

APPLE'S PLI PROMISE BEARS FRUIT

Export of iPhone in touching distance of target ahead of date

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Apple iPhone exports in the April-June quarter (Q1) of 2024-25 (FY25) hit a new milestone, accounting for 79 per cent of its total freight on board (FOB) value production in the country, totalling \$3.8 billion, according to data provided by its vendors to the government.

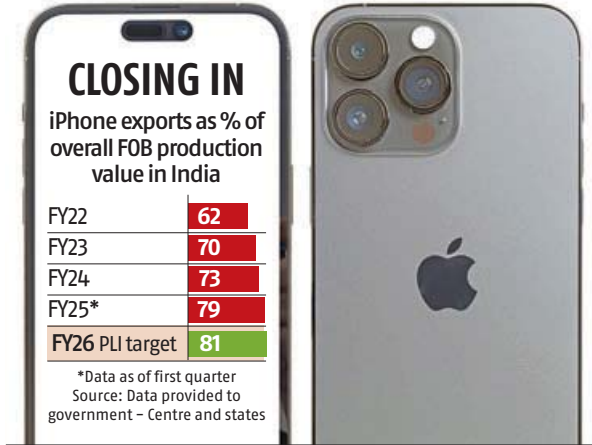
With this, Apple Inc is within touching distance of fulfilling its commitment to the government under the production-linked incentive (PLI) scheme. The commitment stipulates that 81 per cent of the FOB value of phones will be exported by the fifth or last year (2025-26) of the scheme.

In 2023-24 (FY24), it ended with exports accounting for 73 per cent of its production value. In the first quarter of FY25, it exported \$3 billion worth of phones.

The first-quarter numbers also mark the highest-ever export of mobile phones or any single branded consumer product from India in one quarter by a company.

An Apple Inc spokesperson did not respond to a query.

iPhone exports for Q1FY25 are 30 per cent higher than the \$2.3 billion exported in a similar period last financial year. Apple's three vendors —



Foxconn, Pegatron, and Wistron (now Tatas), all participants in the smartphone PLI scheme — have contributed to this increase.

Foxconn accounts for 62 per cent of the total exports, while Wistron and Pegatron contributed 27 per cent and 11 per cent, respectively.

Exports of iPhones by Apple were highlighted in the Economic Survey 2023-24 released by the Government of India on Monday. The Survey noted that the company had relocated nearly 14 per cent of its global iPhone production to India within three years of announcing the smartphone PLI scheme in 2020.

In FY25, Apple Inc's vendors collectively committed to

exporting ₹9 billion (₹74,900 crore) under the PLI scheme. They have already achieved one-third of this target in the first quarter.

Typically, mobile exports in general, and iPhone exports in particular from India, surge after October, after India's festival season, coinciding with increased demand in Western markets and the Americas ahead of Thanksgiving, Christmas, and New Year holiday sales. Therefore, it is expected that this number will easily be breached.

In FY24, Apple produced over \$14 billion worth of iPhones (FOB value) and exported nearly \$10.3 billion. Exports constituted 73 per cent of iPhone production in India in FY24.