

Electronics is India's fastest-growing export

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Propelled by smartphone exports under the Production Linked Incentive (PLI) scheme, electronics has become India's fastest-growing export for the 11-month period from April 2022 to February 2023.

Data released by the Ministry of Commerce & Industry for the top 30 exports shows that electronics exports were up 61.57 per cent in rupee terms over the same period last year. They crossed the \$20 billion mark, reaching ₹166,456.54 crore in comparison to ₹103,027.19 crore for the same period in FY21-22.

In FY22 (the first year of the PLI scheme) electronics exports went up by 40.5 per cent but were far behind petroleum products with exports growing at 152 per cent. But in the second year, electronics exports have grown faster than petroleum products.

The big spurt in electronics is due to the growing share of



mobile devices. These accounted for nearly 47 per cent of the total electronics exports, up from 37 per cent in the 11 months of April 2021 to February 2022.

Based on ICEA estimates, mobile phone exports during April 2022-February 2023 crossed \$9.5 billion or ₹78,375 crore, nearly double that of the previous year in the same period.

By contrast, from April 2021

to February 2022, exports of mobile devices stood at around ₹38,000 crore.

Based on their submissions to the government, the big increase in smartphone exports is clearly largely attributable to Apple's three contract manufacturers — Foxconn, Pegatron and Wistron — who contributed nearly 46 per cent (₹36,052 crore) of the total smartphone exports clocked

up in the first 11 months.

All three companies are participants in the government's smartphone PLI scheme. The other big player in the game was Samsung which together with Apple represents the bulk of exports from the country.

The high growth performance of electronics exports comes at a time when overall exports of the 30 major items in April 2022-February 2023

grew by only 15.7 per cent.

In February, India's merchandising exports contracted by 8.8 per cent. But electronics continued to remain a bright spot growing at 43.02 per cent to clock up ₹15,916 crore.

Of the top 10 exports, the second highest growth has been registered by petroleum products at 60.7 per cent, followed by rice at 24.98 per cent.

In FY21-22, electronics ranked as the 7th largest export, after engineering goods, petroleum products, gems & jewellery, organic & inorganic chemicals, drugs & pharmaceuticals and ready-made garments of all textiles.

But this financial year, it is clear that electronics goods will jump one position to the 6th spot, ahead of readymade garments of all textiles which has shown a sluggish growth of 11.15 per cent, reaching ₹118,045.38 crore in the 11-month period ending February 2023.

In absolute terms, engineering goods at ₹7,75,451.60 crore, followed by petroleum products at ₹6,89,538.99 crore, and gems & jewellery at ₹281,921.36 crore, remain India's top three exports in the 11-month period.

The government has an aggressive target for exports of electronics. It wants to reach exports of \$120 billion by 2025-6, that's around six times the current number.

INDIA'S TOP 10 EXPORTS

Export growth between Apr 22 and Feb 23 over a year ago (%)

Electronics	61.57	
Petroleum products	60.70	
Rice	24.98	
Organic & Inorganic chemicals	11.87	
Drugs & pharmaceuticals	11.20	
RMG of all textiles	11.15	
Gems & jewellery	7.33	
Engineering goods	3.10	
Plastic & linoleum	-8.27	
Cotton yarns /Fabs/made-ups/ handloom products etc	-23.00	

Source: Ministry of commerce and industry