

# Despite PLI push, electronics imports top \$20 bn for 5<sup>th</sup> qtr

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April-June 2024-25 (Q1FY25) was the fifth straight quarter when India's import of electronic goods topped \$20 billion.

Electronic components and computer hardware accounted for more than half the electronic goods import in the June quarter as against 46 per cent before the pandemic.

Most of the components are used by the mobile phone industry and despite increase in their domestic manufacturing the country is still dependent on high-value imports. This calls for a production-linked incentive (PLI) scheme for components too, according to experts.

Electronic goods worth \$22.8 billion were imported in the first quarter this financial year as against \$23.4 billion in the previous quarter.

The import bill for such goods has consistently accounted for over a fifth of the import.

Electronic goods include computer hardware, consumer electronics, electronic components, electronic instruments, and telecommunications instruments.

Electronic components are used mostly in the assembly of mobile phones in India.

Tarun Pathak, research director, Counterpoint Research, said while 15 per cent of the components by value of an assembled mobile phone were manufactured in India now, the ratio was 3-4 per cent a decade ago.

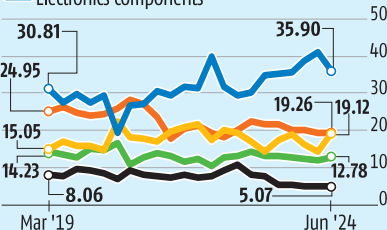
"We are still dependent on the import of high-value components like chips, display, and camera mod-

## E-DOMINANCE

More than 1/3rd of imports are electronic components

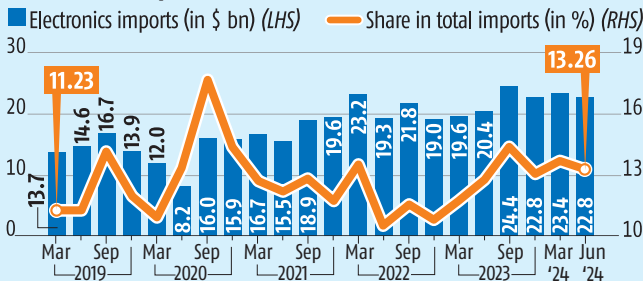
Share in total electronics imports (in %)

- Consumer electronics
- Telecom instruments
- Electronics instruments
- Computer hardware, peripherals
- Electronics components



Note: Electronic instruments include electrical apparatus, while components are used in mobile phones assemblies

## Over \$20 billion in electronics imports



Sources: CMIE, Business Standard calculations

ule because manufacturing these requires investment on a large scale. So we need a similar PLI scheme at the component level so that we can localise that production as well," he said. India started the PLI scheme in April 2020 to encourage local manufacturing and investment in the mobile phone segment. The increase in India's mobile phone export is driven by the rise in domestic assembly. A similar scheme for manufacturing IT hardware came into effect last year.

Pathak added a larger chunk of the sub-components procured locally were from global companies operating in India.

Among the other electronic goods, India imported over \$4 billion of telecom equipment and \$1.1 billion of consumer electronics in the June quarter of FY25. However, the share of consumer electronics and telecom instruments in the total has declined in the latest quarter to 24 per cent from about 33 per cent in FY19.