and
- (e) if so, the manner in which Government is going to address the same?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI JITIN PRASADA)

(a) to (e): Driven by the policies of Government of India, the production of mobile phones has increased from about 60 million mobile phones in 2014-15 to about 330 million mobile phones in 2023-24. This is more than 5 times increase in number of mobile phones manufactured over the last 10 years. In value terms, the production of mobile phones has increased from meagre INR 19,000 Crore in 2014-15 to INR 4,22,000 Crore in FY2023-24 growing at CAGR of 41%. Due to policies of the Government for promotion of electronics manufacturing, India has become a mobile phone exporter now from a mobile importing country in 2014-15. Further, since the inception of PLI Scheme for Large Scale Electronics Manufacturing ('LSEM'), the mobile phone exports have increased from INR 22,868 Crore in FY2020-21 to INR 1,29,074 Crore in FY2023-24 growing at CAGR of 78%. Further, whereas in 2015 74% of all mobile phones sold in India were imported, India has now reached a point where 99.2% of the mobile handsets being used in India are made in India. (*Source: industry estimates*)

Apart from manufacturing of mobile phones, manufacturing of various electronic components/sub-assemblies for mobile phones such as battery, chargers, PCBA, camera modules, display module, enclosures, USB Cable, Ferrite, Glass cover has also started in India. This clearly indicates that the complete ecosystem for mobile phone manufacturing is developing in the country. The existing component manufacturers are expanding their existing capacity and new players are also exploring India as a potential market.

PLI Scheme for LSEM is performing well as envisaged and till December 2024, cumulative investment of INR 10,213 Cr, cumulative production of INR 6,62,247 Cr and additional employment of 1,37,189 (Direct jobs) has been achieved. The government also recognises the contribution of small players producing mainly for domestic markets. The domestic mobile phone manufacturers under the PLI Scheme for LSEM have made cumulative investment of INR 787 Cr, leading to cumulative production of INR 34,111 Cr and generated additional employment of 25,288 (Direct jobs) till Dec'24. As the scheme is performing well, no changes in this scheme are anticipated at present.
