

Mobiles power 24% rise in electronics exports till Nov

Electronics exports up from sixth to fifth position this financial year

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Exports of electronics goods has risen by 24 per cent from April to November as compared with the same period in the last fiscal, the largest increase out of India's top 10 export categories

The increase has been propelled by mobile exports under the Production Linked Incentive (PLI) scheme and has pushed electronics up from sixth to fifth position in the top 10.

A gap of \$200 million separates electronics from occupying the fourth position, currently held by drugs and pharmaceuticals at \$17.9 billion. The gap has narrowed considerably from the earlier figure of \$1.3 billion in 2022. (Drugs and pharmaceuticals also grew 8 per cent in the first eight month of the current fiscal as compared with last year).

According to data released by the Ministry of Commerce & Industry, electronics exports reached \$17.7 billion at the end of November, as compared with \$14.4 billion last year for the same period.

In the top 10 exports, seven categories registered a negative change in the first eight months. Only three categories—electronics, drugs and pharmaceuticals and cotton yarn/fabs/made-ups (6 per cent rise)—ended up in positive territory.

According to the Indian Cellular and Electronics Association, not only do mobile exports form the single largest product category in electronics exports, they also form nearly 90 per cent of the \$3.3 billion increase in electronics exports.

Mobile exports have expanded dramatically since the introduction of the smartphone PLI Scheme in 2021. Apple manufactured over \$10 billion worth of iPhones in the first two years—FY 2021-2023—of which nearly two-thirds were exported from India.

In the current fiscal too, iPhone production is expected to reach \$10 billion and, following previous years' trends, iPhone exports are likely to be in the range of \$7 billion, say sources in the know.

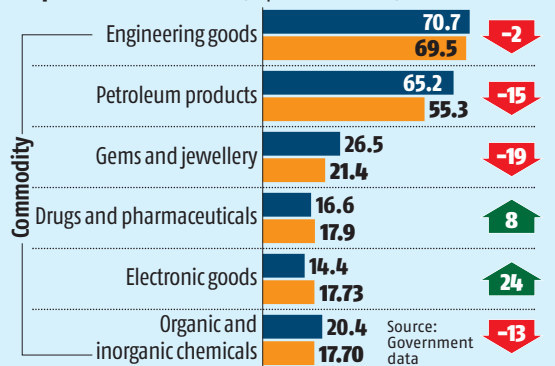
Samsung, which has been operational in India for over a decade, has also begun mobile exports under the PLI scheme, along with some Indian companies which are exporting smartphones in relatively small numbers.

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THE NEW ORDER

Apr-Nov ■ 2022 ■ 2023 (Exports in \$ billion) % change



Communications Minister Ashwani Vaishnav had estimated that mobile device production would hit \$50 billion in FY24, out of which \$15 billion would be exports.

He also predicted that in the next year or two, electronics exports would rise to the top two or three slots.

If current trends continue, electronics is poised to end FY24 as one of the top five Indian exports.