

■ **Electronics Import to be \$300 Bn by 2020: Study**



NEW DELHI: High demand for electronics could outpace domestic production, leading to an import requirement of about \$300 billion by 2020, a report by Assocham-NEC said on Monday. The report pointed out that while demand for electronic products in India is expected to grow at a CAGR (compound annual growth rate) of 41% to reach \$400 billion by 2020, domestic production is growing at a CAGR of 27%. This leaves a huge gap for import to the extent of \$300 billion, the joint study said.

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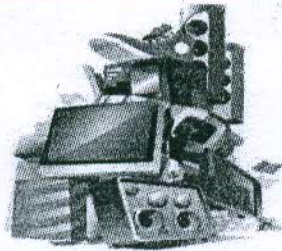
Electronics import by India to touch \$300 bn by 2020: Study

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India is home to a growing middle class population. With increasing disposable income, consumer demand for electronic products - specially advanced TVs, mobile



phones and computers - has grown significantly.

"However, what needs to be addressed to meet government's vision of turning India into a manufacturing hub is the domestic production," it said.

The Indian electronics and hardware market grew by 8.6 per cent year-on-year to reach \$75 billion in 2015.

India's total electronics hardware production in 2014-15 is estimated at \$32.46 billion.

The domestic consumption of electronic hardware in the

same year was \$63.6 billion, out of which 58 per cent was fulfilled with imports.

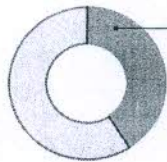
With demonetisation adding to the demand for Point of Sale (POS) devices and mobile phones, this demand is going to increase manifold, the study said.

Investments in electronics manufacturing stood at about Rs 1,27,880 crore in 2016, buoyed by initiatives like Make in India and Digital India as well as schemes like Modified Special Incentive Package Scheme (M-SIPS) and Electronics Development Fund (EDF).

Even though there are signs of promising growth, the local production of electronic products has to be increased significantly to meet the domestic demand, the study said. PTL

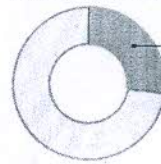
ELECTRONICS IMPORTS SET TO TOUCH \$300 BILLION BY 2020

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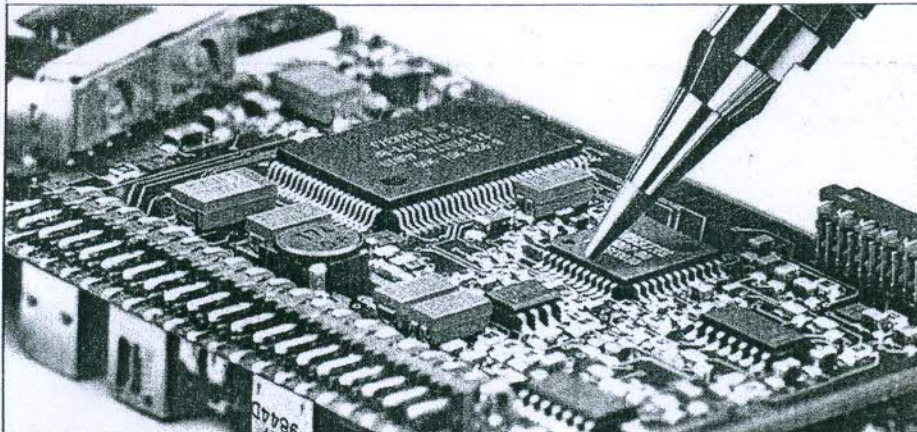


41%
 – Demand for electronic products in India expected to grow by 2020

\$400 bn – demand is expected to reach by 2020



27%
 – Current domestic production growth



8.6% – Indian electronics and hardware market growth in 2015

\$75 billion – Industry size in 2015

\$32.46 billion – India's hardware production in 2015

\$63.6 billion – Domestic electronic hardware consumption

₹1,27,880 crore – Investments in electronics manufacturing in 2016

58% of it was fulfilled from exports

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**INDIA INC SEEKS
RBI RATE CUT**

**“A more
accommodative
monetary policy with
lower interest rate
would stimulate
consumer demand
that would hedge
any downside risk
arising from exports”**

FICCI

**“The Reserve Bank of
India’s status quo on
rates has
disappointed the
industry as there was
a room for reduction
in key policy rate”**

ASSOCHAM
