

IMPORT CURBS ON PCs, LAPTOPS

MeitY may meet electronics majors today

SOURABH LELE & ARYAMAN GUPTA

New Delhi, 7 August

Senior officials from the Ministry of Electronics and Information Technology (MeitY) are likely to meet with original equipment manufacturers (OEMs) of personal computers (PCs), laptops, and tablets on Tuesday to discuss their concerns over the import licensing policy announced last week.

MeitY officials are expected to hold two separate meetings — one with major global electronics firms such as Dell, HP, and Apple, and another with domestic contract manufacturers who provide local product assembly capacities to these firms, sources told Business Standard.

In a surprise move last Thursday, the government announced immediate restrictions on the import of PCs, laptops, and tablets in an effort to stimulate local manufacturing.

The import of products such as small tablets,



ILLUSTRATION: BINAY SINHA

KEY CONCERNS

- **Three-month transition period** isn't enough to relocate manufacturing, say firms
- **They want clarity on import quotas** ahead of festival season
- **Restrictions are also expected to increase** the compliance burden on OEMs
- **Lack of local supply chains** required to build a domestic manufacturing base

laptops, and all-in-one PCs will now require a valid licence. According to an updated notification, import consignments can be cleared without a licence for restricted imports until October

31, 2023. Although the three-month delay in the licensing mandate has given OEMs a reprieve, PC makers assert that this extension is insufficient for shifting their supply chains to India.

“On one hand, they have introduced the IT hardware PLI [production-linked incentive scheme], allowing firms to set up manufacturing operations in the country, on the other hand, they are tightening the noose with this short three-month extension,” an executive of a large PC manufacturer said on condition of anonymity.

He further said that for those companies keen to set up manufacturing operations in India, either an exemption from the restrictions was needed or more time to establish manufacturing units. “It takes eight-nine months to set up a factory, depending on its scale. It’s not feasible to begin manufacturing within just three months,” he pointed out.

OEMs are also expected to seek clarification on the import quota. With the festival season approaching, demand for PCs is predicted to increase. The imposition of a limit on the quantity of devices that can be imported could pose difficulties for many manufacturers.