

MEDEPC NEWS

Electronic Goods Exports Surge by 22.97% in May 2024

Merchandise exports from the country registered a significant growth of 9.10% in May 2024, reaching USD 38.13 billion compared to USD 34.95 billion in May 2023. The primary contributors to this growth include Petroleum Products, Engineering Goods, **Electronic Goods**, Drugs & Pharmaceuticals, Ready-Made Garments (RMG) of all Textiles, Plastic & Linoleum

The export of electronic goods has increased by 22.97%. Exports in this sector grew from USD 2.41 billion in May 2023 to USD 2.97 billion in May 2024. A significant portion of this increase was driven by the mobile phone industry, which saw exports rise to USD 1.74 billion (Industry Estimates) in May 2024. This marks a 27% increase from the USD 1.36 billion recorded in May 2023.

The growth in electronic goods exports is a clear indicator of the industry's robust performance and the country's expanding influence in the global market.

OUTCOME OF OUR RECENT MEDEPC REPRESENTATIONS

Government to Ease Visa Process for Chinese Technicians and Experts

The Department for Promotion of Industry and Internal Trade (DPIIT), under the Ministry of Commerce and Industry is developing a Standard Operating Procedure (SOP) to expedite visa approvals for Chinese technicians and experts. This decision follows representations from the MEDEPC, which emphasized the need for an efficient visa process.

The SOP aims to facilitate the entry of Chinese nationals employed by multinational corporations (MNCs) from Europe, the United States, Japan, and other Non Chinese countries. By streamlining the visa approval process, the initiative seeks to reduce administrative delays and support the seamless operations of these companies in India.

The SOP is expected to enhance the ease of doing business in India and attract further foreign investment. It is currently in the final stages of development and will soon be shared with all relevant stakeholders for implementation and feedback.

For full article may be read here https://www.business-standard.com/industry/news/dpiit-working-on-sop-to-ease-entry-for-certain-chinese-workers-in-india-124060300509_1.html

MEDEPC participated in Review Meeting Held to Boost Exports to Russia

A review meeting aimed at increasing exports to Russia was held on 28th May 2024, under the chairmanship of Shri Manish Chadha, Joint Secretary, Department of Commerce, Government of India. The meeting involved the Indian Mission in Moscow and representatives from Chemexcil, Plexconcil, ESCEPC, TEPC, and MEDEPC.

The discussions centred around enhancing the export of key products to Russia, including **Plastic Goods, Electronics Items, Organic Chemicals, Tea and Coffee.**

The Export Promotion Councils were urged to devise strategic plans to increase exports to Russia. Shri Manish Chadha emphasized the need for close collaboration with the Indian Mission in Moscow to ensure a positive outcome. The participants discussed about various challenges and measures to augment export from India.

MEDEPC highlighted banking-related issues faced by member exporters. Addressing these concerns was identified as crucial for facilitating smoother trade transactions and boosting overall export performance.

MEDEPC Chairman had a meeting with Members on how to boost Exports to Russia

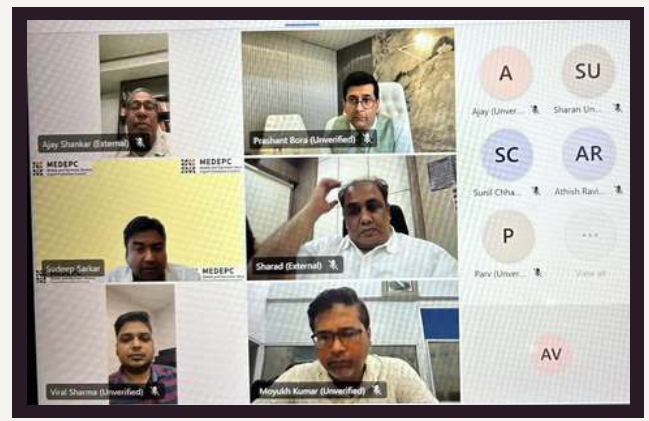
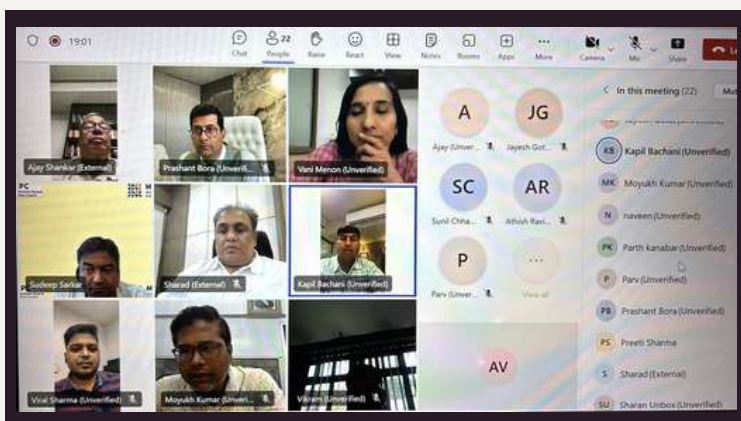
On 13th June 2024, Shri Ajay Shankar, Chairman, MEDEPC, convened a meeting with members to strategize on enhancing export to Russia. The discussions highlighted significant concerns and actionable steps to facilitate smoother trade relations.

A primary issue raised was the necessity for the government to establish well-defined banking channels for getting remittance of the supplies made. This concern stems from the reluctance of many banks to process export transactions due to the fear of sanctions.

The members highlighted the need for government intervention to provide clarity banking issues related to trade with Russia. In addition to banking challenges, the meeting emphasized the importance of creating more business opportunities through organizing B2B meetings. These events would serve as a platform for exporters and potential Russian partners to connect, discuss, and negotiate trade deals, thereby strengthening bilateral trade relations.

The Chairman assured the members that their concerns and suggestions would be conveyed to the Ministry of Commerce & Industry. By addressing these critical issues, MEDEPC aims to pave the way for a substantial increase in electronic goods exports to Russia.

MEDEPC had convened a meeting with exporters earlier on 17th May 2024, on banking solution for Russian trade challenges.



Chairman MEDEPC met Shri S Krishnan, Secretary, MeitY

On 6th June 2024, Shri Ajay Shankar, Chairman, MEDEPC, called on with Shri S Krishnan, Secretary, Ministry of Electronics and Information Technology (MeitY), Government of India. During this meeting, the Chairman highlighted the industry concerns, emphasizing the urgent need for establishing a robust component industry and underscoring the importance of Foreign Direct Investment (FDI) in the sector. The discussions highlighted the reliance of the industry on skilled technicians and experts, particularly from China, and the challenges faced due to the current visa processes. The need for a streamlined visa procedure to ensure timely entry of these professionals was also a key point of discussion.

MEDEPC's efforts aim to foster a more conducive environment for industry in India, ensuring operational efficiency and supporting the country's goal of becoming a global electronics manufacturing hub. By advocating for these changes, MEDEPC seeks to attract more FDIs, which is crucial for the growth and development of the electronics sector.

The Secretary of MeitY acknowledged the concerns raised and assured that the ministry is considering measures to address these issues, promoting a more business-friendly atmosphere in India.

MEDEPC Signed MoU with RAMA



In a significant development on 18th June, 2024, the Mobile and Electronic Devices Export Promotion Council (MEDEPC) signed a Memorandum of Understanding (MOU) with the Refrigeration and Air-Conditioning Manufacturers Association (RAMA). This strategic partnership aims to bolster India's air-conditioner industry and enhance its export potential.

The MOU was signed by Shri Ajay Shankar, Chairman of MEDEPC, and Shri Kanwaljeet Jawa, President of RAMA. By leveraging each other's strengths, the partnership is poised to drive advancements in energy-saving technologies and promote sustainable practices.

A key focus of the MOU is to enhance industry knowledge of global market dynamics. This will involve shaping policies that support the industry's growth and exploring Free Trade Agreements (FTAs). Through these efforts, the collaboration seeks to position India as a leader in the global air-conditioner market. MEDEPC and RAMA are committed to boost exports and to contribute positively to environmental sustainability.

Notifications

DRI Clarifies Mechanical Parts of General Use will be included in Display Assembly for Concessional Duty

The Department of Revenue Intelligence (DRI) has clarified that input components attached to display assembly of a mobile phone will attract a combined import duty of 10%, clearing the ambiguity surrounding duty calculations for over four years now.

The DRI cleared that display components SIM Socket, SIM Tray, Antenna Pin, Side Keys like Power Key, Slider Switch and Volume Button which are not part of phone displays, may come fitted or attached with display assembly kits. The assembly continues to be a Display Assembly of a cellular mobile phone and BCD rate of 10% (and not 25%) shall be applied on the whole integrated assembly,” it said in a circular released late Friday.

The notice of DRI puts an end to the prolonged confusion among mobile phone manufacturers, customs officers, the DRI as well as the electronics & IT ministry who have been struggling to clear the air since 2020 when the basic customs duty of 10% was levied on import of display assemblies. DRI raised huge demands, industry incurred compliance cost and lawyers' fees to sight case.

Back in 2022, Chinese smartphone makers Vivo and Oppo, and Xiaomi India had received show cause notices asking for penalty of a combined Rs 7259 crore, which they fought in the courts.

[Circular No. 06/2024-Customs dated 7 June, 2024]

DGFT Simplifies Procedure for Export Obligation Discharge Certificates (EODC) for Deemed Exports

The Directorate General of Foreign Trade (DGFT) has introduced amendments to streamline the process of obtaining Export Obligation Discharge Certificates (EODCs) for Deemed Exports under Para 2(b) of ANF 4F. These amendments, empowered by Paragraph 1.03 and 2.04 of the Foreign Trade Policy 2023, aim to enhance clarity and efficiency in compliance procedures.

Key revisions include specific requirements such as submission of system-generated GST e-invoices and e-way bills, endorsements on shipping bills for intermediate suppliers, and mandatory e-BRCs for validating export proceeds. Additionally, a certified statement by an Independent Chartered Accountant on supplies, exports, imports, and input consumption further ensures transparency in meeting export obligations.

These amendments are designed to simplify documentation requirements and bolster compliance efforts, ultimately fostering a more conducive environment for trade facilitation and export growth.

[DGFT Public Notice No. 09/2024 dated 6 June, 2024]

Other Information

The chipmaking equipment industry is moving to set up bases of operation in India, as the country emerges as a promising alternative to China amid tensions between Beijing and the West. International chip industry group SEMI will hold its Semicon exhibition in India for the first time in September 2024, near New Delhi. The exhibition has been held in the U.S., Japan, Europe, Taiwan, South Korea, China, and Southeast Asia.

Japanese companies like Tokyo Electron, Disco, Canon, Tokyo Seimitsu, and Daifuku are scheduled to attend. Tokyo Electron will show equipment for wafer deposition, coating, and other front-end steps in the chipmaking process. Disco is expected to exhibit equipment for back-end processes like grinding and dicing wafers to form chips.

Applied Materials, Lam Research and KLA from the U.S. will also have large booths. Due to concerns about infrastructure like water and electricity, India has yet to attract many semiconductor fabrication plants, or fabs. The country's share of the chip equipment market is thought to be less than 1%, showing a large gap with market leader China's 34%.

For more information, please read <https://asia.nikkei.com/Business/Tech/Semiconductors/India-attracts-chipmaking-equipment-companies-as-China-alternative>
