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Electronics Manufacturing Industry in India

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India’s smartphone exports jumped from $24 billion to $30 billion in a single year. A stack of new schemes is trying to push that even higher.

01 PLI-LSEMLaunched in 2020, with ₹40,995 crore on offer.
02 Beat Its TargetProduction hit ₹11.01 lakh crore, above the ₹8.12 lakh crore goal.
03 2030 GoalUSD 500 billion sector size, USD 150 billion in exports.
04 Newest SchemeMPMS, approved 15 Jul 2026, worth ₹62,500 crore.

PLI
: Production-Linked Incentive. A cash reward tied to a firm’s actual output growth.

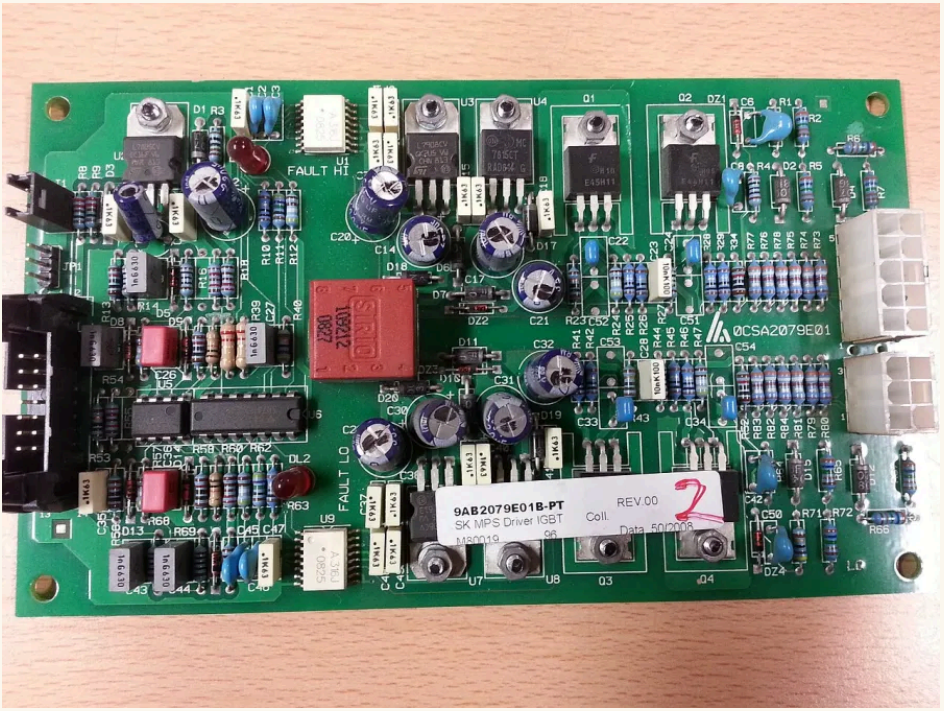
ECMS
: A scheme that funds electronic parts and components, not finished gadgets.

DLI
: Design Linked Incentive. Funds chip-design work, not manufacturing itself.

Key Milestones

- **2020:** Government launches the PLI Scheme for Large Scale Electronics Manufacturing (PLI-LSEM), worth ₹40,995 crore.
- **2020-2025:** Production under the scheme reaches about ₹11.01 lakh crore. That beats its own ₹8.12 lakh crore target.

- **2024:** India’s smartphone exports total $24.14 billion for the year.
- **2025:** Smartphone exports rise to $30 billion. iPhones alone make up roughly 76% of that total.
- **15 Jul 2026:** The Cabinet approves the Mobile Phone Manufacturing Scheme (MPMS), a ₹62,500 crore, 5-year scheme succeeding PLI-LSEM.
- **10 Jul 2026:** The Department of Commerce holds a Chintan Shivir on strengthening electronics manufacturing and export competitiveness.



A printed circuit board. Newer schemes like ECMS target parts like this, not just finished devices. Photo: CC BY-SA 3.0.

> **Quick check 1.** PLI-LSEM production fell short of its own original target. *(True or False?)* See answer ↓

The PLI-Electronics Scheme

- The PLI Scheme for Large Scale Electronics Manufacturing launched in 2020. It targets mobile phone making, and a set list of electronic parts.
- It offers a 4% to 6% incentive on incremental sales over a base year. This incentive runs for 5 years, for eligible companies.
- Both production and exports under the scheme beat their original targets. Production reached about ₹11.01 lakh crore, against an ₹8.12 lakh crore goal.
- India's overall electronics push targets USD 500 billion a year, by 2030. A narrower target aims for USD 150 billion in electronics exports alone, by the same year.
- This scheme is closely related to, but distinct from, the broader Production-Linked Incentive (PLI) Scheme, which covers many other sectors.

Watch this trap: "The PLI scheme" without the word electronics usually means the broader, sector-agnostic scheme, not this one.

Jobs and Assemblers

- The scheme's direct employment potential is over 200,000 jobs. Counting indirect jobs too, that total potential rises to nearly 800,000.
- Apple's iPhone exports alone reached about $23 billion in 2025. That made iPhones India's single most valuable exported item that year.
- Foxconn, Pegatron, and Tata Electronics together assemble around 55 million iPhones a year in India. That is roughly 14% of Apple's entire global iPhone output.
- Foxconn's new $2.6 billion facility, near Bengaluru, began test production of iPhone 16 models. Once fully running, around 2027, it should employ 50,000 workers.
- Chip-making is a national priority too, running alongside this push. That deeper effort is covered under the India Semiconductor Mission instead.

> **Quick check 2.** Foxconn, Pegatron, and Tata Electronics together assemble more than half of Apple's global iPhone output, in India. *(True or False?)* See answer ↓

PLI vs National Manufacturing Mission

- Exam questions often test whether a scheme's incentive rate is attached to the right scheme. PLI-Electronics pays a narrower, sector-specific 4% to 6% rate on incremental sales.
- The broader, sector-agnostic PLI Scheme covers many other industries, at different rates, some well above 6%. A question naming

just “the PLI scheme” may be testing that general scheme’s own figures, not this one.

- Watch for a separate, well-tested trap. Raising manufacturing’s share of India’s GDP to 25% is a National Manufacturing Mission goal, not a PLI goal. PLI schemes are just one tool used toward that wider target.
- Questions on the general PLI Scheme’s own rules belong under that article. Questions on electronics or mobile-making figures belong here instead.

> **Quick check 3.** Raising manufacturing’s share of India’s GDP to 25% is specifically a PLI-Electronics target. *(True or False?)* See answer ↓

Semiconductor and Design Ecosystem

- On 23 July 2026, NIELIT and SCL Mohali partnered to put an indigenous 1.2 µm Process Design Kit (PDK) on eChipHub, a national chip-design education platform.
- Pairing this free PDK with free design tools builds one of India’s first “design-to-chip” learning paths. NIELIT wants to train nearly 30,000 students through it.
- Under the Semicon India Programme, 12 chip-making projects have been approved, spread across 6 states. Together, they carry investment plans worth about ₹1.64 lakh crore. Of these, 3 plants already have commercial production underway.
- Under the Design Linked Incentive (DLI) Scheme, 24 chip-design projects have been approved for financial support. A further 105 startups and small firms get help with chip-design tools.

- Chip-skills training now reaches 315 institutes across the country. Of these, 61 are in Tamil Nadu alone.

> **Quick check 4.** The DLI Scheme funds semiconductor design work, not chip manufacturing itself. *(True or False?)* See answer ↓

ECMS: One Step Upstream of PLI-Electronics

- On 17 September 2026, PIB detailed the Electronics Component Manufacturing Scheme (ECMS). It aims to build the component layer of India's electronics supply chain.
- ECMS goes deeper into the supply chain than PLI-Electronics. It backs components, sub-assemblies and the machinery to make them. PLI-LSEM was built around phones, with some specified components.
- India kept importing many of these parts, even as its device assembly grew fast. ECMS aims to close that gap.
- India's electronics production grew from ₹1.9 lakh crore in 2014-15 to ₹13.11 lakh crore in 2025-26. Exports grew from over ₹38,000 crore to ₹4.24 lakh crore, over that same period.

> **Quick check 5.** ECMS supports only finished-device assembly, like PLI-Electronics. *(True or False?)* See answer ↓

Export Growth and the Chintan Shivir

- On 22 July 2026, the government approved 2 new Electronics Manufacturing Clusters (EMCs) in Tamil Nadu, worth ₹1,012 crore combined.

- The EMC at Manallur spans 474.3 acres, costing ₹587.47 crore. The EMC at Pillapaikkam spans 379.3 acres, costing ₹424.55 crore.
- National electronics production has risen sevenfold since 2014-15, from about ₹1.9 lakh crore to ₹13.11 lakh crore in 2025-26.
- Mobile phone production grew even faster, 33 times over, from about ₹18,000 crore to ₹6.27 lakh crore. Mobile phone exports grew 165 times, to about ₹2.59 lakh crore.
- India now makes about 99.2% of the mobile phones it sells domestically. Phones are now the country's single largest exported item, and the sector employs nearly 25 lakh people.
- The Department of Commerce held a Chintan Shivir at Bharat Mandapam in New Delhi. Its focus was strengthening electronics manufacturing and exports. Commerce Secretary Rajesh Agrawal asked for steady, predictable rules. He said that would help draw global electronics firms into India.
- The Shivir set out a roadmap to USD 150 billion in electronics exports by 2030, covering smartphones, servers, and specialty electronics. Firms like Apple, Samsung, Foxconn, and Tata Electronics joined in. They talked about bringing small manufacturers into global supply chains, and cutting export paperwork.

> **Quick check 6.** India now manufactures nearly all the mobile phones it sells within the country. *(True or False?)* See answer ↓

Two Numbers Worth Remembering

- India's electronics story is shifting. Early PLI rounds paid mainly for final assembly. Newer moves, like the 2026 Chintan Shivir, focus more on parts and supply chains.

- Global value chains carry nearly 90% of all global electronics trade. The Shivir pushed to fold Indian small manufacturers into these chains, as suppliers to large assemblers.
- Two similar-sounding numbers are easy to confuse. USD 500 billion is the overall 2030 electronics sector target. USD 150 billion is the narrower 2030 electronics export target.
- Mobile phones dominate the headlines, but the same 2030 targets also cover servers and specialty electronic components. Exam questions can overlook this if they only mention smartphones.
- Must Know PLI-LSEM (2020) already beat its own production target, and MPMS (2026) has now succeeded it with a ₹62,500 crore outlay.
- Good to Know India's 2030 targets split into a USD 500 billion overall sector goal, and a narrower USD 150 billion export goal.
- Current Affairs ECMS (2026) targets components one step upstream of PLI-Electronics, closing a gap that persisted even as assembly grew.

Q: What incentive rate does PLI-Electronics offer, on incremental sales?

A: 4% to 6%, for 5 years.

Q: How does ECMS differ from PLI-Electronics?

A: ECMS is built around the component ecosystem, such as PCBs, camera modules and connectors. PLI-LSEM covered mobile phones and a set list of electronic parts. The two differ in eligible segments and incentive design.

Q: What is India's narrower 2030 target, specifically for electronics exports?

A: USD 150 billion.

Q: Which scheme replaced PLI-LSEM in 2026?

A: The Mobile Phone Manufacturing Scheme (MPMS), worth ₹62,500 crore.

Test Yourself

Practice MCQs

1. In which year was the PLI Scheme for Large Scale Electronics Manufacturing launched, aimed at boosting mobile phone production?

A. 2023

B. 2016

C. 2014

D. 2020

See answer ↓

Answer Key

1. **D.** The PLI Scheme for Large Scale Electronics Manufacturing was launched in 2020, with an outlay of Rs 40,995 crore, to boost domestic mobile phone manufacturing and specified electronic components. ↑ Q1

Quick-check answers

1. **False.** ↑ 1
2. **False.** ↑ 2
3. **False.** ↑ 3
4. **False.** ↑ 4
5. **False.** ↑ 5
6. **False.** ↑ 6

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