



# Cabinet approves new National Electronics Policy

Posted at: 20/02/2019

## **Aim is to achieve turnover of Rs.26 lakh crore for design and manufacturing sector by 2025**

- The Union Cabinet approved the National Electronics Policy 2019 aimed at achieving a turnover of \$400 billion (about Rs.26 lakh crore) for the electronics system design and manufacturing (ESDM) sector by 2025, while generating employment opportunities for one crore people.
- The policy has introduced “easier to implement” incentive schemes, including an interest subvention scheme and credit default guarantee, to replace some of the existing ones under the National Electronics Policy 2012.
- The policy will enable flow of investment and technology, leading to higher value addition in the domestically manufactured electronic products and increased manufacturing of electronics hardware for local use as well as exports, IT and Law Minister Ravi Shankar Prasad said.

## **Default guarantee**

- The government proposes to create a fund to provide default guarantee of up to 75% to banks for plant and machine loans of up to Rs.100 crore.
- To help create an ecosystem, the policy has pitched for 2.0 version of the Electronics Manufacturing Cluster Scheme, under which infrastructure support will be provided for a group of industries that are part of the product supply chain rather than individual industries.
- It has also proposed a sovereign patent fund to acquire intellectual property for chips and chip components.

The Hindu