



MOBILE EXPORT JAN AND FEB IS INDUSTRY ESTIMATE

Surge in Indian Electronics and Mobile Exports in February 2024

India's export landscape witnessed an extraordinary surge in February 2024, with Electronic Goods and Mobile Exports emerging as standout performers, driving the country to achieve its highest monthly merchandise export figures on record.

Electronic Goods exports surged to a remarkable 54.81% increase at USD 3.00 billion in February 2024, compared to USD 1.94 billion in February 2023. Within the Electronic Goods category, mobile exports played a pivotal role, contributing significantly to the overall export figures. Mobile exports estimated for USD 1.74 billion, highlighting India's growing dominance in the global mobile device market.

MEDEPC ACTIVITIES

Meeting with Commerce and Industry Minister, Government of India

On 8th March 2024, MEDEPC, Shri Piyush Goyal, Hon'ble Commerce and Industry Minister, Government of India, chaired a meeting with all Export Promotion Councils (EPCs) and Industry Associations. Shri Sunil Barthwal, Commerce Secretary and Shri Santosh Kumar Sarangi, Director General, Directorate General of Foreign Trade, and other senior officials of the Department of Commerce were present in the meeting.

Shri Pankaj Mohindroo, Honorary Secretary, MEDEPC and Chairman of ICEA, alongwith Shri Sudeep Sarkar, Director and Ms Preeti Sharma, Deputy Director, attended the meeting.

The meeting was conducted to review sector-wise export performance. DG, DGFT made a presentation on the same.

Shri Piyush Goyal announced several Ease of Doing Business measures to facilitate smoother export operations. These were:

1. Remission of Duties and Taxes on Exported Products (RoDTEP) benefit extended to Exports by Advance Authorisation (AA), Export Oriented Units (EOU) and SEZs aiming to boost export competitiveness. These benefits will exist till 30th September 2027 thereafter it will be reviewed for further extension.

2. Simplified Process for Electronic Bank Realization Certificate (e-BRC): Recognizing the significance of e-BRC in confirming forex remittances against exports, the Directorate General of Foreign Trade (DGFT) initiated a measure to allow exporters to generate e-BRCs via self-certification through the DGFT website. This move aims to streamline the process, reduce compliance costs, and ease the burden for exporters.

3. Exemption from Import Goods Quality Control Orders (QCOs) for Export Purposes: Import of certain goods exempted from Quality Control Orders (QCOs) will now be permitted for export purposes, providing relief to exporters and facilitating smoother trade operations.

4. The Department of Commerce is having an outreach to 100 district hubs with private players like Amazon and DHL.

These measures signify the government's commitment to enhancing the ease of doing business for exporters, fostering a conducive environment for trade, and promoting India's export competitiveness on the global stage.

Commerce Minister Hosts Luncheon Interaction with Chairmen of EPCs

On 10th March, 2024, Shri Piyush Goyal, the Hon'ble Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution, and Textiles, orchestrated a luncheon interaction with the chairmen of Export Promotion Councils (EPCs) at Bharat Mandapam. Shri Pankaj Mohindroo, Honorary Secretary and Chairman of ICEA represented MEDEPC in this meeting.

The gathering provided a platform for constructive dialogue and collaboration between the government and key stakeholders in the export sector. Discussions likely centered on strategies to boost export growth, address challenges faced by exporters, and explore avenues for enhancing India's global trade footprint.

MEDEPC Engages with ELCOMA to Address Export Challenges

In a proactive move aimed at facilitating growth in the lighting industry's export sector, the Manufacturing and Export Promotion Council (MEDEPC), under the leadership of Shri Ajay Shankar, Chairman of MEDEPC, convened a meeting with representatives from the Electrical Lamp and Component Manufacturers Association of India (ELCOMA) on the 27th of March.

Mr. Amal Sen Gupta, Secretary General of ELCOMA, alongside members from prominent lighting companies such as Jaguar Lighting and Surya Lighting attended this meeting. The primary objective of the meeting was to identify and address the roadblocks hindering the industry's efforts to achieve its export targets.

Merchant Exporters Advocate for Recognition in Mobile and Electronics Goods Export

Shri Prashant Bora, Managing Director of Bora Exim LLP, representing the Mobiles and Electronics Indian Merchant Exporter of Association (MEIMEA) had a virtual meeting with Shri Ajay Shankar, Chairman MEDEPC, emphasized the crucial role played by merchant exporters in the industry.

Shri Bora highlighted that merchant exporters act as vital arbitrageurs, facilitating market penetration into various countries and significantly contributing to the growth and expansion of the export sector. He stressed the importance of recognizing the contributions of merchant exporters to the nation's economy.

The meeting likely involved discussions on strategies to enhance support and recognition for merchant exporters from the authorities. Such advocacy efforts underscore the significant role played by merchant exporters in driving export growth and promoting India's presence in the global market.

MEDEPC Chairman visited Centre of Excellence for Smartwatch Manufacturing

On February 27th, the Chairman MEDEPC visited the Centre of Excellence. The visit was strategically planned to gain insights into the facilities offered by the centre.

The agenda of the visit is to fostering innovation and growth in the manufacturing sector, particularly in emerging technologies like smartwatches. Such initiatives aim to enhance India's capabilities in manufacturing and export of high-value products, positioning the nation as a key player in the global market.

NOTIFICATIONS

Department of Revenue vide notification No. 17/2024 – Customs amend earlier notification no. 57/2017 by including mart rings, shoulder bands, neck bands or ankle bands.

In exercise of the powers conferred by sub-section (1) of section 25 of the Customs Act, 1962 (52 of 1962), the Central Government notified the following amendment in the notification of Department of Revenue, No. 57/2017-Customs.

In the said notification, in the Table, (i) against S. No. 20, in column (3), in item (a), for the symbols and words "(commonly known as smart watches);", the symbols and words "(commonly known as smart watches) and other smart wearable devices including smart rings, shoulder bands, neck bands or ankle bands;" has been substituted.

Government Extends RoDTEP Support to AA/EOU Exports with Amendment to Customs Notification

The CBIC vide Notification No. 20/2024 – Customs (N.T.) dated March 11, 2024 amends the earlier Notification No. 24/2023-Customs (N.T.) dated April 01, 2023. The amendment extends the RoDTEP support to exports by Advance Authorisation (AA)/Export Oriented Units (EOU). In the said notification (i) in clause 2, (a) in sub-clause (1), for item (b), the following shall be substituted, namely:-

Earlier

(b) against export of goods notified in Appendix 4R (hereinafter referred to as the Appendix) of the Foreign Trade Policy, at the respective rate and cap notified under the said Appendix:
Provided that the value of the said goods for calculation of duty credit to be allowed under the Scheme shall be the declared export FOB value of the said goods or up to 1.5 times the market price of the said goods, whichever is less;

Now

**“(b) against export of goods notified in Appendix 4R of the Foreign Trade Policy or against export of goods under Advance Authorisation (except Deemed Exports) as notified in Appendix 4RE of the Foreign Trade Policy or export of goods manufactured by or exported by Export Orient Unit as notified in the said Appendix 4RE, at the respective rate and cap notified under the Appendix 4R or Appendix 4RE, as applicable:
Provided that the value of the said goods for calculation of duty credit to be allowed under the Scheme shall be the declared export FOB value of the said goods or, up to 1.5 times the market price of the said goods, whichever is less;”**

(b) in sub-clause (4), for the words “notified in the Appendix”, the words “notified in the said Appendix 4R or Appendix 4RE, as applicable” shall be substituted;

Earlier

(4) that the duty credit allowed under the Scheme against export of goods notified in the Appendix shall be subject to realisation of sale proceeds in respect of such goods in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), failing which such duty credit shall be deemed to be ineligible;

Now

(4) that the duty credit allowed under the Scheme against export of goods **“notified in the said Appendix 4R or Appendix 4RE, as applicable”** shall be subject to realisation of sale proceeds in respect of such goods in India within the period allowed under the Foreign Exchange Management Act, 1999 (42 of 1999), failing which such duty credit shall be deemed to be ineligible;

DGFT Grants Exemption to Import Goods from Quality Control Orders (QCOs) for Export Purposes

The DGFT vide Notification No. 69/2023 dated March 7, 2024, has announced provisions for exempting inputs imported by holders of Advance Authorisation and Export Oriented Units (EOUs) from mandatory Quality Control Orders (QCOs). Consequently, a list that includes the Ministry of Steel and the Department for Promotion of Industry and Internal Trade (DPIIT) has been notified in Appendix 2Y of the Foreign Trade Policy (FTP), 2023.

Under the notification, import of input goods is exempted from QCOs only if imported under the advance authorization scheme and used exclusively for manufacturing products meant for export. Export-oriented units (EOUs) and units in Special Economic Zones (SEZs) are also granted exemption under the same condition.

DGFT Enhances Trade Facilitation with Amendments in Para 4.06 and Para 4.14 of the Handbook of Procedures 2023

The DGFT issued Public Notice No. 15/2023 dated March 14, 2024, which amends Para 4.06 and Para 4.14 of the Handbook of Procedures 2023. This amendment aims to streamline and automate the process for the fixation of norms and notification of new Standard Input-Output Norms (SIONs) under the Advance Authorisation Scheme, enhancing ease of doing business and facilitating trade.

(A) Under Para 4.14 of HBP 2023, new sub-para (iii) is added as mentioned below:

(iii) Ad-hoc Input Output Norms may also be decided in a rule based IT environment without reference to Norms Committee. However, a certain percentage of cases as flagged by the RMS may be referred to Norms Committee for validation/review.

(B) A new sub para 4.06 (vii) of HBP 2023 is inserted as below:

4.06 (vii) In cases where ad-hoc norms have already been arrived at by Norms Committee, the Norms Committee may recommend Notification of SION on a case to case basis.

UPDATES ON FTAs

India and European Free Trade Association Ink Historic Trade Deal

On March 10th, 2024, India finalized a significant Trade and Economic Partnership Agreement (TEPA) with the European Free Trade Association (EFTA), comprising Switzerland, Iceland, Norway, and Liechtenstein. The Union Cabinet, led by the Hon'ble Prime Minister, has given approval for this landmark agreement, marking India's first-ever Free Trade Agreement (FTA) with four developed European nations.

Shri Piyush Goyal, Hon'ble Minister of Commerce and Industry, Food and Consumer Affairs, and Textiles, emphasized the modern and ambitious nature of TEPA. The agreement includes binding commitments of \$100 billion in investment and the creation of 1 million direct jobs over the next 15 years, presenting a significant boost to India's Make in India initiative.

TEPA, encompassing 14 chapters, focuses on various aspects including market access, rules of origin, trade facilitation, and investment promotion. This agreement is expected to open new avenues for Indian exporters to access large European and global markets.

India and Dominican Republic Sign Protocol for Joint Economic and Trade Committee

In a significant development, the protocol for the establishment of the Joint Economic and Trade Committee (JETCO) between India and the Dominican Republic was signed at the Ministry of Foreign Affairs (MIREX) in Santo Domingo on March 12, 2024. The agreement, signed by H.E. Mr. Roberto Álvarez, Minister of Foreign Affairs of the Dominican Republic, and Mr. Ramu Abbagani, Ambassador of India to the Dominican Republic, aims to enhance economic and commercial ties between the two nations.

The Union Cabinet had previously approved the proposal for the signing of the protocol on January 24, 2024, coinciding with the 25th anniversary of diplomatic relations between India and the Dominican Republic.

The protocol seeks to strengthen cooperation in trade, services, industrial technologies, and various other sectors through technical assistance, training programs, and capacity building initiatives.

This agreement is expected to address challenges faced by trade and industry while fostering knowledge sharing and best practices between the two countries. India predominantly imports gold from the Dominican Republic and exports pharmaceuticals, marine products, motor vehicles, two and three-wheelers, among other commodities.

The inaugural meeting of the India-Dominican Republic JETCO is anticipated to take place in the near future, marking a significant milestone in bilateral economic collaboration.

Thailand Objects to Indian Customs Regulations Amidst India-Asean FTA Review

In the ongoing India-Asean Free Trade Agreement (FTA) review, Thailand has raised objections to customs regulations implemented in 2020 aimed at verifying rules of origin under FTAs. This objection comes on the heels of Thailand's recent pushback against India's food security program at the World Trade Organization (WTO) meeting.

The objection was revealed by a government official amidst India's efforts to enhance exports to Association of Southeast Asian Nations (Asean) countries. The trade gap between India and Asean, which stood at over 40 percent compared to \$25.57 billion in FY22, has been a growing concern.

India seeks a comprehensive review of the India-Asean FTA, aiming for better market access and trade facilitation. Key discussions revolve around the Customs (Administration of Rules of Origin under Trade Agreements) Rules (CAROTAR), affecting exports, particularly from Thailand.

Both parties are exploring avenues to address concerns, including expanding tariff elimination coverage and liberalizing product-specific rules (PSRs) in key sectors like electronics, chemicals, and textiles. PSRs play a crucial role in determining preferential tariff treatment for goods traded under FTAs.



Sponsored by Ministry of Commerce & Industry, Govt. of India

606, 6th Floor, Le-Meridian Commercial Tower, Windsor Palace, Raisina Road New Delhi-1

For any query or suggestion please write to us medepc@medepc.org or call +91 11 49349900