



GOVERNMENT OF INDIA
Department of Information Technology
Ministry of Communications &
Information Technology

ELECTRONICS ***e-NEWSLETTER***

.... For Electronics System Design & Manufacturing (ESDM) Sector

Vol 1 | November 2011

• **Draft National Policy 2011 on Electronics released**

• **Electronics e-Newsletter launched**

Message

Sri Kapil Sibal, Minister of
Communications and
Information Technology



I recently released the draft National Policy on Electronics 2011, which provides insights regarding Government's initiatives to develop electronics manufacturing in the country. The final policy is likely to be approved by the end of the year. I hope that the policy will guide the transformation of this sector in the coming decade. I am happy that the Department of Information Technology is launching an e-Newsletter relating to Electronics System Design and Manufacturing (ESDM). This will help keeping the ESDM stakeholder community better informed about the policy initiatives, decisions and actions of the Government in the sector.

I extend good wishes for success of Electronics e-Newsletter.

Kapil Sibal

Draft National Policy on Electronics, 2011 released

Draft National Policy 2011 on Electronics was released for public consultation on October 3, 2011 in New Delhi by Sri. Kapil Sibal, Minister of Communication and Information Technology. The policy envisions creating a globally competitive ESDM industry including nano-electronics to meet the country's needs and serve the international market.

One of the important objectives is to achieve a turnover of about USD 400 Billion by 2020 involving investment of about USD 100 Billion and employment to around 28 million by 2020. This is a quantum jump from production level of about USD 20 Billion in 2009. This interalia, includes achieving a turnover of USD 55 Billion of chip design and embedded software industry and USD 80 Billion of exports in the sector. Moreover, the policy also proposes setting up of over 200 Electronic Manufacturing clusters. Another important objective of the policy is to significantly upscale high-end human resource creation to 2500 PhDs annually by 2020 in the sector.

Information Communication Technologies and Electronics have been contributing significantly to the economic growth of the country and have the potential to script India's future across the economy, society and government and epitomize what modern, resurgent and young India is capable of accomplishing. Achievements in the recent past in the IT and Telecom sectors have been spectacular and unprecedented in India's history. Yet, it is the future that holds even more breathtaking possibilities. A combination of three interdependent and synergistic policies for IT, Telecom and Electronics are being formulated by the Ministry of Communications and Information Technology. The drafts for each of these are now available in public domain.

Department of Information Technology (DIT) has provided a discussion forum regarding the draft policies on its website www.mit.gov.in. Feedback could directly be sent to epolicy2011@mit.gov.in.

- Akash: Ultra Low Cost Access Device launched

- USD 70 mn investment by Samsung

Message

Secretary, Department of
Information Technology



DIT's Electronics e-Newsletter is a welcome initiative that coincides with the release of the Draft National Policy on Electronics 2011. Several policy initiatives, including National Electronics Mission, Semiconductor Fab, Modified SIPS, Electronic Manufacturing Clusters, etc., are under advance stage of finalization, which are of interest to the ESDM stakeholder community. I hope that the industry, investors, media and other stakeholders will find value in this Newsletter. I wish all the success to the Electronics e-Newsletter team.

R. Chandrashekar

From Chief Editor's Desk

Dear Readers,

I welcome you to Electronics e-Newsletter, an official publication from Department of Information Technology. Electronics e-Newsletter will be a monthly publication starting from this month. It will be one of the important media to communicate Government policies and proposed initiatives to all stakeholders. It will also provide information on other major developments in ESDM Sector. The subscription to the newsletter is free and open. You are invited to subscribe to the newsletter by sending an email to enewsletter-dit@nic.in or by registering on the DIT website, www.mit.gov.in.

I look forward to your feedback and comments. I also seek your support and cooperation in disseminating the newsletter to all possible interested audience.

Dr. Ajay Kumar
Chief Editor

Focus Product Scheme of Foreign Trade Policy: List of Electronics items expanded

The Directorate General of Foreign Trade, Department of Commerce has expanded the list of items for the purpose of benefit under the Focus Product Scheme of Foreign Trade Policy, 2009-14, vide Public Notice No.80(RE2010)/2009-14 dated 13th October 2011. Under this notified scheme the export of products are entitled to duty credit scrip equivalent to 2% FOB value of exports. The list includes the following additional electronic items: Static Converters, Populated Printed Circuit Boards, Optical Disc Drives, Parts of Mobile Handsets, Parts of Telecom Transmission Equipment, Push Button Telephones, Telephone Answering Machines and Optical Fibre Cables.

Aakash: Ultra Low Cost Access Device launched

Sri. Kapil Sibal, Minister for Human Resource Development and Communications & Information Technology unveiled "Aakash," a 17.8-cm (7-inch) tablet computer at New Delhi on Oct 5, 2011. Aakash is an Android (Ver. 2.2) tablet with 256 MB RAM and 2 GB of storage, expandable through micro SD card. Powered by a 366-MHz processor, Aakash offers Wi-Fi connectivity and a SIM card slot. Its 2 USB ports provide a wide array of connectivity options. Weighing just 350 grams, Aakash promises 2-3 hours of battery back-up and multi-touch resistive screen. It is expected to cost \$50.

Aakash, an example of India's innovation in ESDM sector, has been developed by a team from IIT, Jodhpur, in collaboration with Datawind, an EMS company located in Hyderabad and having headquarters in Canada.

USD 70 mn investment by Samsung in India

According to media reports, Samsung, has announced an additional investment of \$70 million in India, tripling the manufacturing capabilities in its Noida facility. With this investment, the company will enhance its production capabilities of 16 different models of mobile phones from the existing 12 million units a year. India is one of its largest R&D centres in the world. The company also develops software for smart phones at its Bangalore facility. This will provide jobs to 4,000 people. [Source: IT Next, Sept, 16, 2011]

• ELCINA proposes Components Cluster**• Chief Ministers/Ministers meeting on ESDM at New Delhi**

ELCINA proposes Components Cluster

Electronic Industries Association of India (ELCINA) has proposed establishment of cluster in 100 acres of land for electronic hardware manufacturing. 21 companies have already confirmed their participation in the proposed cluster. This proposed cluster will facilitate SMEs in setting up units for manufacturing electronic components, parts, materials and assemblies for the 'Consumer Electronics, Lighting and Power Electronics' segments.

Ministry of Env. & Forests notifies e-Waste guidelines

e-Waste (Management and Handling) Rules, 2011 were notified by the Ministry of Environment and Forests on May 1, 2011. The guidelines shall apply to every producer, consumer or bulk consumer involved in the manufacture, sale, purchase and processing of electrical and electronic equipment or components as specified in Schedule-1, etc. Details are available on Ministry of Environment and Forest's website, <http://moef.nic.in>.

WTO Ruling against Export Restrictions by China

A dispute was filed in 2009 by USA and EU against certain restrictions in the export of basic raw materials imposed by China. In July 2011, the WTO ruled that China's export restrictions on nine basic raw materials are a violation of international trade rules. Among the items which were subject to restrictive export by China included bauxite, magnesium, silicon carbide, silicon metal and Zinc, which are of relevance to electronics manufacturing.

Chief Ministers/Ministers Meeting on ESDM

DIT organized a meeting of State Chief Ministers and Ministers to discuss the proposed road map for development of ESDM sector in the country on August 29, 2011 at Vigyan Bhawan, New Delhi. The meeting emphasized the role of state government in promoting ESDM sector including land for electronic manufacturing clusters, developing capacities in universities and colleges for ESDM related post graduate/ graduate courses, setting up of incubation centres and effective single window clearances.

Presiding over the meeting, Shri Sachin Pilot, MoS, Communications & IT emphasized the importance of the role of the State Governments in the promotion of ESDM industry in the country. Shri Milind Deora, MoS, Communications and IT highlighted the need for linking the tremendous growth in the telecom sector and development of manufacturing capabilities in the country.

Shri R Chandrasekhar, Secretary Telecom and IT mentioned that the initiatives planned to promote the ESDM country included setting of semiconductor wafer manufacturing fabs, providing special incentive package for investments across the value chain in ESDM, setting up of electronic manufacturing clusters, preferential market access for domestically produced electronic goods in government procurement and providing assistance for R&D and innovation in the sector. A National Electronics Mission is also proposed to steer the whole programme.

The States generally welcomed the initiative taken by Government of India. Shri Omar Abdullah, Chief Minister of Jammu & Kashmir, Dr. Mukul Sangma, Chief Minister of Meghalaya and Ministers from several states including Andhra Pradesh, Arunachal Pradesh, Haryana, Meghalaya, Orissa, Rajasthan, Tamil Nadu and West Bengal participated. Several senior officials of the Government of India, State Governments participated. Shri Ajai Chowdhry, Chairman, HCL Infosystems, heads of industry associations including CII, MAIT, ISA, ELCINA, ICA, TEMA, among others also participated and emphasized the need.

HR Development in ESDM

The high level Task Force constituted by the DIT in August 2009 had, interalia, projected that around 28 million hardware skilled persons would be required in this sector by the year 2020. A meeting was held in DIT under the chairmanship of Dr. Ajay Kumar, Joint Secretary, DIT on October 18, 2011, to discuss the possibility of greater participation from private sector training institutes in the development of human resource for the ESDM sector. It came out in the discussions that most private training institutions were primarily focused on training programmes for the IT hardware sector. A need for a study to assess the skill-gap in other verticals like telecom, automotive, medical, avionics, LED etc was felt. It was decided that DOAECC will organize a one-day Workshop involving all key stakeholders to create a forum which will bridge the gap between industry needs and training institutions in the sector.

• **State level Workshops on ESDM planned**

State level Workshops on ESDM planned

DIT is planning to organize one day state level workshops in 20 states regarding opportunity in the ESDM sector. These workshops will involve State departments/ Industry Associations, Department of Information Technology representatives and other stakeholders.

The responsibility of conducting each workshop rests with a national Industry Association as per the responsibility matrix given below in respective state/s:

Confederation of Indian Industries (CII)

- Andhra Pradesh
- Haryana, Punjab & Chandigarh
- Uttarakhand

Federation of Indian Chamber of Commerce and Industry (FICCI)

- North East States
- West Bengal

Indian Cellular Association (ICA)

- Bihar & Jharkhand
- Gujarat
- Jammu and Kashmir
- Tamil Nadu

Manufacturers' Association for Information Technology (MAIT)

- Goa
- Rajasthan
- Pondicherry

CMAI

- Himachal Pradesh

Indian Semiconductor Association (ISA)

- Karnataka
- Orissa

ELCINA

- Kerala
- Uttar Pradesh
- Madhya Pradesh
- Chattisgarh

CEAMA

- Maharashtra

LEDMA

- Delhi

• **Digitisation of cable TV made mandatory**

International LED FORUM INDIA 2011 Organized

DIT along with LED Products Manufacturers Association of India (LEDMA) organized an 'International LED Forum India 2011' at New Delhi on Sept, 23-24, 2011. Aimed at bringing various Ministries/ Departments, industry players and other stakeholders together, to promote the Led manufacturing in the country the forum was attended by major players in the LED Industry from around the world. Dr. Ajay Kumar, Joint Secretary, DIT inaugurated the forum.

Among other electronics hardware the application of LEDs has been fast growing segment in India and the demand for packaged LED and LED products is expected to reach a phenomenal level of US\$ 35 billion by 2020. Our current requirement is being met through import.

Among the notable speakers who spoke at the forum included, Dr. M. J. Jou, President, Epistar Corp, Mr. Vinod Mirai, Veeco Inc, Ms. Vrinda Bhandarkar, PennWell Technology Group, Mr. Nag Patibandla, Applied Materials, Mr. Ruediger Aixtron, AIXTRON SE, Dr. Ilkan Cokgor, EVERLIGHT Electronics Co., Ltd., Mr. Chris Kong, LG Innotek, Mr. Lewis Baik, Seoul Semiconductor, Mr. Himamshu Prasad, GE Lighting, Dr. Ahmar Raza, MNRE, Dr. Steven Riley, Tertiary Engineering and Sustainable Technology Pty Ltd., Dr. E. Sankara Rao, IIFCL and Dr. Sandeep Garg, Energy Economist, BEE.

Digitalization of Cable TV made mandatory

The Cabinet has, on Oct 13, 2011 approved the proposal of Ministry of Information and Broadcasting (I&B) to issue an ordinance to amend the Cable Television Networks (Regulations) Act, 1995 to provide for a Digital Addressable System (DAS). The amendment makes it obligatory for every operator to transmit or re-transmit programmes of any channel in an encrypted form through a DAS. A time period of 6 months has been provided from the date of notification regarding implementation of DAS in any area, for the cable operator to migrate to DAS. The new amendment retains the provision that a cable operator shall not require any subscriber to have a receiver set of a particular type to receive signals of cable television network.

All Cable operators will now have to abandon analog in the four metros by March 31, 2012. All urban areas would be covered by September 30, 2014 while the entire country will be covered by December 31, 2014. The proposed digitalization enables the cable operator to provide Triple Play which is carriage of voice, video and data, i.e. TV, telephony, internet and IT enabled services and enable convergence of Broadcasting and Telecom services.

According to industry estimates, the household TV subscribed base is 13.9 crores. Out of these, 3 crores are covered by Doordarshan's terrestrial network, 7.3 crores are covered through cable service and rest through Direct to Home (DTH) or Internet Protocol covered through (IPTV). Media Partners Asia has estimated that pay TV market in India may be about 16.7 crores by 2017. This may still be a conservative estimate. This provides a huge opportunity to develop manufacturing for set top boxes and head-end infrastructure in India.