

# HMD plans to make India its manufacturing hub

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**F**innish phone manufacturer Human Mobile Devices (HMD Global), which acquired the Nokia brand name from Microsoft, is planning to make India a key manufacturing hub for its phone exports.

The company only began exporting late last year with the Nokia 105 Classic. What started mainly with feature phones will now extend to smartphones – it announced the global launch of models under the HMD brand for the first time a few days ago and these will be available in India too.

Nokia was the first mobile brand which was exported from India from its own manufacturing plant in Tamil Nadu. But the brand, which once ruled the Indian mobile market with an 80 per cent market share in 2010, had to close down its plant in 2014.

Ravi Kanwar, vice-president, India & APAC of HMD Global, explained the strategy, saying that six months after HMD began exports, it had notched up six million phones, mostly feature phones.

“Our aim is to have India as a manufacturing hub for exports. And we will also do smartphones once the products are launched across the world. Currently, we are exporting from India to Africa and the Middle East but the scope will only expand,” said Kanwar.



## EXPORT STRATEGY

- Started exporting from India late last year
- Exported 6 million phones to Africa and West Asia in the last six months
- India is its largest market but it also has a share in Kenya, Australia, China, Europe, and the US
- Will export HMD smartphones, also from India
- Assembles most of its phones sold in the domestic market from India; Dixon Technologies (India) is its largest EMS partner

The company can leverage the fact that India is also its largest market for its mobile phones, primarily because of the value leadership in the features phone market where it is at the top of the table. In terms of volumes, though, its competitor Transsion is ahead.

In 2023, HMD had a 14.9 per cent share of the feature phone market in India. Following the launch of HMD smartphones, it expects to gain a larger share of the overall Indian market too. Currently, its share in smartphones is a minuscule 0.4 per cent.

Kanwar said that nearly 100 per cent of its phones are made in India through its EMS partners. The largest contract manufacturers are Dixon Technologies (India) and Lava. He said the two partners were chosen because they are eligible under the Production Linked Incentive

scheme for mobile devices which makes exports attractive.

HMD is also bringing mobile devices under its ‘house of brands’ strategy which entails deep tie-ups with other consumer brands. For instance, it is planning to bring the ‘Barbie’ feature flip phone to India through a tie-up with Mattel in the second or third quarter of this year.

The phone is aimed at young women professionals looking for a second phone for the weekends; it is not connected to the internet and you can only SMS.

“It’s a lifestyle phone for young female professionals and meant for users to detox on weekends. It’s a basic phone but a lifestyle and fashion product. The brand persona of the phone is Emily (the supporting character in the film Barbie) but in India, it will have a local version,” said Kanwar.