

How India has become the world's smartphone making powerhouse

TDT | agencies

India is now the United States' biggest supplier of smartphones.

New data shows that New Delhi has surpassed Beijing as Washington's top supplier of smartphones. What made this possible? Apple shifting its operations to India in the backdrop of the Covid-19 pandemic and President Donald Trump's ongoing tariff wars.

But what happened and why? How did India overtake China as the US' top supplier of smartphones?

Let's take a closer look:

What happened? Data from research firm Canalys showed that India's smartphone shipments to the US increased by a whopping 240 per cent in the second quarter of 2025. These phones now comprise around 44 per cent of all smartphones sent to the US.

Last year, that figure was at just 13 per cent. Meanwhile, China's share of smartphones sent to the US declined to 25 per cent. This is a major shift from the second quarter of 2024, when China comprised



61 per cent of smartphones sent to the US.

Canalys analyst Sanyam Chaurasia said, "India became the leading manufacturing hub for US-sold smartphones for the very first time in Q2 2025, largely driven by Apple's accelerated supply chain shift to India amid an uncertain trade landscape."

iPhone exports from the US to India hit a high in March – just before Trump announced the reciprocal tariffs on US trading partners.

Trump has imposed a 50 per cent tariff on India, a 30 per cent tariff on China while the two countries negotiated trade deal and a 20 per cent tariff on Vietnam.

India has exported over 24 million iPhones across the world in 2025 – 78 per cent of which have gone to the United States.

India sent 21.3 million smartphones to the US between January and May 2025 – more than what it sent last year.

Smartphone exports from India to the US have skyrocketed 182 per cent to \$9.35 billion in 2025.

Tamil Nadu, which houses Apple suppliers such as Foxconn, Pegatron, and Tata Electronics, is the hub of iPhone production in India.

Apple is making its bas models such as the iPhone 16 and iPhone 15 in India. However, it is important to note that though the tech giant has begun assembling some iPhone Pro models in India, it remains dependent on China for its iPhone Pro models to the United States.

Samsung and Motorola have also increased sending handsets from India. However, they are doing so on a fast smaller scale than Apple. Chaurasia said Motorola, like Apple, had its core manufacturing base in China, while Samsung kept its in Vietnam.

Incidentally Vietnam has also grown its share of the US market to 30 per cent.

Union minister Ashwini Vaishnaw confirmed the de-

velopment on Sunday. Vaishnav added that electronics manufacturing in India is now estimated at Rs 12 lakh crore. Vaishnav, inaugurating metro projects in Bengaluru, said India's electronic production has increased six-fold over the past 11 years.

He said electronic exports have surged eight-fold to Rs 3 lakh crore, which reinforced India's position as the world's second-largest mobile phone manufacturer.

"Our electronic production has grown six times in the last 11 years. Today, electronics manufacturing has touched Rs 12 lakh crore. Electronic exports have increased by eight times... Today, it has grown to Rs 3 lakh crore. India has become the second-largest manufacturer of mobile phones in the world," Vaishnav said.

Government data shows that India had just two mobile manufacturing units in 2014 – that number is over 300 today.

A decade ago, a mere 26 per cent of mobile phones sold in India were made locally.

Today, 99.2 per

cent of phones sold in India are made locally.

The value of mobile phone manufacturing industry rose from Rs 18,900 crore in FY14 to Rs 4,22,000 crore in FY24.

The Union Minister Jitin Prasada earlier told the Lok Sabha earlier that the production linked incentive (PLI) scheme meant for mobile phone manufacturing attracted a total investment of Rs 12,390 crore.

"The PLI Scheme for LSEM has already attracted a cumulative investment of INR 12,390 crore, led to a cumulative production of Rs 8,44,752 crore with exports of Rs 4,65,809 crore and generated additional employment of 1,30,330 (direct jobs) till Jun'25," the minister said.

He said India's mobile import demand decreased by 0.02 per cent in 2024-25 from 75 per cent in 2014-15.

"PLI Scheme for Large Scale Electronics Manufacturing has significantly impacted the mobile manufacturing sector in India particularly in transforming

India from a net importer to a net exporter of mobile phones. Bharat is now the second largest mobile manufacturing country in the world," the minister said.

What do experts say?

That US smartphone makers are clearly in the mood to diversify.

Experts say that issues over tariffs and trade rules have resulted in vendors front-loading inventory – which means buying far more inventory than usual and changing their sourcing plans.

India's increasing role as a manufacturing base for global smartphone brands shows it is becoming a bigger part of the phonemakers' plans for both low-cost and high-end models.

However, it must be noted that the smartphone market in US increased just 1 per cent in the second quarter of 2025.

In fact, iPhone shipments decreased 11 per cent from the previous year.

However, Samsung's shipments increased by a massive 38 per cent. Motorola also saw a two per cent bump. The other popular models were Google and TCL.



BAHRAIN FAMILY LEISURE COMPANY B.S.C.



Condensed interim statement of financial position as at 30 June 2025 (Reviewed) (Expressed in Bahrain Dinars)

| | 30 June 2025 (Reviewed) | 31 December 2024 (Audited) |
|---|----------------------------|-------------------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 55,848 | 58,316 |
| Right-of-use assets | 421,527 | 505,521 |
| Financial assets at fair value through profit or loss | | |
| | 834,986 | 751,196 |
| | <u>1,312,361</u> | <u>1,315,033</u> |
| Current assets | | |
| Inventories | 17,712 | 19,651 |
| Trade and other receivables | 122,907 | 141,326 |
| Term deposits | 256,635 | 250,000 |
| Cash and cash equivalents | 242,108 | 189,820 |
| | <u>639,362</u> | <u>600,797</u> |
| Total assets | <u>1,951,723</u> | <u>1,915,830</u> |
| EQUITY AND LIABILITIES | | |
| Capital and reserves | | |
| Share capital | 4,000,000 | 4,000,000 |
| Statutory reserve | 794,927 | 794,927 |
| Capital reserve | 68,245 | 68,245 |
| Accumulated losses | (3,322,517) | (3,360,481) |
| Treasury shares | (400,000) | (400,000) |
| | <u>1,140,655</u> | <u>1,102,691</u> |
| Non-current liabilities | | |
| Employees' terminal benefits | 44,511 | 45,377 |
| Non-current portion of lease liabilities | 305,563 | 361,855 |
| | <u>350,074</u> | <u>407,232</u> |
| Current liabilities | | |
| Trade and other payables | 319,987 | 241,679 |
| Current portion of lease liabilities | 141,007 | 164,228 |
| | <u>460,994</u> | <u>405,907</u> |
| Total liabilities | <u>811,068</u> | <u>813,139</u> |
| Total equity and liabilities | <u>1,951,723</u> | <u>1,915,830</u> |

Condensed interim statement of changes in shareholders' equity for the six months period ended 30 June 2025 (Reviewed) (Expressed in Bahrain Dinars)

| | Share capital | Statutory reserve | Capital reserve | Accumulated losses | Treasury shares | Total |
|--|------------------|-------------------|-----------------|--------------------|------------------|------------------|
| At 31 December 2023 (Audited) | 4,000,000 | 794,927 | 68,245 | (3,089,879) | (400,000) | 1,373,293 |
| Net profit and other comprehensive income for the period | - | - | - | 2,846 | - | 2,846 |
| Transferred to statutory reserve | - | 285 | - | (285) | - | - |
| At 30 June 2024 (Reviewed) | <u>4,000,000</u> | <u>795,212</u> | <u>68,245</u> | <u>(3,087,318)</u> | <u>(400,000)</u> | <u>1,376,139</u> |
| At 31 December 2024 (Audited) | 4,000,000 | 794,927 | 68,245 | (3,360,481) | (400,000) | 1,102,691 |
| Net profit and other comprehensive income for the period | - | - | - | 37,964 | - | 37,964 |
| At 30 June 2025 (Reviewed) | <u>4,000,000</u> | <u>794,927</u> | <u>68,245</u> | <u>(3,322,517)</u> | <u>(400,000)</u> | <u>1,140,655</u> |

Condensed interim statement of profit or loss and other comprehensive income for the quarter and six months period ended 30 June 2025 (Reviewed) (Expressed in Bahrain Dinars)

| | Quarter ended 30 June 2025 (Reviewed) | Quarter ended 30 June 2024 (Reviewed) | Six months period ended 30 June 2025 (Reviewed) | Six months period ended 30 June 2024 (Reviewed) |
|--|--|--|--|--|
| Operating income | 377,879 | 317,025 | 689,142 | 625,657 |
| Operating costs | (348,447) | (306,107) | (647,023) | (586,839) |
| Operating profit for the period | <u>29,432</u> | <u>10,918</u> | <u>42,119</u> | <u>38,818</u> |
| Expenses | | | | |
| Legal and profession expenses for proposed business combination | (41,498) | - | (48,998) | - |
| General and administrative expenses | (33,777) | (29,561) | (70,939) | (79,806) |
| Selling and advertising expenses | (900) | (990) | (3,037) | (2,677) |
| Finance cost on lease liabilities | (8,350) | (8,441) | (17,357) | (13,148) |
| Directors' fees | (7,600) | (10,050) | (19,600) | (18,800) |
| Total expenses | <u>(92,125)</u> | <u>(49,042)</u> | <u>(159,931)</u> | <u>(114,431)</u> |
| Loss before investment and other losses | <u>(62,693)</u> | <u>(38,124)</u> | <u>(117,812)</u> | <u>(75,613)</u> |
| Investment and other income/(loss) | 129,573 | (6,809) | 155,776 | 78,459 |
| Net profit/(loss) and other comprehensive income /(losses) for the period | <u>66,880</u> | <u>(44,933)</u> | <u>37,964</u> | <u>2,846</u> |
| Basic and diluted earning/(loss) per share | <u>Fils 1.86</u> | <u>Fils (1.25)</u> | <u>Fils 1.05</u> | <u>Fils 0.08</u> |

Condensed interim statement of cash flows for the six months period ended 30 June 2025 (Reviewed) (Expressed in Bahrain Dinars)

| | Six months period ended 30 June 2025 (Reviewed) | Six months period ended 30 June 2024 (Reviewed) |
|---|--|--|
| Operating activities | | |
| Net profit for the period | 37,964 | 2,846 |
| Adjustments for: | | |
| Depreciation of property, plant, and equipment | 6,440 | 8,695 |
| Amortisation of intangible assets | - | 831 |
| Amortisation of right-of-use assets | 83,994 | 75,270 |
| Unrealised fair value (gains)/losses on financial assets at fair value through profit or loss | (83,790) | 11,479 |
| Dividend income | (62,364) | (62,378) |
| Interest income | (8,783) | (10,598) |
| Finance cost on lease liabilities | 17,357 | 13,148 |
| Gain on lease termination | - | (127) |
| Loss on disposal of property, plant and equipment | - | 14,238 |
| Loss on property, plant and equipment written-off | - | 2,706 |
| Loss on intangible assets written-off | - | 3,780 |
| Changes in operating assets and liabilities: | | |
| Inventories | 1,939 | 119 |
| Trade and other receivables | 18,866 | (44,933) |
| Trade and other payables | 78,308 | 51,112 |
| Employees' terminal benefits, net | (866) | (7,127) |
| Net cash provided by operating activities | <u>89,065</u> | <u>59,061</u> |
| Investing activities | | |
| Purchase of property, plant, and equipment | (3,972) | (21,356) |
| Proceeds from sale of property, plant, and equipment | - | 10,193 |
| Net movement in term deposits | (6,635) | - |
| Dividend received | 62,364 | 62,378 |
| Interest received | 8,336 | 10,598 |
| Net cash provided by investing activities | <u>60,093</u> | <u>61,813</u> |
| Financing activities | | |
| Lease liabilities paid | (96,870) | (85,440) |
| Net cash used in financing activities | <u>(96,870)</u> | <u>(85,440)</u> |
| Net increase in cash and cash equivalents | <u>52,288</u> | <u>35,434</u> |
| Cash and cash equivalents, beginning of the period | 189,820 | 173,471 |
| Cash and cash equivalents, end of the period | <u>242,108</u> | <u>208,905</u> |

The reviewed condensed interim financial information were approved, authorised for issue by the Board of Directors and signed on their behalf by:

Abdul Latif Khalid Al Aujan
Chairman

Ahmed Janahi
Vice-Chairman