

# Smartphones break into top-five club in exports

Up from 9th spot in HS code ranking; value nearly doubled in FY23

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New Delhi, 11 June

Smartphones catapulted into the league of five most exported commodities by value, based on their harmonised system (HS) codes in FY23, up from the ninth rank in the pecking order in FY22.

HS is a globally harmonised identification for a specific product used for export and import of the commodity.

Those above smartphones include various HS codes of automotive fuels that conform to certain standards (diesel, aviation, and motor gasoline) and diamonds — cut or polished — but not for industrial use.

According to Ministry of Commerce data which has been analysed by the Indian Cellular & Electronics Association of India (ICEA), exports of smartphones (not feature phones which have a

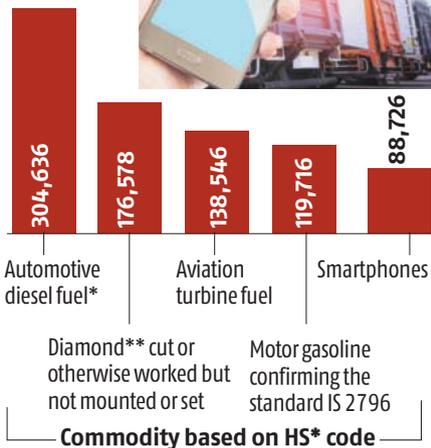
different HS code) nearly doubled, hitting ₹88,726 crore in FY23, against ₹45,000 crore in FY22, when smartphones were represented in three HS codes.

India's ambition, which has inspired the production-linked incentive scheme for mobile devices, is clearly to replace Vietnam and become the second largest manufacturing exporter of mobile phones in the world after China. However, this might take a long while. In calendar year 2022, according to estimates, Vietnam exported \$33.3 billion smartphones, of which 95 per cent were Samsung's (the figure represented half of Samsung's total output).

China is far ahead and, based on data available from Statista, exported \$128 billion worth of mobile phones in 2021. Despite moving some production to India, Apple assembles 90 per cent of its iPhones in China. Turn to Page 6 ▶

## THE TOP FIVE

Value of exports in ₹ cr (FY23)



\*confirming to standard IS 1460; \*\*other than industrial diamond Source: Ministry of commerce data analysed by ICEA

# Smartphones..

The rise in exports from India is significant as the ICEA has projected that in FY23, the industry would hit exports of ₹1.2 trillion and reach over ₹4 trillion by FY26, a plan endorsed by the government in its electronics policy.

Apple has played a key role in pushing smartphones up to fifth position. It accounted for half of the value of exports, followed by Samsung. By FY26, Apple hopes to shift 25 per cent of its production capacity from China to India which will be the equivalent of \$18-\$20 billion, closing in the gap between the two countries. In FY23, the gap between smartphones and the number four ranking product, which is motor gasoline confirming to a certain standard, is not too wide; it is currently pegged at ₹1.19 trillion.

In a recent research study, the ICRA said it expected diamond exports to fall by 10-15 per cent in FY24 due to a global

recession and impact on demand. If smartphone exports reach ₹4 trillion, they could outshine diamonds.

However, the import intensity of exports of smartphones still remains high with value addition ranging between only 12-18 per cent. The industry hopes that the production-linked incentive scheme, by offering financial incentives to eligible players, could push up the value addition to 40 per cent by FY26, or the last year of the scheme's eligibility for mobile devices. The value addition in China is already 40 per cent.

# Pharmacists...

The centres have also screened 870 million for non-communicable diseases.

Singhal says that prescriptions are generated and medicines sold through government channels or private pharmacies. At any rate, they add to the volume and demand in