



'New PLI to attract global firms to shift from China'

The new production-linked incentive scheme for IT hardware is likely to see top global companies shifting base from China and setting up units to assemble laptops, personal computers (PCs) and tablets in India, Union Minister of Communications **ASHWINI VAISHNAW** tells Surajeet Das Gupta in an interview. Edited excerpts:

Do you think the new PLI scheme on IT hardware will attract global players to set up assembly units in India?

I was in the US, where I met top executives of HP and Dell, and they are very keen to come to India. Acer and ASUS have also evinced interest. Indian manufacturing has matured a lot, and our contract manufacturers are building the ecosystem. I see a new homegrown electronics manufacturing services (EMS) player being added every month. So you have Dixon, Sanmina, VVDN and many others. Our aim is to replicate the mobile device model and encourage global companies to shift their capacities to India from China. The new PLI is significantly different from the earlier scheme.

Will you allow companies like Lenovo, which is owned by a Chinese company, to assemble in India as well?

We have no problem as long as they tie up with Indian EMS players operating in the country and do the required value addition under the scheme.

Is the focus of the PLI on enhancing exports?

Yes, we should move from the mindset of the 1990s, where the focus was on import substitution. We are now focused on export-led growth. The electronics industry has grown at 17 per cent per annum over the past six years. It has already hit \$100 billion, and growth will be even faster now. Only export-led growth will provide the necessary mass or volume to build the supply chain.

Are there any specific areas in the IT hardware space that you are concentrating on?

Yes, most of the focus is on laptops, PCs, tablets, and edge computers, among others.

The big problem is that there is hardly any supply chain available to support IT hardware like laptops, etc. So will the PLI help in value addition?

Yes, the PLI scheme is so structured that the additional incentive will be linked to localisation.

Have the telecom production-linked incentives, on which there were a lot of apprehensions, taken off?

You will be surprised to know that while our first-year commitment under the scheme was an investment of ₹900 crore, the actual investment done on the ground is ₹1,600 crore. And at least one of the companies in the scheme is exporting advanced radio equipment to the US, Germany and France.

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Q&A

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Union Minister of Communications

