

India-US forum to discuss import monitoring of PCs

SHREYA NANDI

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India's decision to implement an import monitoring system for laptops, personal computers and information technology (IT) hardware will come up for discussions when the Trade Policy Forum (TPF) — the country's bilateral platform with the US — convenes a meeting later this week.

India has earlier cited national security concerns as a rationale behind its decision, which remains a sticking point as the US has once again sought an explanation. Last month, the US had raised questions regarding India's decision at the World Trade Organization.

The US has sought clarification once again even as India cited national security concerns as a rationale behind its August 2023 decision

“The US wants to understand the need for putting in place such a system and has sought a justification behind the move. We will once again explain our stance (at the TPF meet later this week),” a senior government official told *Business Standard*.



Indian officials have explained that the decision was taken on the grounds of national security and to ensure a trusted supply chain. India has also assured the US that it has no plans to implement such a monitoring system for other products.

In August 2023, India announced that it was planning to bring several products in the IT hardware segment under the “restricted” label.

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of the selected colour.

For instance, Hyundai Verna's ex-showroom price on the company's website remains consistent at ₹10.96 lakh, regardless of the chosen colour.

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However, the proposed move was deferred till October 30 after the industry aired concerns that it could lead to the return of "licence raj" that was characterised by strict government controls. In October, in a climb-down from its earlier position, the government said India would not restrict the import of laptops and other IT hardware products but put in place a contactless import authorisation system.

The new system kicked in from November 1 and will be in place till September 2024. However, there is no clarity on whether the system will be renewed. Under the system the government has been collecting data about specific products from different sources, and monitoring them in consultation with stakeholders. Government officials said that this was being done to ensure a "trusted supply chain" for electronics in the country amid increasing cybersecurity threats for hardware products.

The government has earlier said that the new mechanism was launched after extensive consultations with the industry. The import permit is issued in an end-to-end online format. The process, the government

has claimed, lasts less than 10 minutes.

Commerce and Industry Minister Piyush Goyal and United States Trade Representative (USTR) Katherine Tai will chair the 14th ministerial-level meeting of the Trade Policy Forum on Friday.

"The Trade Policy Forum has helped remove trade barriers and facilitate cooperation on key issues. During this year's meeting of the Trade Policy Forum, Ambassador Tai and Minister Goyal will discuss a broad set of issues to enhance the resiliency of the trade relationship, including agriculture, industrial products, services, and the protection of intellectual property, among other topics," according to an official statement released by USTR.