

IMPORT RESTRICTIONS ON LAPTOPS, TABLETS, PCs

Govt move may create gap in demand-supply

AKSHARA SRIVASTAVA
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This is reminiscent of the situation immediately after Covid, when the market had gone down,” says Manoj Kumar, a laptop retailer at New Delhi’s Nehru Place.

A tech maverick’s haven, Nehru Place is one of Asia’s biggest and busiest markets for technology products. As you enter the market complex, several young boys gather around, asking if you want your laptop repaired or wish to buy a ‘new’ one, before leading the way to some small shop.

The central government on Thursday imposed import restrictions on laptops, tablets, personal computers, and other similar data-processing units, citing “security risks”.

Although China was not mentioned, the restrictions would mean such items could be sourced only from “trusted partners” via a licensing regime. All prominent PC companies like Lenovo, Apple, Dell and HP import laptops to meet the demand in the country.



As a result, prices of laptops, tablets, among others, could rise

PC companies have said that this sudden requirement would halt PC imports—which account for 90 per cent of all sales in the country. It may lead to a significant shortage in the market and a sharp increase in prices.

Kumar, who owns Laptop Bazar—a shop selling second-hand laptops—says the move will have a cascading effect on the second-hand market too.

“If someone is buying a laptop at a higher price, he will sell it at a marginally higher price too. This cost will be reflected in the amount that a second-hand user will pay,” he says.

“Alternatively, if they were

buying the more expensive second-hand product, they may just choose to buy a new one as the cost difference between the two might decrease,” he adds.

Kumar sells close to 15-20 such second-hand laptops every month, in the price range of ₹7,000 to ₹40,000.

Retailers say that while the idea behind the move—a push to local manufacturing—is good, the implementation will take time.

“Make in India can’t happen overnight,” says another laptop retailer, adding that the newly-imposed restrictions will create a demand-supply gap in the

market. It will eventually lead to a sharp increase in prices.

“Customers will end up pre-buying laptops, even at inflated rates. The same is true for second-hand and refurbished pieces that a company’s authorised stores sell. This will also see an increase in prices because the supply of products will not keep pace with the demand,” he says.

While the market is not very busy during the day, “You can expect the crowd to swell in the coming days. People, who were planning to buy laptops or tablets later, will end up flocking the market to buy them sooner to avoid paying extra later,” he says.

However, some retailers say that even the inflated prices will not necessarily affect sales. A certain Chetan, a salesperson at Laptop Store—a multi-brand laptop retailer—says that laptops and tablets are extremely important in the day-to-day working of people.

Dheeraj Rana, a custom PC maker, said that the move will have no impact on their business, as the restrictions have been imposed on fully-assembled products only.