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'Hardware industry must invest in R&D'

Vishwanath Kulkarni

V.K. Varadarajan

BANGALORE, Sept. 7

THE Manufacturers Association of Information Technology (MAIT) is the apex body representing hardware, training and service sector of the Indian information technology industry.

MAIT has been fighting with the Government for various causes of the hardware sector, which was largely ignored. Mr. Vinay Deshpande, Chairman and CEO of Encore Software, who has recently taken over as President of MAIT, spoke to Business Line on the organisation, its aims and its future.

On the Government interface with the hardware sector:

The Government now seems to be very supportive of the hardware industry. Going by the latest developments and concessions announced, the mood in Government seems to be very positive.

I believe it is beginning to realise that the hardware industry can do as well as, if not better, than the software industry in terms of revenues.

On issues confronting the hardware sector:

The major issues are those relating to creating a Indian environment conducive for manufacturing including infrastructure, logistics and procedural hassles in imports and exports.

The turnaround time, which is very high, needs to be brought down to the international levels. I think the concept of advance customs clearing is a good issue to cut down transit delays for exports and we should explore the possibility of getting it done .

Our competitiveness is going to depend on how quickly we do the things rather than on the duty structure. I think the government realises this.

Certainly, many of the statements made by the IT minister, Mr. Pramod Mahajan, and the Industry and Commerce Minister, Mr. Murasoli Maran, are all positive and going by this, I think the hardware industry is headed for better days ahead.

On the focus areas of MAIT:

Everybody feels that hardware industry means manufacturing PCs. I think the industry has to look beyond PCs.

There are many companies in India manufacturing products other than PCs and are doing fantastically. We want to drive home the fact that there are many other products which manufacturers could focus on.

We want to encourage the industry to invest in research and design. We want to encourage the industry to come up with various new designs and this has to be coupled with PCs.

We are already heading in that direction and the development of Simputer (simple computer) is an example. The slogan 'Indian solution for Indian needs' is as applicable to India as to any other developing country.

India has got a good name in software products but the attention should now be focussed on hardware products. This was also echoed by the US Ambassador to India, Mr. Richard Celeste, in his recent address to the members of MAIT.

On the challenges before the industry:

The challenge is to make the world accept the 'Made in India' mark for hardware products and make the label a sought after one.

A number of countries are now making products and not components. We should also focus on products, rather than making components.

We can also make certain components but may have to import some of the best ones. However, we can use innovation, creativity and design to bring down the costs of the products, and manufacture high quality products.

On the steps MAIT proposes to take in this direction:

In order to help the industry, MAIT is looking at some cross country arrangements between industry associations in Taiwan, Korea and the UK.

Some associations from foreign countries have already come forward for tie-up with MAIT to foster co-operation between the members of MAIT and other organisations.

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