

Apple takes a bigger bite of India's smartphone exports pie

₹30K-cr worth of iPhones, which is 40% of total exports, shipped out in first 10 months of FY23

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Apple has exported ₹30,000-crore worth of iPhones in the first 10 months of FY23, accounting for over 40 per cent of all smartphones exported from the country.

According to the Indian Cellular and Electronics Association (ICEA), which represents most mobile device makers in the country, the export of smartphones in the first 10 months of FY23 has crossed ₹70,000 crore, even though domestic sales have been sluggish. According to global market intelligence firm IDC, domestic shipments of smartphones fell over 27 per cent to 29.6 million in the quarter ending

December 2022.

In FY22, Apple exported only ₹11,000 crore worth of iPhones, accounting for 23 per cent of the overall export of smartphones, which was pegged at ₹47,800 crore.

However, in FY23, Apple's three vendors — Foxconn Hon Hai, Pegatron and Wistron — all eligible for the production-linked incentive (PLI) scheme, have together pushed up exports by three-fold already, with two more months to go before the end of this financial year. Apple has committed that in the next five years, it will contribute 60 per cent of exports under the production-linked incentive (PLI) scheme for mobile devices.

Says ICEA Chairman Pankaj

Mohindroo, "The global market scenario for smart phones has been extremely grim in the last year. In the last quarter, which is usually a big quarter, the market shrunk by 25 per cent."

But the good news is that exports are surging. "In spite of all this, the mobile manufacturing industry in India has been able to deliver a stellar performance," says Mohindroo.

"In the first 10 months of FY23, we have clocked ₹70,000 crore-plus exports, which will be a growth of more than 100 per cent over FY22 in these tough times."

Mohindroo adds that exports have helped the mobile industry maintain high production levels despite slow domestic demand.

Industry insiders expect that the total export of smartphones could go up to over ₹80,000 crore, which is higher than their initial projection of

Firm faces hurdles in move to boost India manufacturing

Apple is facing challenges as it tries to increase production in India, *the Financial Times* reported on Tuesday, citing people familiar with the iPhone maker's operations.

At a casings factory in south India run by Tata group, only

about half of the components from the production line are in good enough shape to be sent to Apple's supplier Foxconn, *FT* reported, citing a person familiar with the matter.

This 50 per cent 'yield' does not meet Apple's goal for zero defects,

the *FT* reported, adding that the company's process of expanding in India has been slow in part due to challenges in logistics, tariffs and infrastructure.

The Cupertino, California-based company has been shifting production away from China after the country's strict Covid-related curbs dented supply chains and as trade and geopolitical tensions between Beijing and Washington escalated. **REUTERS**

around ₹75,000 crore for this financial year. The bulk of the exports have come from Apple and Samsung.

Smartphone exports constituted approximately 35 per cent of the total electronics exports of \$15.1 billion during FY22. As against this, in the first 10 months of the current financial

year, smartphone exports have contributed nearly 47 per cent of total electronics exports. According to the ICEA, smartphone exports could contribute as much as 50 per cent to the total electronics exports by the end of the current financial year. However, says Mohindroo, the industry is con-

cerned both about competitiveness and scale, for which lower input tariffs and flexibility in labour laws are needed. There is also the need for a renewed focus on a PLI scheme for components to build a local ecosystem and expand domestic value addition, he adds.

