

3. Electronic Manufacturing Scheme

Prelims Syllabus: Schemes

Mains Syllabus: GS-II Welfare schemes for Vulnerable Sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these Vulnerable Sections.

Why in News:

- The government has recently notified three Electronic Manufacturing Scheme involving total incentives of around Rs 48,000 crore for Electronics Manufacturing.

About:

- **The Three Schemes are**
 1. The Production Linked Incentive Scheme (PLI) for large scale electronics manufacturing.
 2. The scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS).
 3. The modified Electronics Manufacturing Clusters (EMC 2.0) Scheme.
- They are expected to attract Rs 1 lakh crore investment in the sector, Boost local electronics manufacturing and generate manufacturing revenue potential of Rs 10 lakh crore by 2025 and create 20 lakh direct and indirect jobs by 2025.

About Production Linked Incentive Scheme (PLI) for Large Scale Electronics

Manufacturing:

- It proposes a financial incentive to boost domestic manufacturing and attract large investments in the electronics value chain including electronic components and semiconductor packaging.
- It will get an incentive of 4 to 6% to electronic manufacturing companies on incremental sales (over base year) of goods manufactured in India and covered under target segments, to eligible companies over a period of next 5 years.
- It shall only be applicable for target segments namely mobile phones and specified electronic components.
- The production of mobile phones in the country has surged eight-times in the last four years.

About the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors:

- It is notified for manufacturing of electronics components and semiconductors has a budget outlay of Rs 3,285 crore spread over a period of eight years.
- Under the scheme, a financial incentive of 25% of capital expenditure has been approved by the Union Cabinet for the manufacturing of goods that constitute the supply chain of an electronic product.
- It is estimated by the government that the push for manufacturing of electronics components and electronic chips will create around 6 lakh direct and Indirect Jobs.

About Modified Electronics Manufacturing Clusters 2.0 Scheme:

- It has a total incentive outlay of Rs 3,762.25 crore spread over a period of 8 years with an objective to create 10 lakh direct and indirect jobs under the scheme.
- It will provide financial assistance up to 50% of the project cost subject to a ceiling of Rs 70 crore per 100 acres of land for setting up of Electronics Manufacturing Cluster projects.
- Under the scheme, the Electronic manufacturing clusters to be set up will be spread in an area of 200 acres across India and 100 acres in North East part of the country.

