

Electronic
manufacturing
industry needs major
push



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This sector has immense potential for value addition but has not been able to achieve its potential due to imports swamping the Indian market and Investments In high value manufacturing eluding the industry.

Expressing concern about the state of the Industry, President of , Mr.. Agro here, comments that " ironically an industry which has great potential to generate large-scale employment opportunities and wealth for the nation is struggling to survive. " While the WTFO Agreement has opened almost the entire electronic hardware sector to zero import duty, local manufacturing is faced with huge disabilities which makes Indigenous manufacturing UN competitive against manufacturers such as China, Thailand, Malaysia etc. Mr..

further adds that " the industry has to grapple with additional disability factor related costs such s higher interest rates, energy costs, cascading taxes and procedural delays making imports cheaper and an attractive proposition". Wants to highlight that India offers one of the largest markets for Consumer Electronics and Information and Communication Technology (ICQ) Products. Due to unfavorable conditions Manufacturers are simply Importing kits from China and other Asian countries which are assembled with screwdriver technology and sold locally.

This neither adds value for us nor does it create employment. Feels that we are actually exporting Jobs. Mr. T VESA, Horny Secretary ELENA and member of its Policy Committee comments " If the components and parts which comprise these kits could be manufactured locally it would create huge employment opportunities for blue collared workers, generate revenues and

strengthen our economy. " India local manufacturing of US 16 . This Is barely 1. 5* of our compared to China where electronics hardware output is valued at more than IS\$ 300 which is over 13 % of their . The gap between demand and local manufacture for electronic hardware has been growing rapidly and consistently and unless the local industry is offered a level playing field and Incentives to invest, we will be faced with the twin problem of unmanageable growth of imports and a shrinking local manufacturing base.

It Is estimated that demand for electronics hardware In India would rise from US\$30 today to LOS\$ 320 by 201 5 and if we can produce even 50% of this locally, Electronics Hardware can provide direct employment to 7 million workers and an additional 14 million Jobs. Wishes to highlight the alarming situation faced by us. The industry with the highest strategic and economic potential is being left to either while countries like China are offering sops to their industry, a supportive policy framework and a low cost and efficient Infrastructure.

We need to address the recommendations for the Union Budget 2008-09 to the Department of IT and Finance Ministry and it is hoped that the same will be considered favorably in the interest of the industry. Raja Goal Secretary General February 2008 For favor of publication in your esteemed newspaper/magazine.