

97% of mobiles used here are now made in India: Rajeev Chandrasekhar

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As part of the government's policy efforts to create an electronics ecosystem, of which manufacturing is a large part, Minister of State for Electronics and Information Technology, Rajeev Chandrasekhar, will arrive at Chengalpattu on Friday for the inauguration of the Taiwanese giant Pegatron's iPhone plant. Chandrasekhar spoke to *businessline* on the expansion of electronics manufacturing, the government's issues with Chinese companies, and developing a contemporary statutory framework for the fast-growing digital ecosystem. Excerpts:

What precisely have we



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Minister of State for Electronics and Information Technology



achieved in electronics manufacturing?

Our first focus was on creating awareness about the huge opportunity in digital economy, which includes digitisation and technology, electronics manufacturing space, and the whole start-up and innovation sector that also feeds off the first two. The policies over the last six

years have been tailored to this end, and they are now bearing fruit. In 2014, there was almost no mobile production in India, thanks to the policies of the previous government, which shut down the first Nokia plant in Tamil Nadu.

In 2014, there was almost no mobile production. About 90 per cent of the mobile

phones used in India were imported.

That is of particular relevance because electronics was becoming one of highest import segments after hydrocarbons and petroleum. The demand for electronics and digital adoption was growing in India, but the manufacturing base was being put to waste. If you look at then and now, we are at \$75 billion of electronics manufacturing. In the mobile phones category, 97 per cent of the phones consumed in India are manufactured in India.

From having 90 per cent phones imported, we have come this far. From zero exports in 2014-15, today our mobile phone exports have reached ₹50,000 crore. This journey is a consequence of multiple policies - Scheme for Promotion of Manufacturing

of Electronic Components and Semiconductors (SPECS), which is about capital investment; the second is PLI and the third Electronic Manufacturing Clusters (EMC). These policies have essentially worked to create the electronic manufacturing ecosystem.

Are these investments region-centric? Are some States doing better than the others?

We are an enabling government, but the investment flow into States will depend on the provincial government's initiative. The governments that are active are attracting investments. I went to Tirupati recently to this electronic manufacturing cluster that the Prime Minister had laid the foundation stone for in 2015.

Here is our first lithium

iron battery plant that powers phones watches, battery packs, watches. I am quite excited that 15 days after the I-Phone 14 was launched, it is being manufactured in Tamil Nadu. Pegatron is a follow-on investment. It is a sign that the companies that have invested are growing.

There is an atmosphere of distrust, especially concerning Chinese inflows into start-ups. How does the business community deal with this level of uncertainty and scrutiny?

China has made a lot of investments officially and unofficially. By no stretch of imagination are they the biggest. We are not discriminating against any investor. However, there is a scrutiny around who is investing in what sector.

For example, if there is an

investor who has a track record of violating data privacy and is making an app that is exporting data overseas, we have a problem. It is really to do with our understanding of what is safe and what is required in the ecosystem.

There is no prohibition on any money. On the underlying Internet infrastructure, which is the network part, the Department of Telecommunications (DoT) has brought a concept called trusted source of hardware. That means we don't want any element on the network that has dubious ownership or runs the risk of transporting the network data outside the jurisdiction. Internet infrastructure is the physical layer, where millions of Indians, including the government, would be using. We have to be careful.