

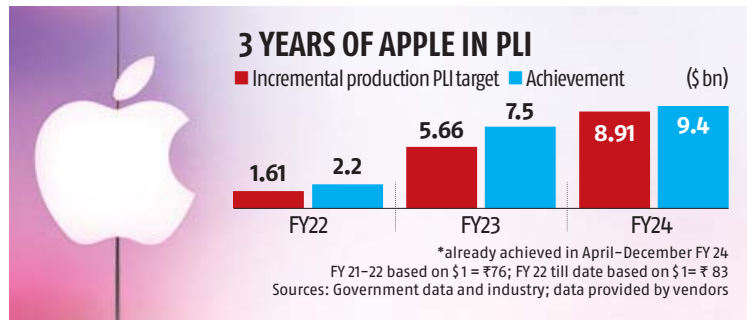
# India set to tap 12% of global iPhone production in FY24

## Apple crosses PLI target of \$8.9 bn this financial year

**SURAJEET DAS GUPTA**  
New Delhi, 17 January

Apple Inc is expected to produce iPhones worth \$12 billion (freight on board value) in India during 2023-24, according to discussions between the company's vendors and the government. This would account for around 12 per cent of Apple's global iPhone production—higher than the earlier plan of shifting around 9 per cent of the total to India by FY24, which is the third year of the PLI (production-linked incentive) scheme.

The current numbers capture the trend. Apple, through its three vendors—Foxconn Hon Hai, Pegatron and Wistron (now Tatas)—has produced iPhones with an FOB value of \$9.4 billion in the country during the first nine



months of FY24, overtaking its commitment of \$8.9 billion under the PLI scheme for the full financial year.

Apple Inc did not respond to queries sent by *Business Standard*.

Sources indicated that only 25 per cent of the production value will be sold in India, while the bulk will be exported to the US, Europe and West Asia. This production and export value is the highest ever reached by any company in India in mobile devices within a period of nine months.

The \$9.4 billion represents the FOB value—the price at which the iPhone leaves the factory gate.

The market value is more than 1.5 times of that. With only \$2.35 billion of the total iPhone production consumed in India, this fits in with the larger picture where Apple's shift of supply chain to India is primarily meant for global market and exports.

The company filed an India turnover of ₹49,322 crore / \$5.94 billion with the Ministry of Corporate Affairs for

FY23. The India sales constitute merely 1.5 per cent of its global turnover of \$383.2 billion during that year. Apple is the first mega-GVC to have made India its second home for global production. If Tesla succeeds in its investment plans, it could be the next. By comparison, Tesla, with a global turnover of \$81.5 billion, is nearly a fifth of Apple's global sales. According to a JP Morgan projection, Apple is likely to shift up to 25 per cent of its total iPhone production to India by 2026.

Apple's production and export of iPhones from India could be linked to seasonality and global demand cycles. For the first six months of the current fiscal, as domestic demand was high, exports constituted 55 per cent of iPhone production in India.

In the last three months - October-December - following the global launch of iPhone 15 from India in September and a surge in demand due to the holiday season in the US and Europe, exports jumped to 80 per cent of the total iPhone production.