

Electronics climbs to third spot on export ladder

From fifth place in FY24 to now a pharma, gems & jewellery challenger

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Electronics has catapulted to become the third-largest export segment from the country, hitting a record high of ₹3.27 trillion (\$38.6 billion) in 2024-25 (FY25), representing growth of 36 per cent over ₹2.41 trillion last year.

With this, electronics, which was ranked fifth in the pecking order of exports in 2023-24, has now outdone drugs and pharmaceuticals (₹2.57 trillion) and gems & jewellery (₹2.52 trillion) to claim the third spot, behind petroleum goods (₹5.34 trillion) and engineering (₹9.86 trillion).

In FY20, when the production-linked incentive (PLI) scheme was announced, electronics exports ranked far behind at sev-

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India's top sectors in exports	FY 25 (in ₹ trn)	% change
Engineering	9.86	9.06
Petroleum	5.34	-23.24
Electronics	3.27	35.67
Drugs and pharmaceuticals	2.57	11.86
Gems & jewellery	2.52	-6.83
Organic and inorganic chemicals	2.42	-0.2

Source: Ministry of commerce and industry

enth. In its race to the third position, electronics has become India's fastest-growing export among the top 10.

"We are humbled by the success, but can't rest on our laurels. Deep policy changes in the areas of tax, tariff, and industrial infrastructure are needed to meet the Prime Minister's vision of \$500 billion by 2030," said Pankaj Mohindroo, chairman, India Cellular & Electronics Association (ICEA). A

bulk of the push in electronics, of course, comes from mobile phone exports, which totalled over ₹2 trillion in FY25, contributing 61 per cent to the explosive growth. As much as 85 per cent of the incremental increase came from exports of mobile devices.

Breaking it down even further, the contribution of Apple Inc's iPhones, which exported ₹1.5 trillion worth of iPhones, was significant, accounting for 45.8 per cent of

the total electronics exports in FY25.

Commenting on the sector's performance, Minister for Electronics and Information Technology (IT) Ashwini Vaishnaw said: "Electronics manufacturing has risen fivefold in the past decade, and exports grew six times during this period. The entire ecosystem has spurred 2.5 million jobs."

Clearly, much of the boost has come from the success of the smartphone PLI scheme, which kicked off in 2021 and has another year to go. There has already been demand from many eligible PLI companies, such as Dixon Technologies (India), to extend the scheme for a few more years.

In 2017, the Phased Manufacturing Programme introduced by the government — and later the smartphone PLI scheme — helped transform India's smartphone industry from being 78 per cent import-dependent in 2014-15 to becoming largely self-sufficient by 2022.

