



## Electronics Manufacturing Clusters (EMC2.0) Scheme

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### Why in News

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Recently, the Union Cabinet has approved financial assistance to the Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme.

EMC 2.0 is a scheme for development of world class infrastructure along with common facilities and amenities through Electronics Manufacturing Clusters (EMCs).

### Background

- **The Ministry of Electronics and Information Technology (MeitY)** notified the **Electronics Manufacturing Clusters (EMC) Scheme** in October, 2012.
- The objective of the scheme was to provide support for **creation of world class infrastructure for attracting investments in the Electronics Systems Design and Manufacturing (ESDM) sector**.
- The scheme provided grant assistance for setting up of both Greenfield and Brownfield EMCs across the country.
  - For projects in Greenfield Electronics Manufacturing Clusters, assistance is provided to the extent of 50% of the project cost subject to a ceiling of Rs. 50 crore for every 100 acres of land.
  - For Brownfield EMCs, 75% of the cost of infrastructure is provided, subject to a ceiling of Rs. 50 crore.
- Under the scheme, **20 Greenfield EMCs and 3 Common Facility Centres (CFCs)** have been approved in **15 states** across the country.
- There was a need for EMC 2.0 for **further strengthening the infrastructure base** for the electronics industry in the country **and deepening the electronics value chain**. Thus, **EMC 2.0** was approved.

### Key Features of the EMC 2.0

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- The Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme is in line with **National Policy for Electronics (NPE), 2019** to make India a global hub for mobile and component manufacturing.
- The scheme would support setting up of **Electronics Manufacturing Clusters (EMCs)**.
  - The focus is on development of basic infrastructure, amenities and other common facilities for the ESDM sector.
- The scheme would also support setting up of **Common Facility Centres (CFCs)**.
  - They would be set up in an area where a significant number of existing manufacturing units are located.
  - The focus is on **upgrading common technical infrastructure** and providing common facilities for the units in EMCs, Industrial Areas/Parks/industrial corridors.

## Expected Benefits

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- A **robust infrastructure base** for the electronic industry.
- **New investments** in the Electronics System Design and Manufacturing (ESDM) sector.
- Increased **employment opportunities** in manufacturing units.
- **Revenue in the form of taxes** paid by the manufacturing units.
- Help development of the **entrepreneurial ecosystem**.
- Drive **innovation** and catalyze the **economic growth** of the country.

## Electronic Production in India

- India's electronics production has **increased from** Rs. 1,90,366 crore (US\$29 billion) in 2014-15 to Rs. 4,58,006 crore (US\$ 70 billion) in 2018-19, at a **Compound Annual Growth Rate (CAGR) of about 25%**.
- India's share in global electronics manufacturing grew from 1.3% (2012) to 3.0% (2018). Electronics production accounts for **2.3% of India's GDP at present**.

**Source: PIB**