National Policy on Electronics 2019

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The Union Cabinet gave its approval to the **National Policy on Electronics 2019 (NPE 2019)**, proposed by the **Ministry of Electronics and Information Technology (MeitY)**.

The Policy envisions positioning India as a global hub for **Electronics System Design and Manufacturing - (ESDM)** by

- encouraging and driving capabilities in the country for developing core components, including chipsets, and
- creating an enabling environment for the industry to compete globally.

Background

- The implementation of the Schemes/ Programmes under the aegis of the **National Policy on Electronics 2012 (NPE 2012)** has successfully consolidated the foundations for a competitive Indian ESDM value chain.
- The National Policy of Electronics 2019 (NPE 2019) replaces the National Policy of Electronics 2012 (NPE 2012).
- NPE 2019 proposes to build on that foundation to propel the growth of ESDM industry in the country.

Salient Features of NPE 2019

- **Creation of ecosystem for globally competitive ESDM sector** by promoting domestic manufacturing and export in the entire electronics system value-chain.
- Providing incentives and support for **manufacturing of core electronic components**.
- **Providing special package of incentives for mega projects** which are extremely high-tech and entail huge investments, such as semiconductor facilities display fabrication, etc.
- **Formulation of suitable schemes and incentive** mechanisms to encourage new units and expansion of existing units.

- **Promotion of Industry-led R&D and innovation** in all sub-sectors of electronics, including grass root level innovations and early stage Startups in emerging technology areas such as **5G**, **Internet of Things (IoT)/ Sensors**, **Artificial Intelligence (AI)**, **Machine Learning**, **Virtual Reality (VR)**, **Drones**, **Robotics**, **Additive Manufacturing**, **Photonics**, **Nano-based devices**, etc.
- Providing incentives and support for significantly **enhancing availability of skilled manpower, including re-skilling**.
- Providing special thrust on Fabless Chip Design Industry, Medical Electronic Devices Industry, Automotive Electronics Industry and Power Electronics for Mobility and Strategic Electronics Industry.
- Creation of **Sovereign Patent Fund (SPF)** to promote the development and acquisition of Intellectual Properties(IPs) in ESDM sector.
- Promotion of trusted electronics value chain initiatives to improve national cyber security profile.

Note:

- **Sovereign Patent Fund (SPF)** is a state-led investment vehicle intended to strategically acquire important IP assets, thereby promoting national economic objectives.
- SPFs are a relatively new phenomenon, having only emerged in the past five years in countries such as South Korea, France, Taiwan, Japan and China.

Implementation Strategy and Targets

- **Implementation strategy:**
  The Policy will lead to the formulation of several schemes, initiatives, projects and measures for the development of ESDM sector in the country as per the roadmap envisaged therein.
- **Targets:**
  - Promote domestic manufacturing and export in the entire value-chain of ESDM for economic development to achieve a turnover of USD 400 billion (approximately INR 26,00,000 crore) by 2025.
  - This will include targeted production of 1.0 billion (100 crore) mobile handsets by 2025, valued at USD 190 billion (approximately INR 13,00,000 crore), including 600 million (60 crore) mobile handsets valued at USD 110 billion (approximately INR 7,00,000 crore) for export.

Major Impact

- The NPE 2019 when implemented will lead to formulation of several schemes, initiatives, projects, etc., in consultation with the concerned Ministries/ Departments,

for the development of ESDM sector in the country.

- It will **enable flow of investment and technology**, leading to higher value addition in the domestically manufactured electronic products, **increased electronics hardware manufacturing in the country and their export**, while generating substantial employment opportunities.