

Relief likely on laptop, tablet import curbs

Day after move, officials say govt planning at least 1-month transition period

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The government is likely to provide at least a one-month transition period while going ahead with the policy to restrict the import of laptops, tablets, and personal computers (PCs), government officials said on Friday. Till the time of going to press, there was no official statement on this.

In a move that took the biggest manufacturers of computers, including Dell, HP and Apple, by surprise, the government on Thursday announced that import was restricted with immediate effect in a bid to curb Chinese imports and push local manufacturing.

Importing electronic products, including small tablets, laptops, and all-in-one PCs, will need a licence. “There will be a transition period for this to be put into effect, which will be notified soon,” Rajeev Chandrasekhar, minister of state for electronics and information technology, said in a tweet. In a separate tweet, he said regulating import was not about “licence raj” but about ensuring trusted and verifiable systems reach the Indian technology ecosystem. “It is the government’s objective to ensure trusted hardware and systems, reduce import dependence, and increase domestic manufacturing of this category of products.”

The Directorate General of Foreign Trade (DGFT) has prepared a portal and companies can apply online for get-

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■ Officials say India wants to reduce widening trade deficit with China by imposing such curbs

■ Apple, Samsung, HP halt new imports of laptops and tablets

■ Companies also in talks with govt to get hands on import licences quickly

■ PC makers move DGFT for a three-month grace period



ting a licence. The DGFT may issue a licence within two days if the applicant submits all the details required for it.

“We are looking at creating a safe and secure environment for our citizens and domestic manufacturers. Keeping that in mind, this notification has been brought out by the DGFT,” a senior government official told reporters.

“The more local manufacturing happens, the more secure devices we will have. Under the IT hardware PLI 2.0 scheme, 44 companies have already been registered and two companies have filled their application for incentives under the

scheme,” the official said on condition of anonymity. Another government official on Friday said through such curbs, India wanted to reduce the widening trade deficit with China.

In FY23, India imported \$8.8 billion of the seven items brought under licensing regime. Of that, products worth \$5.1 billion (58 per cent) were sourced from China. India’s trade deficit with China ballooned to \$83.2 billion, as compared to \$73.3 billion in FY23.

Amid apprehensions that import restrictions will increase the prices of laptops, the official allayed such fears, saying laptop PC makers had an excess capacity in India.

OEMs in panic, halt imports

Several original equipment manufacturers (OEMs), including Apple, Samsung, and HP, have reportedly halted new imports of laptops and tablets. Companies are also in talks with the Centre to get the import licence quickly.

“Everyone has had to halt imports since the regulations have been put in place with immediate effect. But that does not mean that the devices that were already processed and approved by regulatory authorities and are, perhaps, inbound will be stopped,” said a senior executive at a large laptop-manufacturing company.

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PC makers have also, meanwhile, approached the DGFT to provide a three-month period before implementing the regulations, Business Standard had reported earlier.

Analysts say the restrictions are likely to throw a spanner in the works for market leaders like HP, Dell, and Lenovo, which, despite having manufacturing units in India, rely on component import. Imports account for around 90 per cent of PC sales in the country and the restrictions, companies say, could lead to a shortage in the market and a subsequent uptick in prices ahead of the upcoming festival season sales.

“It is going to create some demand-supply mismatch, especially going into the festival season, which contributes almost one-fifth of annual sales. Most device manufacturers tend to launch flagship devices during this period,” said Tarun Pathak, research director, Counterpoint Research.

India’s PC shipment has been declining since the second half of last year. In the first quarter of this year, the PC market, including desktops, notebooks, and workstations, declined 30.1 per cent year-on-year to just 2.99 million, according to the data from the International Data Corporation (IDC). The Confederation of All India Traders (CAIT) has welcomed the restrictions, saying the move will boost domestic manufacturing and consumption of restricted items.

CAIT National President B C Bhartia and Secretary General Praveen Khandelwal, in a joint statement, said that, so far, foreign goods were capturing the vast Indian market, much to the disadvantage of consumers and local traders.