

# MOBILE PHONE OUTPUT TOPS ₹4 TRN IN FY24

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The value of mobile devices produced in India for both export and domestic markets in the financial year 2023-24 soared to ₹4.1 trillion (\$49.16 billion), up at least 17 per cent year-on-year (Y-o-Y), according to preliminary estimates by the Indian Cellular and Electronics Association (ICEA) which represents most of the mobile players in the country.

The final figure could be higher by another ₹5,000 crore.

Turn to Page 8 ▶

## STRONG SIGNALS

- ▶ **At least 17% Y-o-Y** increase in value of mobile phones produced in India in FY24
- ▶ **₹1.2 trn (\$14.16 bn)** expected value of mobile phone exports in FY24, up 33% Y-o-Y
- ▶ **Apple vendors** – Foxconn, Wistron India (now Tata Electronics) and Pegatron – and Samsung major exporters
- ▶ **\$52–58 bn** mobile phone exports govt targets by FY26
- ▶ **145–150 mn** domestic sales volume last financial year; the figure is nearly flat Y-o-Y

about inflation continued to weigh on confidence. “Despite remaining modest by historical standards, cost pressures were at their highest in five months. Companies reported having paid more for cotton, iron, machinery tools, plastics, and steel,” the survey added.

## Mobile...

Apple led the charge in exports, with the value of outbound shipments of mobile devices expected to have crossed ₹1.2 trillion (\$14.39 billion) in FY24, a 33 per cent increase from ₹90,000 crore in the previous financial year. Exports in FY24, based on the early estimates, accounted for nearly 30 per cent of total production value, up from 25 per cent in FY23.

Nonetheless, the value of mobile exports is still a long way from the government’s electronics policy target of \$52-58 billion by FY26. The government’s hopes that mobile device production will hit \$126 billion by FY26.

The relatively high value of mobile device production was achieved despite stagnant domestic sales volume of mobile phones, with smartphone sales hovering around 145-150 million in FY24 (however, there was an uptick in the last quarter). The production

value for the domestic market is expected to have grown by 11 per cent from ₹2.6 trillion in FY23 to ₹2.9 trillion in FY24.

Industry experts attribute the increase in the average sale price of a phone to customers’ shift towards premiumisation, bolstered by the growing adoption of 5G phones. This trend, along with the export of premium-end mobile phones, has helped drive value.

The production-linked incentive scheme for mobile devices, under which eligible players together committed to export 60 per cent of their production value, has clearly influenced the growing share of exports in overall production value. The eligible companies include Apple’s three vendors -- Foxconn, Wistron India (now Tata Electronics) and Pegatron - as well as Samsung.

Apple’s contribution has been substantial, with its production in the first 11 months of FY24 crossing ₹1 trn in FOB (free on board) value, a growth of 100 per cent over the previous year. Moreover, 68 per cent of the production value was for exports.

But the expectation from Chinese companies has not materialised, and domestic companies, which were supposed to become “global champions”, have also fallen short. This situation underscores the complexities and challenges in

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