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FIELD NOTES · SHEET 04

China+1 Has a New Address

Why the World's Factories Are Rewriting Their India Chapter

CHINA+1 · HOSUR · DHOLERA · SANAND

Electronics assembly, vehicles and components, and the port capacity to move the output — the three parts of the shift.

$21bn
iPhone exports, FY26
from near zero in FY22

$29.4bn
smartphone exports FY26
India's largest branded export

25–30%
of global iPhone output
up from 18% two years earlier

250,000
employed in Apple's chain
>70% women at the largest plants

> In September 2025, for the first time, every model in a new iPhone line-up shipped from India at global launch — not weeks later, not as a regional afterthought, but on day one.

iPhone exports went from virtually nothing in FY22 to ₹2 trillion in FY26, India's single largest branded export. Its share of global iPhone output has climbed toward 25–30% from 18% two years earlier.

Semiconductors are the slower, larger bet: twelve to thirteen approved projects across six states and more than $20bn committed. Nobody serious treats India as a replacement for China — only as a growing share of a diversifying map.

THE SIGNAL TO WATCH The PLI successor scheme. Export-linked or not tells you whether India is buying factories or building them.

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Bring the cohort to the case.

Every sheet in this series is a place you can stand in. The dark store, the fab, the swap kiosk, the mandi, the GCC floor — all of them within a day of Bengaluru, and all of them take visitors.

Field Notes is a series on the forces shaping India now, designed to give decision-makers exploring India the right perspective before they commit to it. Each one takes a single force, gives you the argument and the four numbers that anchor it, and names the places in India where you can go and stand in front of it. The series is drawn from *The India That Is Unique*, Immersion India's field guide for global executive education.

ON THE GROUND — CHINA+1

An electronics assembly floor
Where the incentive money went, and what it bought.

A supplier park outside the fence
Component depth is the constraint. Here it is visible.

A state investment agency
Six states competing for the same fab.

THREE QUESTIONS FOR THE ROOM

01 India's labour costs run 30–40% below Vietnam's, but its logistics and tax complexity erode that gap. Build the decision matrix a manufacturer would actually use.

02 The mobile PLI scheme expired in March 2026. What happens to a location advantage that was created by subsidy when the subsidy ends?

03 A threatened 25% US tariff on India-assembled iPhones made factory geography a diplomatic variable. How should a board price political risk it cannot hedge?

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