

NEWSLETTER



Representations

MEDEPC representation on Time Bound Decision on Visa Matters

The electronic goods manufacturing sector in India faces a significant challenge as delays in granting Indian visas to essential personnel persist. As the electronic sector is highly technology-oriented, Plant technicians, Experts, and Technology Partners from overseas are required to visit India frequently. However, they encounter prolonged waits for visa approvals, hampering crucial operations within the industry.

The Mobile and Electronic Devices Export Promotion Council (MEDEPC) has submitted a representation addressing this pressing issue. On January 30th, 2024, MEDEPC submitted a comprehensive representation to key governmental bodies including the Prime Minister's Office, Ministry of External Affairs, Ministry of Home Affairs, MEITY (Ministry of Electronics and Information Technology), DPIIT (Department for Promotion of Industry and Internal Trade), and other relevant agencies. In its representation, MEDEPC emphasized the urgent need for a time-bound decision on visa processing for foreign personnel essential to the manufacturing sector. Delays in this regard not only impede the smooth functioning of industries but also hinder technological advancements and collaborations critical for economic growth.

MEDEPC Representation on Time Bound Decision on FDI

In a bid to bolster value addition within the electronic component manufacturing sector, the Mobile and Electronic Devices Export Promotion Council (MEDEPC) has submitted a comprehensive representation to key authorities, including the Prime Minister's Office (PMO), Ministry of Home Affairs, Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Electronics and Information Technology (MeitY), and other concerned agencies on February 1, 2024. The representation emphasizes the critical necessity for expeditious approval processes to attract investment and foster technological advancements.



Activities

PLI IT hardware meeting 2.0

A virtual meeting was organized by MEDEPC on February 16th, 2024, at 3:00 PM, focusing on the topic of 'scaling up the domestic IT Hardware industry and its exports.' Chaired by Shri Ajay Shankar (IAS Retd.), the meeting convened with various IT Hardware Companies to address pressing issues within the industry. The agenda aimed to understand the challenges encountered by the IT Hardware Industry and solicit suggestions for enhancing manufacturing and export capabilities in India. With a significant turnout of participating companies, a diverse range of insights were shared, with a collective emphasis on strategies to bolster global competitiveness within this sector.

International Updates

India Launches UPI and RuPay Services in Sri Lanka and Mauritius

Prime Minister Narendra Modi, along with the President of Sri Lanka, Mr. Ranil Wickremesinghe, and the Prime Minister of Mauritius, Mr. Pravind Jugnauth, jointly inaugurated Unified Payment Interface (UPI) services in Sri Lanka and Mauritius, as well as RuPay card services in Mauritius via video conferencing on February 12, 2024. Mr. Jugnauth noted that the co-branded RuPay card would be designated as a domestic card in Mauritius, enhancing convenience for citizens of both countries. Prime Minister Modi highlighted India's digital infrastructure revolution, emphasizing the widespread use of UPI for transactions, which totaled over 100 billion transactions last year. He also mentioned the successful implementation of the CoWin platform for vaccinations and reiterated India's commitment to its neighbors through the "Neighborhood First" policy and the SAGAR maritime vision.

Japan loses as world's third-largest economy

Japan has been eclipsed by Germany as the world's third-biggest economy and has slipped into recession, according to data released Thursday, as the country battles a weak yen and an ageing, shrinking population. Japan's economy, now the world's fourth biggest, grew 1.9% in 2023 in nominal terms – meaning it is not adjusted for inflation but in dollar terms its gross domestic product (GDP) stood at \$4.2tn compared with \$4.5tn for Germany. The shift, coming more than a decade after it ceded second place to China, has been attributed to the yen's sharp falls against the dollar over the past two years. A weaker yen eats into profits on exports when earnings are repatriated. The Japanese currency dropped by almost a fifth against the US dollar in 2022 and 2023, including a 7% fall last year.



Prime Minister Visit to UAE



President His Highness Sheikh Mohamed bin Zayed Al Nahyan and Hon'ble Prime Minister Narendra Modi met in Abu Dhabi, discussing the strengthened India-UAE bilateral ties and witnessing the exchange of several agreements. These agreements encompassed areas such as investment, economic corridors, digital infrastructure electricity interconnection, maritime heritage, and library cooperation. Both leaders emphasized the robust economic partnership between the two countries, aiming to elevate bilateral trade to USD 100 billion ahead of the targeted year 2030. Additionally, the leaders highlighted the significance of multilateral trade systems for global prosperity, anticipating meaningful outcomes from the 13th WTO Ministerial Conference in Abu Dhabi. They also welcomed initiatives like Bharat Mart at Jebel Ali, designed to bolster bilateral trade and support micro, small, and medium-sized enterprises. They welcomed the Agreement on interlinking the national payment platforms - UPI (India) and AANI (UAE), which will facilitate seamless cross-border transactions between the two countries, showcasing strides in financial cooperation.

IEA's Plans to Include India in Energy Cooperation and Climate Action in Asia

The International Energy Agency (IEA) is finalizing plans to discuss India's membership, aiming to enhance cooperation in Asia for energy stability and climate action. Additionally, the IEA plans to open its first regional office in Singapore by year-end, strengthening ties with non-members like Indonesia, as Asia's significance in global energy consumption grows. With 31 mainly Western member countries currently, including Japan and South Korea from Asia, India's potential inclusion would bolster the IEA's ability to address energy crises given its significant oil consumption.

DGFT updates

Updates Export Policy for Chapters 01-39

The DGFT issued Notification No. 60/2023 on February 13, 2024, announcing the 'Indian Trade Classification (Harmonized System) of Export Items, 2023' for Schedule 2's Chapter 01-39. This notification complies with the Foreign Trade (Development & Regulation) Act, 1992, and the Foreign Trade Policy, 2023. Export policies and conditions for items within Chapter 01-39 are detailed on the DGFT website, effective immediately. Chapter 01-39 of ITC (HS), 2023 outlines the current export policy for items, along with any necessary policy conditions.

Authorization Scheme

DGFT, through Public Notice No. 40/2023 dated February 12, 2024, has amended Para 4.36 of the Handbook of Procedures 2023. The amendment permits the clubbing of authorizations issued within 24 months under the Advance Authorization Scheme, with imports within 30 months and exports within 48 months of the earliest authorization eligible for clubbing. This change aims to enhance the ease of doing business.

Gangavaram Port Designated for Scrap Import

DGFT Public Notice No. 43/2023 dated February 14, 2024, updates Para 2.51 of the Handbook of Procedures, 2023, by including Adani Gangavaram Port as a designated seaport for scrap import and PSIC exemption. This extends PSIC exemption to metallic waste and scrap from safe countries at 11 ports, including Gangavaram, bringing the total ports to 19.

New Ports Added for Vehicle Imports

DGFT Public Notice No. 43/2023 dated February 14, 2024, updates Para 2.51 of the Handbook of Procedures, 2023, by including Adani Gangavaram Port as a designated seaport for scrap import and PSIC exemption. This extends PSIC exemption to metallic waste and scrap from safe countries at 11 ports, including Gangavaram, bringing the total ports to 19.

DGTR Updates

DGTR Initiation Notification in CVD on textured tempered coated and uncoated glass originated from Vietnam

The Directorate General of Trade Remedies (DGTR) has launched an anti-subsidy duty investigation on Textured Tempered Coated and Uncoated Glass originating from Vietnam, following an application submitted by Borosil Renewables. This move comes in light of Malaysia already being subjected to 10.14% anti-subsidy duty three years prior, as indicated by Notification 3/2021-Customs (CVD) dated 9 March 2021. The investigation underscores the ongoing efforts to address potential unfair trade practices and ensure a level playing field in the market for these glass products.

DGTR Initiation Notification on

Under DGTR Initiation Notification Case No. AD -27/2023 dated 13 February 2024, Borosil Renewables has lodged another application for anti-dumping measures on Textured Tempered Coated and Uncoated Glass originating from China and Vietnam. The previous anti-dumping duty imposed on China, as per Notification 38/2017-Customs (ADD) dated 18 August 2017, had expired on 17 August 2022, prompting the submission of a fresh application. Furthermore, Malaysia, already subject to anti-dumping measures, will see these measures expire at the end of February 2024. This initiation reflects ongoing efforts to address potential market distortions and ensure fair competition within the industry, particularly concerning the importation of these glass products from China and Vietnam.

Sr. No	Commodities (Export)	Jan-23	Jan-24	% Change	Apr-Jan 23	Apr-Jan 24	% Change
		USD Bn			USD Bn		
1	Engineering Goods	8.41	8.77	4%	88.27	88.27	0%
2	Petroleum Products	7.70	8.21	7%	81.28	70.20	-14%
3	Gems & Jewellery	2.62	2.59	-1%	31.61	26.89	-15%
4	Organic & Inorganic Chemicals	2.40	2.40	0%	25.40	22.67	-11%
5	Electronic Goods	2.11	2.30	9%	18.76	22.65	21%
6	Drugs & Pharmaceuticals	2.00	2.13	7%	20.85	22.53	8%
7	RMG of all Textiles	1.49	1.44	-3%	13.34	11.58	-13%
8	Yarn/Fabs./made-ups, Handloom Products	0.87	0.89	3%	9.05	9.56	6%
9	Rice	0.98	0.95	-3%	8.98	8.27	-8%
10	Plastic & Linoleum	0.59	0.64	10%	7.06	6.57	-7%
Total of 10 Commodities		29.2	30.3	4%	304.6	289.2	-5%
Overall Total Export		35.8	36.9	3%	372.1	353.9	-5%

Source: Department of Commerce, Government of India

India's Electronic Exports January 2024

The Electronic Goods sector is the 4th largest contributor in export from India. The electronic goods exports reached an export figure of USD 22.65 billion in 2023-24 (April' 23 to Jan' 24), marking a 21% increase compared to the corresponding period in the previous year. This demonstrates a notable upward trend in growth. Within the electronic goods segment, mobile exports emerged as a standout performer, reaching an export figure of USD 11.91 billion (Industry Estimate) in 2023-24 (April' 23 to January'24), marking an impressive 40% surge from the previous year's USD 8.52 billion. It's worth noting that mobile phone exports in January 2024, with an estimated export value of USD 1.4 billion, accounted for more than 60% of the total electronic goods export value.

The top 5 countries of India's export of electronic goods in 2023-24 (April'23 - January'24) with percentage export share have been USA (33.38%), UAE (12.34%), Netherland (5.53%), UK (5.05%) and Italy (3.15%). Among the top 5 states, Tamil Nadu topped export of electronic goods having a share of 32.52%, followed by Uttar Pradesh (15.70%), Karnataka (14.05%), Maharashtra (11.11%) and Gujarat (9.42%)