

## AN STUDY ON THE ELECTRONIC AND ELECTRICS GOODS MANUFACTURING INDUSTRIES OF INDIA

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### ABSTRACT

Electronic goods are very basic goods for both household as well as industry. We can find a number of electronic goods in any house and all the industries also used a number electronic equipment without using it there is no possibility of production it is a basic need for households, industries and services sector. The electronic sector is recorded a most growing sector in the world. In India the demand for electronic goods continuously growing for consumer electronic goods as well as industries small and heavy electronic sector the expansion of manufacturing sector in India increasing the demand for the electronic goods. Electronic industries not only producing the goods it also generating employment in the economy. A newly formed government scheme that is *Make in India* which is mainly focusing on the manufacturing sector considered the electronic sector is a most employment intensive sector of India.

The government of India approved 100% FDI in the electronic sector and the number of foreign industries that is Samsung, L. G, Nokia, Microsoft, Panasonic etc are working in the Indian market. They are participating in the production of electronic goods and generating the employment in the economy. The 60 to 70 % need of electronic goods is fulfil by the import of the electronic goods lack of domestic production of the electronic goods. There is a very tuff competition among the electronic company due to high demand of the goods the most of the foreign companies are dominating in the market and the domestic companies continuously losing its normal business activities.

**KEYWORDS:** Electronic and Electrics Goods Manufacturing Industries of India

### INTRODUCTION

In 1963 Bhabha committee appointed by the government of India to understanding and realising the importance of electronic technology for the national development. this committee recommend to open a separate department of electronic.

Indian electronic sector come in to force in 1965 with an orientation towards space and defence technology. This was under the controlled of the government. The main focus of the industry at this time for producing consumer electronics that was calculator, black & white t.v transistor and other audio product. In 1978 the government of India decide to open up computer manufacturing to the private sector and number of companies start making microcomputer using microprocessor. In 1982 for the broadcasting of world Asian games the government of India allowed to import the thousand of colour T.v sets. In 1986 under the prime minister ship of Mr. Rajive Gandhi the government allow to import full assembled motherboards with processor and reduce the import duties. This lead to sharp reduction of price and a speedier spread of computer use started in the railway and other government department. During 1984 to 1990 is treated a golden period for electronic in which the sector is continuously growing.

In 1991 after the liberalisation the country open the boundary for the foreign companies to entered in to the Indian market the effect of it a number of foreign companies of Korea, Japan, U. S came and set its plants in 1997 the L. G of Korea entered into the market and launch the national ever largest plant in Noida (New Okhla Industrial Development Authority) with in five mounts of entering it shows the high demand of the electronic product in India. In 2012 the government passed national policy of electronic seeking in mind to developed the electronic sector in India.

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### **Component of the Study**

**Agreement of Free Trade:** WTO regime which start working in 2005 approve to a zero custom duty on the all the telecom products. The WTO agreement "*information technology agreement 2005*" eliminate the complete custom duty on the import of telecom product. There was no other sector in India which have complete elimination of custom duty on the import of goods expect IT/Electronic sector. The result of it that the IT/Electronic product is available at a very low price in India.

**Foreign Trade Policy:** The FDI for electronic equipment recorded form January 1991 to March 2004 was US\$7.29 billion which was 9.94% of the total foreign direct investment.

### **National Manufacturing Policy: (According To NMP 2011)**

The government of India passed the policy of National Manufacturing Policy 2011 (NMP-2011) keeping in mind to expansion the manufacturing sector and enhancing the share of manufacturing sector with 25% in GDP and to generate the opportunity of 100 million job in the sector.

The objective of NMP-2011 are following

- Increase manufacturing sector to 12to 14% and to make the engine of growth of the economy and manufacturing

sector at least contribute 25% in the GDP of country by 2022.

- To increase the rate of employment opportunity in the manufacturing sector and to creation job of 100 million additional by 2022.

**National Electronic Policy NEP-2012:** The NEP-2012 passed on 2012 on the basis of draft of National electronic policy of 2011

Objective of NEP-2012 is following

- To create the eco system for globally competitive ESDM sector in the country and achieve turnover of about US\$400 billion and employment 20million by 2020
- To built the emerging chip and embedded software industry to achieve global leadership **in Very Large Scale Integration (VLSI)** chip design and other frontier technical areas and to achieve a turnover of US\$ 55 billion by2020.
- To increase the export in ESDM sector from US\$ 5.5 billion US\$ 80 billion by2020.

**Electronic Manufacturing Clusters Scheme EMCS:** The objective of introducing this scheme to attracting the investment in the ESDM. This scheme also providing the financial support for the sitting the ESDM in the both Greenfield ( new industries) as well as Brownfield(existing industries). This scheme cover all the state and district and provide them financial support and attract investment in electronic manufacturing.

**Modified Special Incentive Scheme M-SIPS:** For attracting the domestic and global investment in the ESDM sector with in the country the government of India offer a package of incentive.

The feature of this scheme are as under

- Approve the subsidy for investment in capital expenditure up to 25%
- Reimbursement the of excise duty for capital equipment in non SEZ unites and of the centre tax and duties for 10 year
- The incentive are available for 29 category of ESDM product for 10 year.
- It will available only for those unites which are set under the electronic manufacturing sector.

### Need of the Study

India is most developing emerging economy in the world and the fourth largest economy in the world, but the par capita income of the India is only US\$ 1389 and India ranked 140 in the HDI in the world and China ranked 88<sup>th</sup> with US\$ 5414 par capita income.

Electronic sector is most growing industry in India and in the world also but it is only 2% participation in the GDP of the country of India and according to the twelfth five year plan 2012-2017 of 2012 under the ministry of communication information technology the demand for electronic goods in India in 2008-2009 was US\$ 45 billion and it is expected to reach US\$400 billion by 2020 the domestic market is expected to grow annually of 22-23% the electronic industries are also expansion in the rural area. It is also projected that with in five year the landline & mobile user is increase 100 to 500

per thousand and computer user from 10 to 30 par thousand. Due to demographic a high rate of growth in population the demand for electronic goods continuously increasing and the 60to 70% requirement of product is fulfil by the import in the value term India's second largest import after the oil is electronic goods and if those situation is continue it will exceed the import of oil. According to Central Pollution control Board of India electronic- waste production raising At a current rate the production can cater to a US\$ 104 by 2020 and the remainder would have to fulfil by import.

The government frame the policy to attract the FDI in manufacturing sector especially in electronic manufacturing sector. New policies are offering incentive and liberal labour relationship and the new electronic policy is framed to keeping in the mind to fulfil the demand of electronic goods through manufacturing.

### **Objectives of the Study**

- To study the present performance of domestic electronic industries in India.
- To study the participation of electronic industries in the growth of economy..
- To studies the impact of various policies and schemes on the growth of electronic industries as well as on the economic development.
- To work out the scope for generating employment on the principle of set up the domestic industries.
- The study the impact of import of electronic goods on the balance of payment
- To suggest the policy and guideline to improve the performance of domestic industries and increase the export.

### **Research Design**

The research design is the blue print of any research it is a plan of research for the researcher it is treated as the back bone of any research study.

### **Collection of Data**

The study is based on the secondary data which is collected buy the annul survey of industries ASI data from ministry of IT, RBI annual report and with the other previous studies

### **CONCLUSIONS AND FINDINGS**

From the above discussion it is clear that the electronic and electric goods are very important component of the Indian house hold but there are very great problem that most of the electric and electronic goods are imported form the China Korea and Japan if we see the top 10 importing country of India we find that China is on the Top but if we see the Export of India to the other countries China is last in the top 10 countries 41% import of electric and electronics are imported by China and rest of the with Japan and Korea. So the policy maker should plane to protect this try to find the opportunities of manufacturing of Electronics Products in India.

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