

Govt. eyes 2 mn. jobs in mobile phone units



Talks are on with Apple on the new phased manufacturing plan to see how the Cupertino-based firm can fit in

The government expects its 'major new policy' of phased manufacturing programme to create 2 million jobs and half a billion dollars worth of mobile manufacturing activity in the country over the next five to seven years, Electronics and Information Technology Secretary Aruna Sundararajan told The Hindu.

"The basic chipset (for mobile handsets) is, of course, imported," she said. "But the rest of the manufacturing can happen in India. So the phased manufacturing program is our roadmap for the next ten years as to how value addition should happen in India. This is a very major policy declaration which we believe will incentivise large scale mobile manufacturing."

The Centre will initiate fresh talks with Cupertino-based Apple which will now have to calibrate its plans to manufacture its iconic iPhones in the country, in line with a new phased manufacturing programme for mobile phones notified on Friday.

Discussions with Apple

When asked how Apple's plans could fit in with the new programme, Ms Sundararajan said, "That's exactly what we are examining to see if their roadmap can be aligned with ours. We have some challenges because right now, the manufacturing program we had drawn up doesn't cover all the components they want. So that's why we are sitting down together to see how they can work with it."

Another senior official said that the program will enable handset makers and their component suppliers to plan their investments in the sector.

Terming the programme as a critical component of the plan to attract electronics as well as mobile phone producers to India, the secretary said that a major scheme for infrastructure in electronics manufacturing clusters has been launched under which 8,000 acres of land will be developed across the country over the next three years.

The basic issue for mobile phones, Ms Sundararajan said, was that it became cheaper to import components as well as finished goods after India signed the World Trade Organisation's ITA-1 pact (Information Technology Agreement), under which certain inputs for IT products were exempted from duties.

Duty differential

"Therefore, investors were not interested in manufacturing in India. We started with a duty differential approach in 2014 with three products and are now, gradually trying to get companies to move up the value chain," she said.

The phased manufacturing roadmap has been prepared keeping in view the 'state of play of the design/manufacturing ecosystem in the country, wherein through appropriate fiscal and financial incentives, indigenous manufacturing of mobile handsets and various sub-assemblies that go into their manufacturing shall be promoted over a period of time.'

With the intention to substantially increase value addition within the country, the programme envisages promoting the sub-assembly of mechanics, microphone and receiver, keypad and USB cables in 2017-18; printed circuit boards, camera modules and connectors in 2018-19; and display assembly, touch panels, vibrator motor and ringer in 2019-20.

The programme shall be extended to parts or inputs of these sub-components, according to the notification.
