

A vision for electronics systems design and Manufacturing

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I would like to deliberate on the dream or vision of Kerala State Electronic Development Corporation (KELTRON) and how the electronics can thrive in the state because, more than manufacturing we are supposed to be an umbrella organization which is to promote other segments of other suppliers in the state.

The demand for electronic goods in general, especially that of mobile phones and computers, are growing in an exponential manner and India is emerging as a second largest market. Of late, in Kerala also there is an uptick in electronic system and design manufacturing with 268 new units were established since 2014. Our Hon'ble Prime Minister said by 2020 India's import bill for electronics will be more than petroleum. I think we are fast approaching to that state. If the country is not preparing itself, we are going to find our foreign exchange eroding in a very big way. I think that both the state and the Centre are taking the right steps in identifying drivers and providing encouragement to establish a stable and robust electronic manufacturing eco-system. The rising middle-class population is surely again a driver and improving the infrastructure is important. I also would like to dwell upon the R&D eco-system in the state which is of paramount importance for this industry.

Then, second is the current challenges of electronics industry. Ford is shutting down the plants in India for want of microchips. Due to chip shortage, laptops production is getting delayed by five months. This is typically a pandemic situation because the global demand for laptops and mobile phones have gone up and everybody wants to be at home with the classes and work from home. Similarly, the delivery period has increased from 26 to 30 weeks for microchips and power device.

Expanding Kerala's footprint in electronics, KELTRON, as everybody says was the dream company in India itself during 1970s and now due to various reasons it slipped back. The slippage has not been with the KELTRON alone, but for the country as a whole. Hence, it's not that the KELTRON alone but the entire country has gone back. In this process why not Kerala's electronics takes the lead. This is especially important given the commitment of the government to provide employment to all those who are educated but remaining unemployed.

Why not the state promoting Make in Kerala brand for the electronics. It should finally contribute to the economic growth of Kerala. This is especially important because our good talent is going outside the state and outside the country to grab the opportunities. Why not we create an R & D and innovation system so that our talent stays here and contribute to the state. There is a lot of potential in all segments of electronics; consumer electronics, industrial electronics, strategic electronics, communication and broadcast electronics, computer hardware and electronic components.

Let's come to the plan and strategy. We can build a good ESDM ecosystem. So, what is this ecosystem? Encourage ESDM start-ups and MSMEs while existing companies are given support from the industry and institutions in Kerala. Build the skill and quality talent pool along with electronic manufacturing clusters by encouraging domestic and FDI funding. Establish three, at least minimum two, electronic manufacturing clusters in South, Central and North Kerala. Let us ensure that FDI and major players are invited to the state so they are part of the consumer, components and computer hardware which are going to be in heavy demand. The State can incentivize them so that they come here and give the mass employment which is a key requirement of the state. The MSMEs could be expected to play the feeder role. I have seen 88 new chip design companies located in Bangalore itself. So why not Kerala also have an ecosystem in which big companies establish their R & D and chip design and other electronic design facilities which doesn't require much infrastructure. This is something which we can really focus and develop easily.

Then let me come to the manufacturing. Develop three clusters on a focused approach. Why I say focused because while the requirement of each sector of electronics is specific, the common facilities are almost the same. We could list certain things that may be required here. Then the FDI and other large companies should be incentivized to make additional investments.

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Finally, I would like to summarize, stating that this is not impossible, given the right focus we can develop the much needed manufacturing ecosystem. Thank you.