

# Apple's vendors create 30,000 new jobs in India

## Achieve 25% of the target of generating 120,000 new jobs under PLI scheme in just over a year

**SURAJEET DAS GUPTA**

New Delhi, 21 July

Apple's three vendors in the country have hit the milestone of creating 30,000 new direct jobs since the production-linked incentive (PLI) scheme for mobile devices kicked off in April 2021.

Based on the government's estimate that one direct job in the electronics industry helps to generate three indirect ones, Apple's vendors, Foxconn Hon Hai, Wistron and Pegatron, are close to creating 100,000 direct and indirect jobs.

The direct jobs that the vendors have created account for a fourth of Apple's

### JOB PUSH



commitment to generate 60 per cent of the new direct jobs out of the 200,000 jobs targeted by the government under the PLI

- Apple and its vendors have committed 60 per cent of 200,000 new direct jobs under the PLI scheme in five years
- The firm has already hit a fourth of the target in just over a year
- Foxconn Hon Hai plant has generated half of

the new direct jobs.

- Apple requires more workers per phone than other smartphone makers because of stringent quality checks
- The tech giant is pushing the government to ease impediments so that it can build mega factories

scheme within five years. And it has achieved this in slightly over a year.

Half of these jobs have been generated

by Foxconn Hon Hai at its factory in Tamil Nadu, while the rest have been created by Wistron in Karnataka and the newly-commissioned factory of Pegatron in Tamil Nadu.

According to the Indian Cellular and Electronics Association, mobile device manufacturers (within and outside of PLI) have together generated anything between 125,000 and 150,000 direct jobs in the country. However, while this happened over a long period of time, Apple's vendors have achieved it in 15 months. The three vendors will have to scale up and generate 120,000 new jobs within the entire PLI period. Turn to Page 6 ▶



The report also said that larger players are likely to adopt these models more aggressively in the years to come and the sector will witness greater merger and acquisitions. Additionally, this emerging sector will also witness innovation in business models to expand top line and control costs. “Here a lot of the social commerce models have played a critical role in building up the new pool of customers. They are transacting for fashion, grocery, beauty, and personal care,” said Gutgutia, adding, “The total base of online shoppers is going to double this calendar year versus four years ago.”

## Apple's...

A spokesperson of Apple Inc however did not respond to queries

The government, which is under serious pressure to create new jobs, has been examining the performance of the incremental job creation targets which companies have committed to achieve under the various PLI schemes.

The PLI scheme for mobile devices, which was originally launched in 2020, was extended by a year due to the Covid-19 pandemic, and started only on April 1, 2021.

Apple's suppliers make a range of iPhones in India, a large portion of which are meant for global exports. In FY 2021, its first year under the PLI scheme, Apple exported iPhones worth ₹11,000 crore through Foxconn and Wistron. Since April 2022, Pegatron has

also started making iPhones for both the domestic and export markets.

According to experts, Apple procures 85 per cent of the phones it sells in India from its suppliers in the country — a huge change from the pre-PLI figure of merely 15 per cent.

Moreover, compared to its competitors, Apple tends to employ 2-3 times more workers for every mobile phone that it makes. Samsung, which has the world's largest mobile manufacturing unit in UP, has only 11,500 workers.

Based on estimates, Apple will likely increase its production by more than 3 times to over ₹45,000 crore in FY 2022-23, a large part of which will be exported.

## IT...

They exclude banks, non-banking finance companies, and insurance companies (BFSI).

Of these, 191 companies have reported their forex transactions for FY22 while the remaining 204 companies' latest forex data is for FY21.

The companies that have published their forex transaction for FY22 account for nearly 65 per cent of such earnings in the sample.

The BSE500 firms in our sample earned combined forex revenues of ₹9.83 trillion in FY22/F21, marginally down from ₹10 trillion a year ago. In comparison, their forex expenses were 12.23 trillion last financial year, down 12.4 per cent from 13.96 trillion a year ago.

The IT sector not only