

# US to India: Ensure PC import rules don't hurt trade

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The United States (US) on Friday urged India to ensure that import management system for laptops, personal computers (PCs), and information technology (IT) hardware put in place since November does not 'restrict' trade in the future.

The matter was discussed during the India-US Trade Policy Forum (TPF) that was co-chaired by Commerce and Industry Minister Piyush Goyal and US Trade

Representative

(USTR)

Katherine Tai, who is in the national capital for the ministerial.



"Ambassador Tai raised the issue of India's new import requirements for computers, tablets, and servers. Goyal described India's objectives, including those related to national security concerns...

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She welcomed that India has implemented the "import management system for specified IT hardware" in a facilitative manner that has thus far minimised the impact on trade and urged India to ensure that the end-to-end online system currently in operation and related policies do not restrict trade going forward," according to a joint statement on the TPF.

Separately, the Directorate General of Foreign Trade (DGFT) on Friday clarified that the present restrictions would apply to five specified products and not to all other items, such as desktop computers.

"Only the import of laptops, tablets, all-in-one PCs, ultra-small form factor computers, and servers falling under HSN 8471 is restricted," the DGFT said in a notification.

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have remained steady despite material headwinds. With the worst likely behind and cost firmly under control, we expect earnings (of Infosys) to accelerate,” Kumar Rakesh, analyst, IT and auto, BNP Paribas India.

Wipro posted net profits of ₹2,700 crore in the third quarter, down 12 per cent from a year ago but up 1.2 per cent Q-o-Q, above the consensus Bloomberg estimates. Revenue declined 4.4 per cent from the year-ago period to ₹22,205 crore, slightly below the estimates.

For HCLTech, growth was driven by its software unit, for which the third quarter is seasonally weak. Software growth was up 5 per cent Y-o-Y and 32 per cent Q-o-Q, followed by its engineering and research and development services, which grew 3.6 per cent Y-o-Y and 8.7 per cent sequentially. The firm’s IT and business services grew 1.9 per cent sequentially.

“With chief information officers concentrating on multi-year digital transformation projects, a roughly 10 per cent rise in IT services and end-user expenditure is expected, which will likely result in increased growth for Indian IT firms in the upcoming quarters,” said Biswajit Maity, senior principal analyst, Gartner.

One common theme across the India-headquartered IT services firms has been that Generative AI continues to be at a fast-growing but nascent stage, unlike their global competitor Accenture, which reported signed deals worth \$450 million in its first quarter.

## US India...

The joint statement said both ministers reiterated their commitment to ensure that technical regulations, such as quality control orders, do not create “unnecessary barriers” to trade by providing sufficient opportunities for stakeholder consultations and ensuring that relevant domestic standards align with international standards to the extent feasible.

The ministers welcomed the finalisation of the Turtle Excluder Device design developed with the technical support of the National Oceanic and Atmospheric Administration which may help India export more wild-caught shrimps and fish to the US.

The ministers emphasised their mutual interest in furthering public health discussions to ensure safe and effective medical products. India emphasised the need to increase the number of inspections by the US Food and Drug Administration (USFDA) in India to facilitate trade and continue to reduce the backlog. “The US appreciated India’s remarks, noting that the USFDA has increased staffing to increase pharmaceutical inspections conducted by the agency,” the joint statement said.

Goyal conveyed India’s interest in being recognised as a Trade Agreements Act-designated country by the US. The ministers highlighted the initiation in 2023 of discussions on issues related to bilateral government procurement, such as transparency and procedural fairness, and welcomed plans for further technical engagement between their officials.

During the meeting, Goyal raised the challenges faced by business visitors from India due to visa processing time periods and requested the US to augment processing.

While India pushed hard for a social security pact to safeguard the interests of cross-border workers, the joint statement said that the ministers encouraged “further engagement in order to establish a stronger basis for a future agreement.”

While India reiterated its interest in restoration of its beneficiary status under the Generalized System of Preferences programme, Tai noted that this could be considered, as warranted, in relation to the eligibility criteria determined by the US Congress.