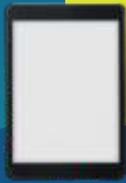


# India Electronics and Home Appliances Market Report



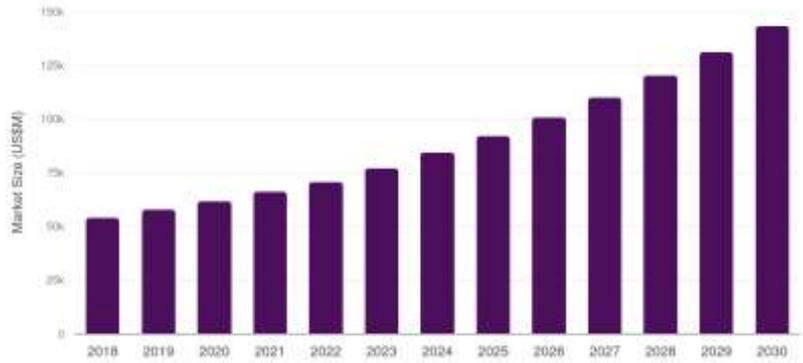
# CHARTING INDIA'S RISE AS A GLOBAL MANUFACTURING POWERHOUSE

India's Electronics and Home Appliances (EHA) sector has emerged as one of the country's fastest-growing industries, driven by a combination of expanding domestic demand, robust policy support, global supply-chain diversification, and increasing manufacturing capacity.

The sector has transitioned from being primarily import-dependent to becoming a significant global manufacturing and export hub. Supported by government initiatives such as **Production Linked Incentive (PLI)**, **Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECES)**, and **Electronics Manufacturing Clusters (EMC 2.0)**, India's electronics ecosystem is scaling rapidly across product segments — from mobile phones, consumer appliances, and IT hardware to semiconductors, PCBs, and auto electronics.

With total electronics manufacturing valued at over **US\$ 100 billion**, India aims to reach **US\$ 300 billion by FY2026**, of which exports are expected to exceed **US\$ 120 billion**. This transformation positions the sector as a key pillar of India's vision to become a global manufacturing hub under *Make in India 2.0*.

India consumer electronics market, 2018-2030



## MARKET OVERVIEW

India's electronics and home appliances industry encompasses a wide range of products including consumer electronics, white goods, smart home appliances, IT hardware, components, and sub-assemblies.

### India Electronics Market Segmentation by Product Type (in value %)

India Electronics Market  
India Electronics Market Segmentation by Product Type

- Consumer Electronics
- Industrial Electronics
- Automotive Electronics
- Medical Electronics
- Telecommunications Equipment



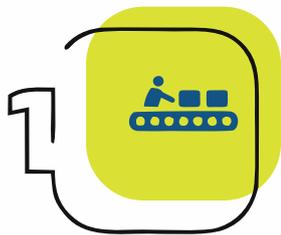
### Market Segmentation

Between FY2015 and FY2025, India's electronics production grew at a **CAGR of over 15%**, rising from approximately **US\$ 29 billion to over US\$ 101 billion**. Looking ahead, the sector is projected to reach about **US\$ 500 billion by FY2030**. The domestic market is expanding swiftly, driven by rising disposable incomes, increasing urbanization, electrification of rural regions, and changing lifestyles that favor smart, connected appliances.

Globally, the electronics manufacturing services (EMS) industry is undergoing structural change, with companies seeking to diversify their production bases. India is emerging as a preferred destination for such relocation, offering a large talent pool, competitive costs, improving infrastructure, and proactive policy incentives.

## POLICY LANDSCAPE

The Government of India has played a pivotal role in nurturing the sector through targeted policy interventions and fiscal support mechanisms designed to strengthen the manufacturing ecosystem. The key initiatives include:



### Production Linked Incentive (PLI) Scheme

Introduced to encourage domestic manufacturing of mobile phones, IT hardware, and components, the PLI scheme offers financial incentives on incremental sales over a base year. The scheme covers sectors such as mobile phones, IT hardware, white goods (air-conditioners and LED lights), semiconductors, and solar PV cells. The initiative has attracted global majors such as Foxconn, Wistron, Dixon, and Samsung to establish or expand their Indian facilities.

### SPECS Scheme

The Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECS) provides a financial incentive of 25% on capital expenditure for the manufacture of electronic goods and components, including semiconductors and ATMP units.



### EMC 2.0

The Electronics Manufacturing Clusters (EMC 2.0) scheme aims to create world-class infrastructure for electronics manufacturing. These clusters are designed to offer plug-and-play facilities, common services, and supply-chain linkages to manufacturers.

### Other Supportive Measures

Additional measures such as import duty rationalization, simplified licensing, export promotion schemes, and R&D incentives have collectively strengthened the investment environment.





## GROWTH DRIVERS

The rapid expansion of India's electronics and home appliances industry is supported by several structural and cyclical growth drivers:

### Expanding Domestic Market

India's population of over 1.4 billion, coupled with a growing middle class and rising per capita incomes, provides a vast and expanding consumer base. Penetration levels for many appliances remain low compared to developed economies, indicating significant room for growth.

### Technological Convergence

The rise of IoT, AI, and smart home ecosystems is increasing demand for connected appliances and devices. Integration of technology is not only enhancing product value but also creating new categories such as wearables, smart TVs, and home automation systems.

### Policy and Incentive Support

Government-backed initiatives have substantially improved project viability and reduced operational risks for investors. The PLI scheme alone has led to investments worth several billion dollars, catalyzing the entire electronics ecosystem.

### Global Supply Chain Diversification

Geopolitical realignments and the need for risk diversification have led multinational companies to adopt a "China+1" strategy. India has emerged as a strong alternative for manufacturing, benefiting from cost advantages, skilled workforce, and political stability.

### Export Competitiveness

Improved logistics, trade facilitation, and preferential trade agreements are boosting exports. India's electronics exports are growing at a double-digit pace, led by mobile phones and consumer electronics.

## SEGMENT ANALYSIS



### Mobile Phones



India is now the second-largest mobile phone manufacturer in the world, with production rising from ₹18,900 crore (US\$ 2.3 billion) in FY2014-15 to over ₹4.2 lakh crore (US\$ 50 billion) in FY2023-24. Exports crossed ₹2 lakh crore (US\$ 24 billion) in FY2024-25, and more than 97% of domestic demand is now met locally. With over 300 manufacturing units operating, the segment continues to anchor India's electronics manufacturing growth.

### Consumer Electronics & Home Appliances



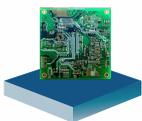
Valued at around US\$ 76 billion in 2024, India's consumer electronics and home appliances market is expanding at a CAGR of 7–8%, projected to cross US\$ 100 billion by 2030. Rising incomes, rural electrification, and growing preference for smart and energy-efficient products are driving this demand. The segment remains a key driver of domestic consumption and employment.

### IT Hardware



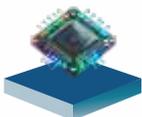
India's IT hardware industry — including laptops, desktops, and tablets — is scaling rapidly under the PLI Scheme for IT Hardware. Global brands are setting up assembly facilities in India, and domestic production is expected to exceed US\$ 10 billion by FY2026, supported by import substitution and growing institutional demand.

### Printed Circuit Boards (PCBs) & Components



India's PCB industry, valued at about US\$ 6.3 billion in 2024, is projected to grow to US\$ 24 billion by 2033, registering a CAGR of over 15%. Nearly 88% of bare PCBs are still imported, highlighting a strong opportunity for local manufacturing and value addition in the supply chain.

### Semiconductors & ATMP



India's semiconductor market stood at US\$ 38 billion in 2023 and is expected to reach US\$ 100–110 billion by 2030. Major investments by Micron, Tata Electronics, and others in fabrication and packaging facilities mark the beginning of India's participation in the global semiconductor value chain.

## CASE STUDY: CHINA AND TAIWAN — MODELS OF GLOBAL ELECTRONICS LEADERSHIP

The rapid expansion of India's electronics and home appliances industry is supported by several structural and cyclical growth drivers: China and Taiwan have built two of the world's most successful electronics ecosystems through distinct but equally effective strategies. China focused on scale and integration, while Taiwan concentrated on specialization and technology leadership. Their experiences offer valuable direction for India's electronics manufacturing ambitions.

### CHINA: Scale, Clusters, and Global Integration



China's electronics rise began in the 1980s with Special Economic Zones (SEZs) that attracted global investors and contract manufacturers. Low-cost labor, tax incentives, and strong infrastructure created massive production hubs such as Shenzhen, now the world's electronics capital.

The entry of major players like Foxconn, Pegatron, and Huawei built end-to-end supply chains where components, assembly, and logistics coexist in compact clusters — driving unmatched speed and efficiency.

### TAIWAN: Focus, Innovation, and Semiconductor Dominance



Taiwan's growth stemmed from strategic focus rather than scale. The establishment of the Hsinchu Science Park and institutions like ITRI created a foundation for R&D-driven industries. The breakthrough came with the founding of TSMC in 1987, which introduced the pure-play foundry model, enabling global chip designers to outsource manufacturing. This model propelled Taiwan to global leadership in semiconductors — producing over 60% of global foundry output and 90% of advanced chips used worldwide.

A tightly linked network of SMEs, universities, and research institutes ensures constant innovation and talent development, keeping Taiwan ahead in high-value technology manufacturing.

## LESSONS FOR INDIA

### Cluster Development:

China shows the power of tightly integrated manufacturing ecosystems.



### Long-Term Policy Commitment:

Both countries achieved success through consistent, multi-decade industrial strategies.

### Focus on High-Value Niches:

Taiwan demonstrates how specialization in semiconductors and R&D can create global leadership.



### Skill and R&D Linkages:

Building strong industry academia research collaboration is key to sustaining innovation.

China's success lies in scale and execution, while Taiwan's lies in innovation and specialization. For India, blending both models — large-scale cluster-based manufacturing with focused investment in semiconductors and R&D — can accelerate its journey toward becoming a global electronics powerhouse.

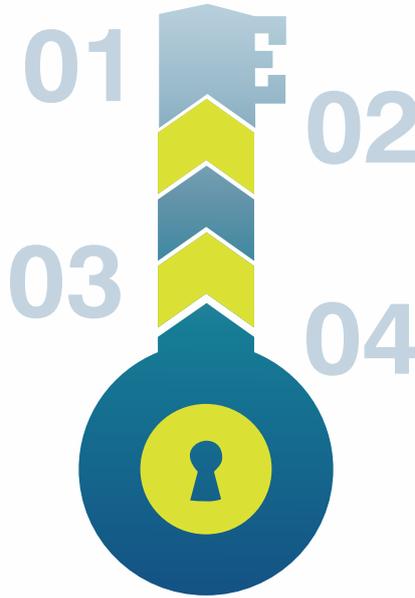


## INVESTMENTS AND KEY DEVELOPMENTS

These developments reflect growing investor confidence and a strong policy-business alignment.

Major global manufacturers such as Foxconn, Wistron, Samsung, and Dixon Technologies have established large-scale operations in India.

Domestic brands are scaling up through joint ventures, R&D centers, and export-oriented units.



02 The government has cleared several large investment proposals under the semiconductor mission, including those by Micron and Tata Group.

04 State governments, notably Tamil Nadu, Gujarat, Uttar Pradesh, and Telangana, are creating dedicated electronics manufacturing corridors and industrial parks.

## OPPORTUNITIES

The outlook for investors and industry participants remains highly positive. Key opportunity areas include:

### Component and Sub-Assembly Manufacturing:

Import substitution offers immediate opportunities in components such as PCBs, connectors, sensors, and power modules.

### Smart Home Appliances and IoT Devices:

The domestic market for connected appliances and wearable devices is expanding rapidly.

### Export Expansion:

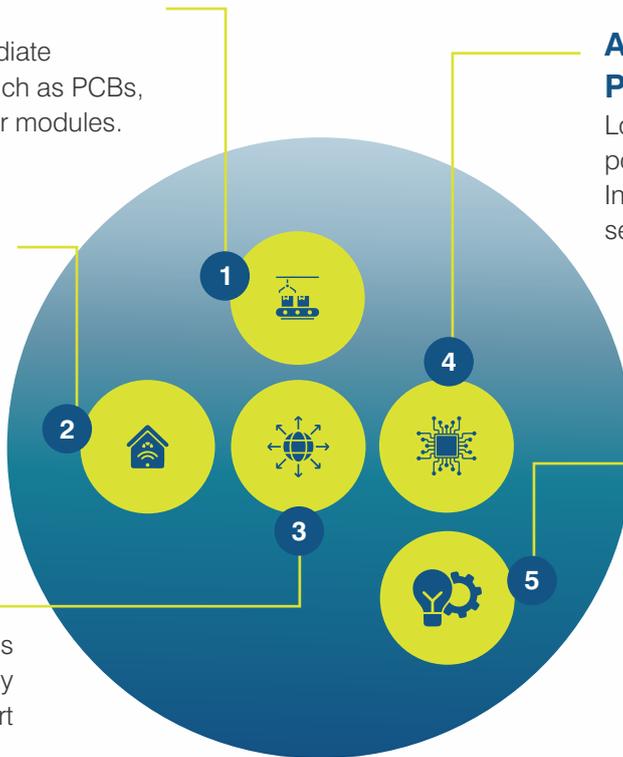
India's growing competitiveness in cost, quality, and reliability positions it as a favorable export base for global markets.

### ATMP and Semiconductor Packaging:

Long-term strategic area with potential for high-value addition as India moves up the semiconductor value chain.

### Design and R&D Services:

The ecosystem for electronics design and embedded software is growing, creating opportunities in product development and innovation.



## OUTLOOK

The outlook for India's electronics and home appliances industry is highly positive. The combination of strong policy push, rising domestic demand, and increasing global investment interest makes the sector one of the most promising pillars of India's manufacturing landscape.

India's focus on building a complete electronics ecosystem — from design to production — will enhance value addition and reduce dependency on imports. Over the next five years, the country is expected to emerge as a major global hub for electronics manufacturing, contributing significantly to GDP, exports, and employment.

By 2030, India's electronics and appliances sector is expected to contribute a significant share to the country's manufacturing output, aligning with the broader vision of Atmanirbhar Bharat and Make in India 2.0.

## CHALLENGES

Despite strong momentum, the sector faces certain challenges that need to be addressed:

### Dependence on Imports:

A large proportion of high-end components and raw materials such as semiconductor wafers and laminates are still imported.

### Skill Gaps:

The sector requires skilled technicians, engineers, and R&D professionals to sustain quality and innovation.

### Infrastructure and Logistics:

Although improving, logistics and testing infrastructure must scale with demand.

### Global Volatility:

Supply-chain disruptions and trade restrictions may temporarily impact operations or exports.

Addressing these challenges through policy alignment and industry partnerships will be critical for achieving the sector's full potential.

## CONCLUSION

India's Electronics and Home Appliances industry stands at the threshold of transformation. From being an import-driven market, it is now evolving into a globally competitive manufacturing base supported by strategic policies, robust demand, and strong investor participation.

The next decade will define India's role in global electronics — not just as an assembler but as an innovator, designer, and exporter of high-quality electronic goods. For investors, policymakers, and industry stakeholders, the message is clear: this is not a short-term opportunity but a long-term structural growth story.

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W: [www.worldexindia.com](http://www.worldexindia.com)  
E : [contactus@worldexindia.com](mailto:contactus@worldexindia.com)

**Worldex India Exhibition & Promotion Pvt. Ltd.**

Mumbai  
309, Parvati Premises, Sun Mill Complex, Lower Parel (W),  
Mumbai 400 013. +(91)-(22) 4037 6700.

New Delhi  
F-10, First Floor, Kalkaji, New Delhi 110019.  
+(91)-(11) 4180 2119.

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