MEDEPC
Mobile and Electronic Devices
Export Promotion Council

MEDEPC NEWSLETTER



Dear Members,
The 6th issue of the MEDEPC newsletter!

This month, we've made significant progress. We have represented the SEZ policy to the Ministry of Commerce. And a Road Show in collaboration with Messe Muenchen India Pvt. Ltd. in Noida is scheduled for 9th. August.

The CBIC is automating exchange rate notifications, and clarity on MOOWR-to-MOOWR movement has been provided. Many other changes are detailed in this issue.

June 2024 saw a 16.91% increase in Electronic Goods exports, rising from USD 2.42 billion in June 2023 to USD 2.82 billion in June 2024. Of this total, the estimated export value for smartphones is USD 1.60 billion, highlighting our sector's robust performance.

We are also reporting on important international trade dialogues, such as the BIMSTEC meeting and the India-Qatar Joint Working Group, to keep you informed on global trade developments.

We hope you find this issue informative and useful. Do send us your comments.

Best regards,
Arun Goyal
Trade Expert and Advisor to MEDEPC

CIM meeting EPCs and Industry Associations



Shri Piyush Goyal, hon'ble Minister of Commerce and Industry convened a meeting with officials from Export Promotion Councils (EPCs) and Industry Associations on June 27, 2024. From MEDEPC Mr. Ajay Shankar, Chairman, Mr. Virat Bhatia, Vice Chairman, and Mr. Pankaj Mohindroo, Honorary Secretary attended the meeting.

The primary agenda of the meeting was to address industry challenges and solicit suggestions from stakeholders on ways the government can facilitate and enhance exports. MEDEPC highlighted several concerns related to ease of doing business, Free Trade Agreements (FTAs), and logistics.

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During the session, the Minister unveiled a strategic initiative focusing on six key sectors for export promotion, and Electronic Products prominently featured among them. EPCs representing these sectors were urged to take proactive steps in identifying specific products and target markets, emphasizing both supply-side enhancements and demand-side interventions.



The 5th Meeting of the Executive Committee of MEDEPC

The 5th Meeting of the Executive Committee of the Mobile and Electronic Devices Export Promotion Council (MEDEPC) convened on July 4, 2024, (online) under the leadership of Chairman Mr. Ajay Shankar. The session focused on reviewing the impressive export performance of mobile phones in the past fiscal year, required the need to replicate this success across other segments of the electronic industry. Executive Committee Members emphasized the importance of fostering a robust ecosystem for component manufacturing to enhance value addition within the sector.

The next meeting of the MEDEPC Executive Committee is slated for Q2 of this year, with specific dates to be announced shortly, aiming to further strategize on advancing electronic sector exports and addressing industry concerns effectively.

MEDEPC and MMI to host road show in Noida on August 9th 2024

MEDEPC, in partnership with Messe Muenchen India Pvt. Ltd. (MMI), is organizing its first Outreach programme in Noida on August 9th. This landmark event aims to bolster India's electronic manufacturing and export capabilities, featuring a distinguished panel discussion titled "Boosting India's Electronic Manufacturing and Export: Opportunity, Challenges and the Road Ahead."

Scheduled to convene industry leaders, policymakers, and stakeholders, the event will provide a crucial platform for strategic deliberations on enhancing India's position in the global electronics market. The event will focus on fostering an enabling environment for electronic manufacturing, emphasizing innovation, infrastructure, and overcoming operational challenges.

MEDEPC Representation for SEZ policy overhaul to boost manufacturing and global competitiveness

The Mobile and Electronic Devices Export Promotion Council (MEDEPC) has put forth a comprehensive representation to the concerned ministry, on policy framework for Special Economic Zones (SEZs). Highlighting the need for reforms to foster greater manufacturing prowess and integration into global value chains.



Proposals in the representation include permitting sales from SEZ production to the domestic market, subject to import duties at rates equivalent to those from any trading partner, coupled with value addition requirements. This move, would level the playing field for investments in India compared to global counterparts, addressing challenges posed by existing Free Trade Agreements (FTAs) and inverted duty structures.

MEDEPC stressed the transformative potential of enabling SEZ units to cater to both Indian and global markets simultaneously. This strategic shift would not only bolster export competitiveness but also substitute imports, thereby conserving foreign exchange.

Additionally, MEDEPC proposed reevaluating tax incentives on profits within SEZs, suggesting their removal to foster a more favourable institutional environment and potentially increase government revenues. The council also advocated for collaborative efforts between private developers and state agencies to develop larger SEZs, particularly near ports, aimed at attracting global manufacturing investments.

The representation aims to position SEZs as attractive hubs for global supply chains similar to international counterparts leveraging infrastructure and connectivity advantages to drive industrial growth and job creation within India.

CBIC AUTOMATES EXCHANGE RATE NOTIFICATION PROCESS

The Central Board of Indirect Taxes and Customs (CBIC) has announced the automation of its exchange rate notification process for imported and exported goods, starting from July 4, 2024. Previously, exchange rates for 22 currencies were manually updated twice a month and integrated into the Indian Customs EDI System (ICES).

With the new system, the State Bank of India (SBI) will forward exchange rate data directly to ICEGATE. These rates, adjusted to the nearest five paise, will be published on the ICEGATE website at 6:00 p.m. on the 1st and 3rd Thursdays of each month. The rates will become effective from midnight the following day.

This automation aims to enhance efficiency and accuracy in exchange rate notifications. The published rates will remain accessible on the ICEGATE website for future reference, allowing users to check historical exchange rates easily.

For more information, click on the link:

CBIC Circular No. 07/2024-Customs dated 25 June, 2024]



CBIC CLARIFIES PROCEDURE FOR TRANSFER OF GOODS BETWEEN SECTION 65 UNITS

The Central Board of Indirect Taxes and Customs (CBIC) has issued new guidelines to streamline the process for transferring goods between Section 65 units, which operate under the Manufacture and Other Operations in Warehouse Regulations, 2019 (MOOWR). These guidelines aim to address the challenges and non-uniformity in the implementation of Section 65 provisions reported by the trade and industry.

According to the new guidelines, import duties on warehoused goods become payable when resultant goods are cleared for home consumption. The transfer of goods between Section 65 units is allowed, provided the intactness of the one-time-lock is verified, quantities are reconciled, and the appropriate form is filled and endorsed by both the dispatching and receiving warehouses. Additionally, the transfer must be notified to the bond officer.

The process also requires debiting and recrediting of the triple duty bond and compliance with the transit risk insurance policy. The requirement for prior permission from the proper officer for each clearance has been relaxed to facilitate timely operations, though necessary documentation and duty payments must still be made.

For more information, click on the link:

CBIC Instruction No. 16/2024- Customs dated 25 June, 2024]

GOVERNMENT EXEMPTS GST COMPENSATION CESS ON SEZ IMPORTS

The Central Government has announced a significant exemption aimed at boosting operations within Special Economic Zones (SEZs). Utilizing the powers conferred by the Customs Act, 1962, and the Customs Tariff Act, 1975, the government has decided to exempt all goods imported by units or developers in SEZs from the Goods and Services Tax (GST) compensation cess.



Effective from July 15, 2024, this exemption, recommended by the Council and deemed necessary in the public interest, will apply to all goods imported for authorized operations within SEZs. The move is expected to reduce the operational costs for SEZ units and developers, fostering a more conducive environment for economic activities and investments within these zones.

For more information, click on the link:

[Notification No. 27/2024-Customs dated 12 July, 2024]

ELECTRONIC GOODS LEAD THE SURGE IN MERCHANDISE EXPORTS FOR JUNE 2024

In a notable upswing for the export sector, merchandise exports in June 2024 saw a positive growth of 2.55%, reaching USD 35.20 billion compared to USD 34.32 billion in June 2023. The cumulative export value for the first quarter of the fiscal year (April-June 2024) stands at USD 109.96 billion, reflecting a significant growth of 5.84% over the same period last year, which recorded USD 103.89 billion.

Electronic goods exports increased by 16.91%, from USD 2.42 billion in June 2023 to USD 2.82 billion in June 2024. Of this total, the estimated export value for smartphones is USD 1.60 billion.

Engineering goods also made a significant contribution, with exports rising by 10.27%, from USD 8.52 billion in June 2023 to USD 9.39 billion in June 2024. Other notable contributors include the exports of drugs and pharmaceuticals, coffee, and organic and inorganic chemicals.

ELECTRONIC GOODS IMPORTS SURGE BY 15.85% IN JUNE 2024

The import of electronic goods experienced a notable increase of 15.85% in June 2024, rising to USD 7695.33 million from USD 6642.09 million in June 2023.

Furthermore, the cumulative import value for electronic goods from April to June 2024 saw a rise of 10.84%, reaching USD 21896.15 million compared to USD 19753.38 million for the same period in 2023.

BIMSTEC Foreign Ministers Call on Prime Minister of India



Foreign Ministers from the BIMSTEC member states paid a joint call on Prime Minister(PM) Narendra Modi on 12 July, 2024.

PM had fruitful discussions with the group of Ministers on further strengthening the regional cooperation in diverse areas including connectivity, energy, trade, health, agriculture, science, security and people to people exchanges. He stressed on the role of BIMSTEC as an engine for economic and social growth.

PM reaffirmed India's commitment to a peaceful, prosperous, resilient and safe BIMSTEC region and highlighted its significance to India’s Neighbourhood first and look East Policies as well as in its SAGAR vision for Security and Growth for All in the Region.
PM expressed India’s full support to Thailand for the upcoming BIMSTEC Summit to be held in September.

BIMSTEC is a regional organisation comprising 7 member states - Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand.

India-Qatar Joint Working Group Meeting Held in Doha on 10 July

An Indian delegation comprising of officers from Department of Commerce and other ministries and organizations held a Joint Working Group (JWG) meeting with Qatari side in Doha on 10th July, 2024.

Both sides also reviewed the progress of ongoing discussions for Memorandum of Understanding (MoUs) on Food Safety and Cooperation in exchange of pre-arrival information for facilitation of trade and customs control on goods and agreed to conclude them expeditiously. Both sides agreed to expeditiously address all issues impeding bilateral trade and facilitate trade promotion between the two countries.

Both sides discussed the possible mechanism to activate the Joint Business Council to carry out its assigned role in following up and implementing the private sector's visions and proposals for trade and investment cooperation.

The JWG meeting was co-chaired by Economic Advisor, Department of Commerce, Ministry of Commerce and Industry, Government of India, Ms. Priya P. Nair and Director of International Cooperation and Trade Agreements at the Ministry of Commerce and Industry, Government of the State of Qatar, Mr. Saleh Al-Mana.

Bilateral trade between India and Qatar stood at USD 14.08 billion in 2023-24. India is the second largest trading partner to Qatar. Both sides agreed to hold the next meeting of the JWG in 2025, in New Delhi. The deliberations of the first session of India-Qatar JWG were cordial and forward-looking, reflecting the friendly and special relations between the two countries.

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