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Electronic goods offers a large share of \$2.7-tln export market: WTC



Mumbai, Oct 28 (PTI) The country's share in global electronic exports is a paltry 0.3 per cent or USD 7.79 billion but can grow significantly higher if the government frames conducive policies or at least replicates the success that mobile phone exports have made, says the WTC.

The country's share in global electronic exports inched up from 0.1 per cent in 1995 to 0.3 per cent in 2019, even though the market grew manifold to USD 2.74 trillion in 2019, according to the WTC, quoting the Unctad data.

The WTC also called for replicating the rapid progress India made in mobile phone exports in recent years and pointed out that the same level of success can be replicated in segments like computing devices, components for electric vehicles, printed circuit boards, wearable devices etc.

The share of land-line phone-sets and mobile phones in overall electronic goods exports grew from 4 per cent in FY2016 to 35 per cent in FY2020 after the phased manufacturing was pushed.

The WTC has suggested a host of policies to transform the country into a global hub for electronic system design manufacturing.

It called for reducing minimum investment limit under production-linked incentive scheme for select electronic components announced in April to Rs 20 crore from Rs 100 crore, so that MSMEs can also participate.

The WTC also suggested extending the scheme to IT and datacom products like computers, laptops, tablets, servers to offset domestic manufacturing disability; setting up a government-industry working group to scale up telecom network product manufacturing; and setting up testing and certification labs for locally designed products.

It has also urged the government to encourage downstream manufacturing by providing maximum incentives at the raw material stage at the level of manufacturing laminates, thin films, ingots, wafer etc; and introducing a uniform policy across the states for electronics sector.

The WTC says electronics sector can be the engine of manufacturing growth in the post-pandemic era with appropriate policy interventions, including handholding of MSMEs, cluster development and discouraging cheap imports under free trade agreements.

The report finds the share of ASEAN countries in electronics imports grew from 14 per cent in FY2010 to 21 per cent in FY2020 largely due to rising concessional imports under the India-ASEAN FTA.

China is the largest exporter of electronic goods, with a global share of 26 per cent, followed by Hong Kong at 13 per cent. Other major exporters are South Korea, the US, Germany and Japan, at 6.8 per cent, 6.6 per cent, 4.8 per cent and 3.2 per cent, respectively, show the Unctad data.

It said while our share in electronics export remained more or less muted between 0.1 per cent and 0.3 per cent of the global market of USD 2.74 trillion, the corresponding figures for Malaysia and Vietnam stood at 3 per cent, and that for Thailand at 2 per cent, show the latest data.

In fact, the share of Hong Kong has more than doubled from 5.4 to 13 per cent since 1995, while that of South Korea grew marginally from 4.9 to 6.8 per cent and Vietnam had no exports in 1995 but now 2.9 per cent.

In the meanwhile, Japan and the US saw their share declining sharply during this period, and Germany's contracted marginally.

"We have a huge opportunity to capture the world electronics market because of the shifting global supply chain from China after the pandemic, and progressive policy measures like production linked incentives," the WTC said.

In the past few months, global and domestic electronic companies have committed USD 100 billion worth of electronic goods production, 80 per cent of which will be for exports, under the production linked incentive scheme.

In the past two months alone, the country received 44 applications under another scheme that gives capital subsidy for investors.

The government expects at least Rs 50,000 crore investment in the electronics component manufacturing segment alone under this scheme in the next few years, the report said. PTI BEN MR MR

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The WTC also called for replicating the rapid progress India made in mobile phone exports in recent years and pointed out that the same level of success can be replicated in segments like computing devices, components for electric vehicles, printed circuit boards, wearable devices etc. The share of land-line phone-sets and mobile phones in overall electronic goods exports grew from 4 per cent in FY2016 to 35 per cent in FY2020 after the phased manufacturing was pushed.

The WTC has suggested a host of policies to transform the country into a global hub for electronic system design manufacturing. It called for reducing minimum investment limit under production-linked incentive scheme for select electronic components announced in April to Rs 20 crore from Rs 100 crore, so that MSMEs can also participate.

The WTC also suggested extending the scheme to IT and datacom products like computers, laptops, tablets, servers to offset domestic manufacturing disability; setting up a government-industry working group to scale up telecom network product manufacturing; and setting up testing and certification labs for locally designed products. It has also urged the government to encourage downstream manufacturing by providing maximum incentives at the raw material stage at the level of manufacturing laminates, thin films, ingots, wafer etc; and introducing a uniform policy across the states for electronics sector.

The WTC says electronics sector can be the engine of manufacturing growth in the post-pandemic era with appropriate policy interventions, including handholding of MSMEs, cluster development and discouraging cheap imports under free trade agreements. The report finds the share of ASEAN countries in electronics imports grew from 14 per cent in FY2010 to 21 per cent in FY2020 largely due to rising concessional imports under the India-ASEAN FTA.

China is the largest exporter of electronic goods, with a global share of 26 per cent, followed by Hong Kong at 13 per cent. Other major exporters are South Korea, the US, Germany and Japan, at 6.8 per cent, 6.6 per cent, 4.8 per cent and 3.2 per cent, respectively, show the Unctad data. It said while our share in electronics export remained more or less muted between 0.1 per cent and 0.3 per cent of the global marker of USD 2.74 trillion, the corresponding figures for Malaysia and Vietnam stood at 3 per cent, and that for Thailand at 2 per cent, show the latest data.

In fact, the share of Hong Kong has more than doubled from 5.4 to 13 per cent since 1995, while that of South Korea grew marginally from 4.9 to 6.8 per cent and Vietnam had no exports in 1995 but now 2.9 per cent. In the meanwhile, Japan and the US saw their share declining sharply during this period, and Germany's contracted marginally.

"We have a huge opportunity to capture the world electronics market because of the shifting global supply chain from China after the pandemic, and progressive policy measures like production linked incentives," the WTC said. In the past few months, global and domestic electronic companies have committed USD 100 billion worth of electronic goods production, 80 per cent of which will be for exports, under the production linked incentive scheme.

In the past two months alone, the country received 44 applications under another scheme that gives capital subsidy for investors. The government expects at least Rs 50,000 crore investment in the electronics component manufacturing segment alone under this scheme in the next few years, the report said.

India has USD 2.7 trillion untapped export potential in electronic exports: UNCTAD data



India has USD 2.7 trillion untapped export potential in electronic exports: UNCTAD data

New Delhi, Oct 28 (KNN) Despite having the low market share (0.3 per cent) in electronic exports, the marginal share of India in the world market implies that there is still untapped potential for India to mass produce and export these electronic goods to the world market.

According to data by the United Nations Conference on Trade and Development (UNCTAD) India has USD 2.7 trillion untapped export potential in electronic exports.

India's share in world exports of key electronic products stands at hardly 0.3 per cent, while the corresponding figure for Malaysia and Vietnam is estimated at 3 per cent, and that for Thailand is 2 per cent, shows the latest data from UNCTAD.

The data further shows that China is the largest exporter of electronic goods, with a global share of 26 per cent and it is followed by Hong Kong with a share of 13 per cent. Other major exporters are South Korea, USA, Germany and Japan, with respective shares of 6.8 per cent, 6.6 per cent, 4.8 per cent and 3.2 per cent.

The share of Hong Kong more than doubled from 5.4 per cent to 13 per cent since 1995, while the share of South Korea grew marginally from 4.9 per cent to 6.8 per cent. Vietnam's contribution to electronic exports grew to 2.9 per cent from virtually nil in 1995.

Share of Japan and USA in world electronic exports declined sharply during this period, while that of Germany contracted marginally. India's share during this period remained steady around 0.1-0.3 per cent during this period, data from UNCTAD shows.

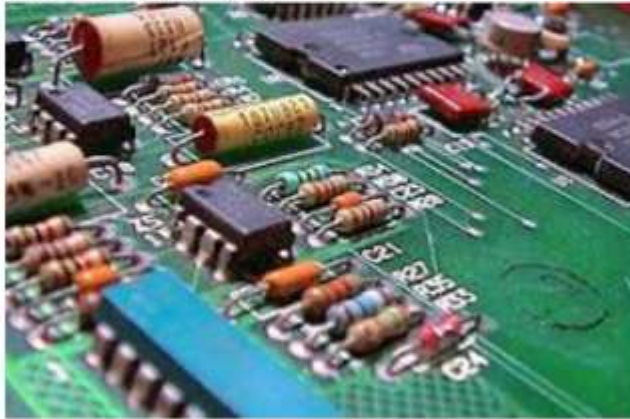
The size of the world export market for electronic goods is pegged at USD 2.74 trillion, of which India's exports is hardly 7.79 billion (0.3 per cent).

Speaking on the export prospect for electronic goods, Rupa Naik, Senior Director, MVIRDC World Trade Centre Mumbai remarked, "India has the opportunity to capture the huge world market for electronic products because of the shifting global supply chain after the outbreak of pandemic and progressive policy measures such as production linked incentives and SPECS."

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India has USD 2.7 trillion untapped export potential in electronics: UNCTAD Data

Posted on October 27, 2020 by PNI Admin



India's share in world exports of key electronic products stands at hardly 0.3%, while the corresponding figure for Malaysia and Vietnam is estimated at 3%, and that for Thailand is 2%, shows the latest data from UNCTAD. According to the data, China is the largest exporter of electronic goods, with a global share of 26% and it is followed by Hong Kong with a share of 13%. Other major exporters are South Korea, USA, Germany and Japan, with respective shares of 6.8%, 6.6%, 4.8% and 3.2%.

The share of Hong Kong more than doubled from 5.4% to 13% since 1995, while the share of South Korea grew marginally from 4.9% to 6.8%. Vietnam's contribution to electronic exports grew to 2.9% from virtually nil in 1995. Share of Japan and USA in world electronic exports declined sharply during this period, while that of Germany contracted marginally. India's share during this period remained steady around 0.1-0.3% during this period, data from UNCTAD shows.

The size of the world export market for electronic goods is pegged at USD 2.74 trillion, of which India's exports is hardly 7.79 billion (0.3%). The marginal share of India in world market implies that there is still untapped potential for India to mass produce and export these electronic goods to the world market. Speaking on the export prospect for electronic goods, Ms. Rupa Naik, Senior Director, MVIRDC World Trade Center Mumbai remarked, "India has the opportunity to capture the huge world market for electronic products because of the shifting global supply chain after the outbreak of pandemic and progressive policy measures such as production linked incentives and SPECS."

In the last few months, global and Indian electronic companies have committed USD 100 billion worth electronic goods production, 80% of which is for exports, under the production linked incentive scheme of the Ministry of Electronics and Information Technology (MEITY), Government of India. In the last two months, India received 44 applications under another scheme, known as SPECS, which provides capital subsidy for investors, said Mr. Saurabh Gaur, IAS, Joint Secretary, MEITY, Government of India. The government expects at least Rs. 50,000 crore investment in electronic component manufacturing under this scheme in the next few years, the joint secretary said at a recent webinar conducted to release MVIRDC Research Study on 'Promoting Electronic Manufacturing in India'.

The study found that India has made rapid progress in export of mobile phones in recent years and this success can be replicated in other segments such as computing devices, components for electric vehicles, printed circuit boards, wearable devices etc. Share of line telephone sets and mobile phones in overall electronic goods exports of India grew from 4% in 2015-16 to 35% in 2019-20 because of the phased manufacturing programme adopted by Government of India in recent years. However, India largely depends on Vietnam for import of digital cameras, LCD television sets and to some extent mobile phones.

The study proposed at least 10 policy suggestions to transform India into a global hub for Electronic System Design Manufacturing. Some of the recommendations are: 1) Government should reduce the investment limit under the Production Linked Incentive Scheme (PLI) for select electronic components announced in April 2020 to Rs. 20 crore from Rs. 100 crore. Reduction in investment limit will allow MSMEs to participate in this scheme. 2) Government should extend Production Linked Incentive Scheme (PLI) scheme to IT and datacom products (computers, laptops, tablets, servers) to offset domestic manufacturing disability. 3) Department of Telecom should establish a government-industry working group on scaling up telecom network product manufacturing in the country. 4) Government should set up testing and certification labs for locally designed products. 5) Government should encourage downstream manufacturing by providing maximum incentives at the raw material stage i.e. at the level of manufacturing laminates, thin films, ingots, wafer etc. The size of incentive should be progressively lower as we move up the value chain from raw materials to components to PCBs and the final equipment. 6) There has to be uniform policy across all states for electronics sector.

Ms. Naik raised hope that electronic sector can be the engine of manufacturing growth in India in the post-pandemic period with appropriate policy interventions, including handholding of MSMEs, cluster development and discouraging cheap imports under free trade agreements (FTAs).

The study found that the share of ASEAN countries in India's imports of electronic goods grew from 14% in 2009-10 to 21% in 2019-20 largely because of rising concessional imports under the India-ASEAN FTA. The industry alleges that some non-ASEAN countries are taking advantage of this FTA by diverting their exports into India through the ASEAN countries.

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India has US\$ 2.7 trillion untapped export potential in electronic exports: UNCTAD data [+ GO BACK](#)

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Despite the low market share of electronic exports (0.3%), India's marginal market share in the world market means that India still has an untapped ability to mass produce and export these electronic products to the world market.

India has an untapped export potential of US\$ 2.7 trillion in electronic exports, according to the United Nations Conference on Trade and Development (UNCTAD) results.

India's share of key electronic products in global exports is barely 0.3%, while the corresponding figure for Malaysia and Vietnam is estimated at 3% and for Thailand at 2%, according to the latest UNCTAD statistics.

Furthermore, the data show that China is the largest exporter of electronic goods, with a worldwide share of 26%, followed by Hong Kong, with a share of 13%. The other big exporters are South Korea, the USA, Germany, and Japan, with shares of 6.8%, 6.6%, 4.8% and 3.2%, respectively.

Hong Kong's share has more than doubled from 5.4% to 13% since 1995, while South Korea's share has risen slightly from 4.9% to 6.8%. The contribution of Vietnam to electronic exports grew from practically zero in 1995 to 2.9%.

Japan and the USA's share of worldwide electronic exports decreased sharply during this time, while Germany's share contracted slightly. During this time, India's share remained steady at around 0.1-0.3%, UNCTAD data shows.

The size of the world market for exports of electronic products is US\$ 2.74 trillion, of which India's exports are barely US\$ 7.79 billion (0.3%).

Ms. Rupa Naik, Senior Director, MVIRDC World Trade Centre Mumbai, said, "India has the opportunity to capture the huge world market for electronic products because of the shifting global supply chain after the outbreak of pandemic and progressive policy measures such as production linked incentives and SPECS."

India has USD 2.7 Trillion Untapped Export Potential in Electronic Exports: UNCTAD

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According to data by the United Nations Conference on Trade and Development (UNCTAD) India has USD 2.7 trillion untapped export potential in electronic exports.

India's share in world exports of key electronic products stands at hardly 0.3 per cent, while the corresponding figure for Malaysia and Vietnam is estimated at 3 per cent, and that for Thailand is 2 per cent, shows the latest data from UNCTAD.

The data further shows that China is the largest exporter of electronic goods, with a global share of 26 per cent and it is followed by Hong Kong with a share of 13 per cent. Other major exporters are South Korea, USA, Germany and Japan, with respective shares of 6.8 per cent, 6.6 per cent, 4.8 per cent and 3.2 per cent.

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The size of the world export market for electronic goods is pegged at USD 2.74 trillion, of which India's exports is hardly 7.79 billion (0.3 per cent).

Speaking on the export prospect for electronic goods, Rupa Naik, Senior Director, MVIRDC World Trade Centre Mumbai remarked, "India has the opportunity to capture the huge world market for electronic products because of the shifting global supply chain after the outbreak of pandemic and progressive policy measures such as production linked incentives and SPECS."

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POSTED BY: S KAPEED OCTOBER 29, 2020

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