

HIGHEST EXPORTS IN NOVEMBER SINCE PLI LAUNCH

Apple's India exports set to hit ₹20K cr

SURAJEET DAS GUPTA

New Delhi, 12 December

Propelled by the central government's production-linked incentive (PLI) scheme, Apple Inc. through its three contract manufacturers — Foxconn, Wistron, and Pegatron — is poised to export iPhones worth ₹20,000 crore from India between April and December this year, say sources in the know.

Between April and November, Apple had breached exports of ₹17,500 crore. Even as the Cupertino-based company faced the full brunt on its production in China in November due to Covid-zero and labour unrest, its exports from India crossed a record \$500 million (₹4,250 crore) that month.

The export number for November is the highest run rate achieved by the three contract manufacturers since the PLI scheme was rolled out 16 months ago.

A spokesperson for Apple Inc. did

TAKING A BIG BITE

► **Mobile exports from India surge during April-December** as Apple faces production loss in China due to Covid-19

► **Exports from India may account for 45-50% of all iPhone shipments** by FY23-end

► **Apple's vendors Foxconn Hon Hai and Wistron, in the second year of the PLI scheme, have been the biggest contributors to iPhone exports**

► **Pegatron is a new entrant, which started operations in April**

PAGE 6 ►

ICEA WANTS PLI FOR ELECTRONICS INPUTS EXPANDED

not respond to queries on exports from India until the time of going to press.

Apple exported ₹11,000 crore of iPhones in 2021-22.

En bloc, the mobile device industry exported \$5.8 billion (₹47,800 crore) worth of phones.

Apple's export push is significant in light of the India Cellular and Electronics Association projecting total exports of mobile phones to hit ₹75,000 crore by 2022-23 (FY23).

Analysts expect Apple to account for anything between 45 per cent and 50 per cent of all mobile exports from



the country if the export uptick persists.

The company's five-year target is to contribute 60 per cent of exports under the PLI scheme.

Apple shifted some of its production from China to India after the government's flagship PLI scheme was launched in 2020 and extended by a year due to the pandemic.

Based on its numbers submitted to the government, India's share of Apple's global free-on-board (FOB) value should be a minimum of 3.2 per cent in FY23, going up to about 10 per cent in 2025-26. India's share of global FOB could double as its vendors have the flexibility of manufacturing nearly double that value under the scheme in case other eligible players do not.

The assembly of the newly launched iPhone was started first in India in September by Foxconn in Tamil Nadu, within days of the global launch of the iPhone 14 series.

Turn to Page 5 ►

Apple...

Sources tracking sales say a large number of iPhone 14 and other series are being exported to Europe. Apple's contract manufacturers produce a diverse range that comprises iPhone series 11, 12, 13, and 14.

According to the PLI scheme, each company has to reach a minimum incremental production over the base year across five years: ₹4,000 crore in the first year, ₹8,000 crore in the second, ₹15,000 crore in the third, ₹20,000 crore in the fourth, and ₹25,000 crore in the fifth.